

Speech to the Bell Telephone System's General Commercial Conference June 1928

Page, A. W. (1928, June). Public Relations and Sales. Speech presented at the Bell Telephone System's General Commercial Conference.

Summary

Page reviews the company's advertising program in detail. He highlights various advertisements and discusses the messages they are trying to convey. He also explains how as a monopoly, and the largest corporation in America at the time, AT&T should operate as though it has competition and offer the public the best possible service at the least possible cost. Page also discusses the need to change household perceptions of phones and his desire to create more of a need for them in the minds of consumers.

Key topics

Advertising

Company Philosophy - Dallas Speech

Sales

Public Relations - Message - streamlining your message

Monopoly – suspicion of monopolies

Page Principles

Manage for tomorrow

Conduct public relations as if the whole

company depends on it

Remain calm, patient and good-humored Realize a company's true character is

expressed by its people

Public Relations and Sales

General Commercial Conference June 1928

PUBLIC RELATIONS AND SALES

The Bell System is a monopoly. Under Mr. Vail's administration the public was convinced that the telephone system ought to be a monopoly, and it has acquiesced in that ever since. However, neither we nor anyone else has ever convinced the public that monopolies are, per se, a good thing, and there is still a general suspicion of monopolies, which puts us under a particular obligation to conduct ourselves even more carefully than other industries. The public objections to monopoly are based upon two simple beliefs; that monopolies are formed to take too much profit, and to do too little work.

The Dallas speech, which Mr. Gifford was going to talk to you about this morning, is an answer to the first suspicion, which the public has of monopolies. As you know, the fundamental idea in that speech is that the Bell System does not exact the last dollar that the law would allow us to take. We voluntarily give up any money above that necessary to continue to conduct the business and give the best possible service.

The Dallas speech provides us with a philosophy which is so simple that all of the personnel of the Bell System can understand it, and can use it to explain what the Bell System is doing and why it does what it does.

It was particularly interesting at the Publicity and Personnel Conference to hear the way in which the operators and linemen and other people had grasped the essentials of this, and the vigor with which they explained it in the very homely comparisons which occurred to them and which, I might say, very often were very much more effective than the explanations that we had been using.

The other part of the public suspicion is that a monopoly doesn't do enough work for the money it gets. There is a good deal of reason for that.

For instance, I don't know whether you are all familiar with the American Tobacco Company history. It was built up to be one of the greatest companies of the world. It had a reputation for being efficiently managed, just as we have, and it supplied a very large part, probably 90 per cent of the cigarettes that were used in this country, and it had formed the British-American Tobacco Company, which was rapidly getting into the same position in foreign fields. It was hailed as a great evidence of American achievement in big business.

Then the Government instituted a suit to dissolve this company, and business circles said that was just the ordinary foolishness of governments.

The Government did break it up and divided it into three parts. About the same time a fourth tobacco company appeared on the scene, the Reynolds Tobacco Company, and these four started out to compete. In ten years time they had increased the sale of cigarettes from 16,000,000 to 96,000,000 annually. In other words, the Government was quite correct, and the business opinion was quite wrong, for the competitive condition produced very much more rapid growth than the monopolistic condition.

I don't believe that we are in the position that tobacco company, but it isn't a bad idea for us to realize that we have got to provide from within ourselves a motivating force to keep us providing the public with the best possible service at the least possible cost, which is forced on most other people by active and direct competition.

Of course, we have set up the laboratories and the general staff system to provide material improvements, and they have provided improvements in materials and methods, so that the progress in the telephone industry has been as marked as that in any of the competitive industries.

But the desire to serve to the fullest extent usually accompanied by the visible evidence of the desire to sell, and that is the particular thing, which the public will recognize. They are accustomed to using that criterion.

If we are going to show that our monopoly is different, I think we must push our wares exactly as if we had competition, for it is a characteristic of a monopoly to give people what it thinks they ought to have, or what it is convenient to give them, and it is characteristic of other businesses to give the public what it wants.

The second attitude, I believe, is essential to good public relations, and I think it is more fundamental to good public relations than anything that is within our control, except the Dallas speech philosophy and, of course, as Mr. Gherardi pointed out, it is a part of that.

As a matter of fact, when we were discussing the annual report from which Mr. Gherardi read the sentence containing the words "adequate telephone service," I tried a couple of times to suggest a further sentence in that paragraph which would definitely state our policy to be one of active and aggressive and positive selling. I wasn't able to phrase that in any way that wasn't a public confession.

Now, I don't mean that we haven't pushed our services to a position where they are comparable with the distribution of many other services and wares, but I don't believe that we have produced quite the effect which we have sometimes thought. For instance, there was current in the printed matter of the American Company, the statements that we had 60 per cent of the world's telephone development, that various towns in the United States had more telephones than China and Portugal and Spain, and various self-congratulatory statements of that kind.

If you analyze those things, we have done pretty well, but we are not so completely in the lead as they would lead you to believe.

For instance, if you take the telephone development per hundred population, it is true that we stand very high. We have 15, against 7 for Germany and 9 for Denmark. On the other hand, you have to recognize that the purchasing power of the United States is infinitely greater than any of those places. If you check our distribution of telephone service in proportion to the per capita national income, which would be perhaps not accurate but at least somewhat nearer a fair statement than the other, you will find that while in the United States 1.20 per cent of the per capita income is spent for telephone service, in Sweden it is 2.06 per cent, and in Denmark 1.70 per cent. We are still considerably ahead of Great Britain, and a little ahead of Germany, which is 1.17 per cent.

In other words, we haven't in that particular case made so remarkable an advance as our original statement seemed to indicate. Moreover, while we spend a higher proportion of our per capita wealth on telephones than the British, the British Post Office has distributed telephone service to more people than the automobile manufacturers have sold automobiles to, while in this country just the opposite is true.

In comparing the growth of the telephone services with other services in this country in the last five years, the growth of population has been 6.5 per cent, the increase in telephones 29 per cent, telegrams 16.8 per cent, letters (which is a Government monopoly) 25 per cent-about 4 per cent lower than we are. Light and power companies have increased their kilowatt-hour sales 81.2 per cent, and the gas industry, which some time ago was a rather dying industry, have increased theirs 56.7 per cent. The railroads, which have not been particularly prosperous, have increased theirs 27 per cent, which is 2 per cent lower than ours.

When you check our distribution in that way, it shows us that we have ample room to go ahead and push our business, and we not only have ample room, but it is our obligation, because, as Mr. Gherardi read, when the Bell System accepts its

responsibilities for a nation-wide telephone service as a public trust, that means adequate service for everybody, and the most that they can comfortably, conveniently, and profitably use.

Of course, we can't do this except at a profit. Other people in distributing their wares, have been on a somewhat different basis than we can be. The automobile, of course, has reached its present distribution because it fills a public need, but it is doubtful if it would have reached anything like its present distribution if it had not been sold in the extraordinarily aggressive manner, which has been employed. The Automobile Merchants Association estimates that the automotive industry spent \$120,000,000 for advertising in 1927. The telephone industry spent about \$3,500,000. There were 225,000 salesmen engaged in selling automobiles, exclusive of the allied lines such as tires and accessories. In other words, there were two-thirds as many automobile salesmen as there are people in the whole Bell System.

The automobile people not only sold automobiles but they financed the campaign which sold good roads to the country, and of course in a certain sense, the money spent on good roads was the greatest subsidy any industry ever had—because it practically amounts to a large part of the plant for automobile transportation.

The automobile industry went on the basis of high profits, high sales expense, high pressure and high development, that is, they all did except Henry Ford. Most of his career he let the others do the selling of the general idea, spend the money in advertising and publicity, and he reaped where they sowed by offering the lowest-priced product.

Now, with us, as with Henry Ford, the cost of manufacture and selling in our industry are as low as they can be and we give a low price to the public, but we haven't the advantage that Ford had of having somebody else to sell our idea for us.

The light and power, industry was also built up on a different basis of sales than ours. The actual operating companies in the light and power business have not advertised and sold their services on any very different basis than we have. In 1926, 210 operating companies reported spending six-tenths of 1 per cent for advertising. That is just about what we did. However, other people have done a great deal of advertising for them. The General Electric and the Westinghouse and the radio manufacturers, the electrical supply stores and every manufacturer of any appliance that uses electricity, pushes the power company's sales. General Motors spends more in advertising its electric refrigerator, Frigidaire, in a year than the American Telephone and Telegraph Company does altogether, and this advertising is only indicative of their other selling efforts.

In both the motor and electrical industries, while standardization has gone far, it has still left a great variety of products with which to make their appeal to the public. In the telephone industry we have, in the public's estimation anyway, fewer things to offer and no one to help us offer them. Moreover, we have so small a margin of profit as to preclude many of the methods used elsewhere, and added to that, it seems that in some parts at our business, such as the exchange business, there isn't the same profit in increasing the business that there is in other lines of industry.

However, we have compensating advantages. The Bell System is entirely unique in one respect. It is the largest corporation in America but it does a retail business. It has

one employee for each \$9,000 invested. The gas companies have one for every \$25,000. and so forth.

The contacts between the telephone employees and the customers they serve are more frequent than in any other industry, and the nature of our business is such as to make all these contacts important, not only from a public relations but from a possible sales point of view.

In other words, we have ready-made for us our whole force as a possible selling force. And when it is a selling force, it is automatically engaged in improving our public relations.

In this connection, I would like to read a letter from a shovel manufacturer, which has the point of view that I am trying to illustrate.

"Quite a few months ago, I was asked what is the relative importance of the sales and manufacturing departments? It then developed that this question was asked because the superintendent or the company had endeavored to determine the point. He had created the issue because of a few decisions contrary to his recommendations concerning certain matters of company policy.

"The question strikes me as being a foolish one. In my opinion, this thought should not be allowed to exist in any form. The superintendent should have been promptly answered to the effect that there isn't any relative importance; we all belong to the sales department. That is all we are in business for, to sell the product that we manufacture. However, it is not necessary to have opposition or jealousy between departments in order to develop a dangerous attitude. Indifference is just as harmful, and indifference prevails in too many organizations. I refer, of course, to indifference as to what another department is doing, and indifference to the part that any department plays in the whole scheme.

"What becomes of a concern, the manufacturing department of which thinks that its sole mission is to match wits with cost sheets, and that it has to answer only to the superintendent, whose role in turn is entirely apart from any other in the plant. How can an organization possibly be successful when the plant executives feel that whatever happens after the product leaves the factory is the problem of the sales department?"

If everybody in the telephone business were trying to sell the services of the company you wouldn't have very much trouble with the public.

If every telephone company employee acted toward the public in every public contact as if he were the owner of a small business and the person he was dealing with were his best customer, nearly all the problems would be done. If occasions arose under those circumstances when he would feel it was all right to say that there was a rule of the company against doing what the man wanted, or if he wanted to tell the fellow to go to the devil—if he would do it if he were in a small business and this was his best customer, then probably it would be all right in the telephone business—but I think that it happens more often in big corporations than that rule would warrant.

I was interested at the Operating Conference to hear Mr. Barnard say that he believed that there was (I think he said) no one below the General Manager's position in a functional organization who could easily have an overall point of view of the business.

Of course, if everybody was engaged in selling, at least on one point—really on two points—that it, on sales and on public relations everybody would have an overall point of view.

At that conference also, Mr. Gifford made a statement of his point of view in deciding such matters. He said that he had made it a practice recently, whenever any question came up as to whether we should do a certain thing or not, to cheek his answer by the fact that if we had active competition from another telephone company, would we do it? And, it is quite surprising to find out how many times you would do it under those circumstances when you wouldn't do it perhaps under others.

That doesn't mean we have to go to the full extent of the kind of competitive selling that is becoming more or less common in this country at present. The country has a great overcapacity for production and there is great pressure in many lines of industry to find greater outlets so that they can continue to produce at low cost. This has driven some concerns to desperate, not to say absurd, methods of selling—really overselling—and violent stimulation which have produced what many people call prosperity without profit.

For instance, in a recent article in Harper's, a man criticizing that state of mind, quotes a paragraph from a story about Mr. Fred F. French, a nationally-known real estate operator in New York, as follows:

"The best example for a sales talk is the life of Jesus Christ," continued Mr. French, with eyes alight with vim for the competitive fight. "He was the best salesman of all times. He said, 'knock and it shall be opened unto you.' What He meant was 'keep knocking until the door is opened and if it isn't opened pretty soon kick down the door. That's my philosophy, too."

Of course we are not in that position; we don't have to do the absurdities, because the manufacturing end of our business isn't the place that controls. We begin with the desire to serve the public in the best way we can and we work back from that. These fellows who are talking in that language begin with the plant and with such and such a capacity and work out from that. We are not under the need of over-stimulated methods of selling, which in the long run do not produce the best results. We are more nearly like these fellows that started to run from Los Angeles to New York the other day. If they had started off and made the first hundred yards in 10 seconds they wouldn't have been much good for the rest of the way; they would have had to stop and lie down a while. As it was they kept a continuous and steady progress.

The kind of sales that I think would do us the most good, not only from a commercial point of view, but from the public relations point of view, is a continuous, steady effort. I don't mean by that any criticism of the week's extension campaigns, because they have a specific and limited objective, but they do not provide the same result in the long run that it seems to me the Bell System ought to get—a continuous, steady selling campaign, the idea of selling just as universal and continuous in the

¹ From "Prosperity Without Profit" in June issue of Harpers Magazine.

System as the idea of providing service. It would seem to me just as out of line to say that we would sell for three or four months and then stop, as it would be to say we would give good service for three or four months and then let it run down a while. It is an integral part of our every-day business, and we will not get the public to believe that we are doing our job unless it is continuous and constant and effective, because they instinctively discount these "fits and starts" methods followed by lack of attention for long periods they know perfectly well which companies are working all the time, steadily and effectively, and which are not.

In discussing how the publicity department could begin to help the commercial department in such a selling campaign as Mr. Wilson has been advocating, the discussion both at the Publicity and Personnel Conference and at the Operating Conference seemed to center upon two things—toll, and convenience in the home. The opportunities for toll selling you know better than I do, and I am not going to take much of your time on that. But in the selling of convenience in the home, I believe the publicity department ought to be able to help, and the first thing to do is to attack the inverted public psychology, certainly in the public and to some extent in the Bell System, as to what kind of telephone service people ought to have in their houses.

A friend of mine told me recently with great pride, about remodeling his house. He told me a lot of things he was putting in, Frigidaire and all the rest of it, and I said. "George, have you thought of making any arrangements for your telephone?" "No, I have a telephone, and one in the kitchen." Well," I said, "Suppose you let somebody from the New York Telephone Company come and talk to you about it and see if there isn't something more than that." He said, "All right," but it didn't seem to impress him that there were any other possibilities; he thought he had it all. Before Mr. McHugh's people got through with him, however, he had an intercommunicating system and about six telephones. I don't know how hard that job was to do, but anyway it was possible because it was done. About a week later I ran into his brother who was also building a house, and he said, "How it is that you take care of George and you don't say anything to me about these telephone affairs."

I am quite certain that there are a great many people who are perfectly willing and certainly perfectly capable of paying for telephone service who would immensely enjoy the comforts of being able to have a telephone at hand in a comfortable chair where they are reading, instead of jumping up and running to the coat closet or chasing around to the pantry or some other place, but it hasn't dawned on them that that can be done. Part of the reason it hasn't dawned on them is that we haven't told them about it.

I had an indication soon after I came to the telephone company of that state of mind inside the organization. I ran across an article for the Bell System Quarterly which bothered me-I didn't know for a while what was the matter with it-but this article went on at great length to explain with pride how small an amount of American families' incomes was spent for telephones. There isn't another business you ever heard of that would go out to prove that with a long array of statistics.

There has been also the point of view about not using the telephone for frivolous conversation. That is about as commercial as if the automobile people should advertise, "Please do not take this car out unless you are going on a serious errand." You know, it takes a long time to get an idea into the public mind, and an equally long time to get it out again, and we are faced, I think, with the state of public consciousness that the telephone

is a necessity and not to be trifled with, certainly in the home. Of course, in business offices people have to use it, and not only that, but our commercial departments have been very much better in working on them. We have a condition where we have a really very fine development for business and a very inadequate development for the convenience and comfort of people at home.

If you want to test that, all of you people who get your telephones at less than the normal price check up and see what you have in your own houses and how comfortable it is to telephone. We have tried it around "195" with results of which we are none too proud.

Now in this effort which we are making in our small department to aid this change in psychology we have an advertising program of which I would like to show you some of the elements in the form of charts, which Mr. Cook has kindly prepared of the work under his charge.

Figure 1 is a summary of the institutional advertising which the A. T. & T. has always done. The object of it, of course, is to portray to the public our character, aims, ambitions and ideals. Two examples of this are that in Mr. Vail's day institutional advertising was used as a means of convincing the public that a competitive system was not possible and that you had to have a monopoly; and that we are now trying to use it to explain the Dallas speech philosophy, to get the people in the United States to know the character and object and aims of the Bell System. This is a preventive kind of publicity, and to my mind exceedingly effective, because you can't run around and put salve on every sore that appears in the world. You have to find some way of correcting the thing before it breaks out.

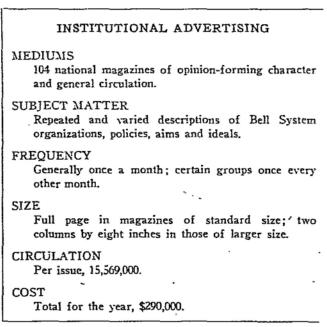


Figure 1

The amount of understanding of the Bell System, which has been evidenced from time to time since the Dallas speech, is very gratifying.

You will note from Figure 1 that there are 104 National magazines—that is pretty nearly all of the reputable ones in that class that we can find. In these advertisements you will see the repeated and varied descriptions of the Bell System organizations, policies, aims, and ideals. They are run once a month, full-page in the standard size magazines, and reach about 16,000,000 people, and it costs us about \$300,000.

Figure 2 is a sample of these advertisements with which you are all familiar. We are still running one month after another, this item in the advertising, "The American Telephone & Telegraph Company accepts its responsibility for a nation-wide telephone service as a public trust." What we mean by that is explained in the text one month one way and one month another way. This is similar to the idea employed last year in quoting the statement from last year's Annual Report: "The ideal and aim today of the American Telephone and Telegraph Company and its Associated Companies is a telephone service for the nation, free, so far as humanly possible, from imperfections, errors or delays, and enabling at all times anyone anywhere to pick up a telephone and talk to anyone else anywhere else, clearly, quickly and at a reasonable cost." The theory of repeating is that it is pretty hard to get a message to people unless you repeat it over and over again, so we only have about four things a year to say and we say them over at least three times; sometimes we only have three and say them over four times.



Figure 2

Figure 3 is the list of magazines in which that copy is being used; it runs all the way from the large circulations like the Saturday Evening Post, Literary Digest, Colliers, Liberty and the American, down to various business magazines.

Saturday Evening Post	Qtly. Journal of Economics	Public Works
Literary Digest	Sunset	Pub. Service Management
Collier's Weekly	Nat'l Geographic Magazine	Modern City
Liberty	Asia ·	Minn. Municipalities
American	Golden Book .	Telephone Engineer
Atlantic Monthly	Popular Science Monthly	Tel. and Tel. Age
World's Work	Popular Mechanics	· Telephony
Review of Reviews	Science & Invention	Electrical World
Harper's Magazine	Scientific American	Journal of A. I. E. E.
Scribner's Magazine	Judge	AMHERST Graduates Qtly.
Independent	Life	COLUMBIA U. Alumni News
American Mercury	College Humor	DARTMOUTH Alumni Magazine
Current History	Columbia	HARVARD U. Alumni Bulletin
Forum	American Legion Monthly	Illinois U. Alumni News
Nation .	Association Men	OHIO STATE U. Monthly
New Republic	Christian Herald	Penn. U. Gazette
Outlook	American Federationist	Princeton U. Alumni Wkly.
Time	Magazine of Wall St.	WILLIAMS Alumni Review
Yale Review	Advt'g. & Selling Fortnightly	Wisconsin U. Alumni Magazine
Virginia Quarterly Review	Editor & Publisher	YALE U. Alumni Weekly
No. American Review	Printers' Ink	STANFORD U. Review
Foreign Affairs	American Press	Georgia Sch. Tech. Alumnus
So. Atlantic Quarterly	Am. Journal of Pub. Health	Wash. U. Alumnus
Journal Land & Pub. Util. Economics	•	
Social Forces	Kansas Municipalities	and 26 other college
Political Science Qtly.	American City	and university
Journal of Political Economy	Am. Municipalities	alumni magazines.

Figure 3

Adequate Service advertising indicated on Figure 4 is an experiment in a way. We never did it before, and we are doing it at the end of this year really to get in practice, so that when you people really start on a wide campaign of convenience and comfort in the home, we can go along in some measure with you. Of course, our activity will be only a cooperative activity. If we should go to every magazine of national circulation in which such advertising would reasonably be proper, it still wouldn't cover the country. It is a matter the brunt of which has to be borne by your local newspaper publicity and advertising.

ADEQUATE SERVICE ADVERTISING MEDIUMS 8 women's magazines of large circulation. SUBJECT MATTER Comfort and convenience in home telephone service, featuring one phase at a time. FREQUENCY Every other month, SIZE 2 columns by 8 inches. CIRCULATION Per issue, 12,418,000. COST Total for the year, \$96,000.

Figure 4

We have already in our hands one thing, which any other business would be delighted to get, that is we have a list of our best customers. And while we are at that point, I would like to show you a bill insert of the New Jersey Company, which is pertinent to this, (Figure 5). On the cover there is a picture of the handset and underneath it simply says, "Now available." Inside there is a very simple very well written little statement giving the facts as to what it will cost to have a handset.

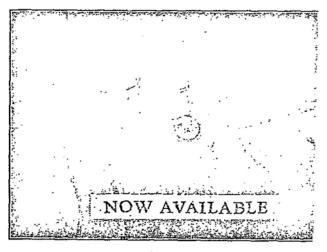


Figure 5

Figure 6 shows the way sales were going on handsets. When the rate per month was reduced you will note that sales increased, and when the bill insert went out the sales increased rapidly. This illustrates that when you have something, which the public wants, bill inserts are one of the most effective ways of telling subscribers about it, and they are also inexpensive.

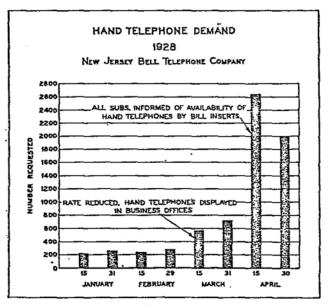


Figure 6

This year we have spent \$96,000 in the women's magazines. We simply took the same space that we had last year and changed it over into this comfort and convenience advertising to see how it would go.

Figure 7 indicates the general character of these advertisements. They are run in eight magazines as shown on Figure 8, and others are under consideration. These magazines are concerned with residence building, furniture, and homemaking and are all fairly high-class magazines going to an expensive clientele, and would be the ones in which you would logically start campaigns for such outward and visible signs of an inward and spiritual grace as are indicated by colored hand sets, and the new intercommunicating systems and wiring plans, and all the items which are more or less high-priced from the general point of view of what we have to sell. I should think, considering the kind of things that other people advertise and sell through those mediums, that they ought to be very effective.

Extension Telephones prevent embarrassment in Making or Answering calls

An Advertisement of the American Telephone and Telegraph Company

How embarrassing it is, sometimes, to have to answer the telephone in the presence of other people. You or your guests will appreciate being able to answer or make a call in any part of the

Extension telephones are im-Extension telephones are im-portant in many other ways. They save countless tiring steps. The living-room, library or den surely needs a telephone. Another should be in or handy to the kitchen. A telephone beside the bed is indispensable in times of illness or other emergency.

In renting or building a new-home, it is just as important to plan for plenty of telephone ser-vice as it is to provide for any of the other essentials of household convenience and comfort Ask the local Bell Telephone business office to advise with you. A world of telephone comfort may be had for very little extra cost.





Figure 7

MAGAZINES USED FOR ADEQUATE SERVICE ADVERTISING

Ladies' Home Journal Woman's Home Companion Delineator

Good Housekeeping Pictorial Review

McCall's Magazine

Holland's Magazine Woman Citizen

Under consideration:

Vogue Vanity Fair Spur

Modern Priscilla Peoples' Home Journal Architectural Record Pencil Points

House and Garden Country Life House Beautiful Better Homes & Gardens

Architecture American Architect Architectural Forum

and others

Figure 8

Farm advertising, Figure 9, is in another category. We used to print in the farm papers our ideals and aims. When we went over that carefully, it occurred to us that that might not be quite logical because a very great number of the farmers were not on the Bell lines at all, and in the second place, the service that they received wouldn't always register with the service we were talking about for the public in general. So we have adapted the advertising to something more nearly what they actually can expect.

FARM ADVERTISING

MEDIUMS

28 farm publications of national circulation with a few sectional papers not yet turned over to Associated Companies.

SUBJECT MATTER

Actual cases showing value of telephone service to the farmer, eliminating isolation, buying and selling to advantage, emergencies, etc.

FREQUENCY

Every other month.

SIZE

2 columns by 8 inches.

CIRCULATION

Per issue, 12,370,000.

COST

Total for the year, \$90,000.

Figure 9

As indicated by Figure 10, we are advertising now purely as sales advertising to get the farmer to put in a telephone. Before that campaign could go very much further and be much more effective, we are going to have to do something about the farm telephone business itself. In that connection, it was interesting to me to see an advertisement in "Printer's Ink" which happened to turn up this week. It is a picture of a farmhouse with a large telephone out in front, and is a colored and expensive advertisement. Its caption reads: "Leadership. Where farm telephones and farm property values prove buying power." It has a four-page colored insert. It was put out by "Successful Farming," a magazine that has about a million circulation among farmers, and it opens another whole opportunity for use, but not one that we are particularly pushing at this minute.

She Noticed a Suspicious Light

An Advertisement of the American Telephone and Telegraph Company

ONE night a farmer's wife living near Elmer, New Jersey, noticed a suspicious light near her home. She suspected chicken thieves. Going to her telephone, she called the operator at Elmer. The operator notified a number of people attending a grange meeting there. A constable and posse went at once to the form and caught the thief. He had nearly 3000 stolenchickens penned up near his place of residence. He was convicted and sent to prison.

The telephone serves the farmer in a thousand emergencies. Runs errands to town. Finds out when and where to sell at the best price. Brings the doctor in case of accident or sickness. Reaches the homes of relatives and friends. Pays for itself in money and convenience many times over.

The modern farm home has a telephone.





Figure 10

Figure 11 shows the farm papers that we are using.

PAPERS USED FOR FARM ADVERTISING

Progressive Farmer American Farming Southern Ruralist American Fruit Grower Breeder's Gazette Illinois Farmer Farm Life Prairie Farmer Capper's Farmer Successful Farming Dairy Farmer Farmer's Home Journal Farm & Fireside Southern Agriculturist Field Illustrated Bureau Farmer County Agt. & Farm Bureau Country Gentlemen Farm Journal Farmer's Elevator Guide Hoard's Dairyman Equity Union Exchange National Grange Monthly Blade & Ledger Agricultural Review Grit

Figure 11

Modern Farming

Figure 12 shows our Personnel advertising, which is really devoted to portraying the advantages of employment by the Bell System, to men in college. Of course, the circulations it goes to are rather small, but in its own field I think it is fairly important. Figures 13 and 14 (page 12) are sample advertisements—you will note that some of them are double spreads that have both the A.T. & T. and the Western Electric together.

PERSONNEL ADVERTISING

MEDIUMS

92 undergraduate college newspapers and 29 engineering papers.

SUBJECT MATTER

Southern Cultivator

The varied opportunities for a career offered by the Bell System.

FREQUENCY

15 insertions in the college year.

SIZE

3 columns by 10 inches.

CIRCULATION

Per issue, 255,000.

COST

Total for the year, \$22,000.

Figure 12

Figure 15 (page 12) lists the magazines in which this advertising is used, which pretty well cover the institutions from which we ever get any graduates.

MAGAZINES USED FOR PERSONNEL ADVERTISING

ALABAMA U. Crimson White AMHERST Student BOWDOIN Orient Brown U. Herald BUCKNELL U. Bucknellian Calif. . U. Daily Californian CARNEGIE TECH. Tartan CASE SCH. APPLIED SCIENCE Tech. CHICAGO U. Maroon CLEMSON Tiger COLGATE U. Maroon COLORADO U. Silver & Gold COLUMBIA U. Spectator CORNELL U. Daily Sun DARTMOUTH The Dartmouth EMORY U. Wheel GEORGIA SCH. TECH. Technique GEORGIA U. Red & Black HARVARD U. Crimson JOHNS HOPKINS U. News-Letter IDAHO U. Argonaut ILLINOIS U. Daily Illini INDIANA U. Daily Student Iowa U. Daily Iowan KANSAS U. Daily Kansan KENTUCKY U. Kernel LAFAYETTE Semi-Weekly

LEHICH U. Brown & White MAINE U. Campus MARYLAND U. Diamond Back MASS. INST. TECHNOLOGY Tech. MICHIGAN STATE News MICHIGAN U. Daily MINNESOTA U. Daily Miss. A. & M. Reflector Missouri U. Student Nebraska U. Daily Nebraskan NEVADA U. Sagebrush NEW YORK U. Daily News No. CAROLINA U. Tar Heel NORTHWESTERN U. Daily OHIO STATE U. Lantern OKLAHOMA U. Daily OREGON U. Daily Emerald PENN STATE Collegian Penn. U. Pennsylvania PITTSBURGH U. Pitt Weekly PRINCETON U. Daily Princetonian PURDUE U. Exponent RICE INSTITUTE Thresher STANFORD U. Daily STEVENS INST. TECHNOLOGY Stute SYRACUSE U. Daily Orange

TEXAS U. Daily Texan TUFTS Weekly UTAH U. Chronicle VIRGINIA U. College Topics WASHINGTON U. Daily WILLIAMS Record Wisconsin U. Daily Cardinal Worcester Poly. Institute News YALE U. Daily News ALABAMA POLY. INST. Auburn Engineer ARMOUR INST. TECHNOLOGY Engineer CINCINNATI U. Cooperative Engineer COLORADO U. Engineer CORNELL U. Sibley Journal of Eng. Illinois U. Technograph KANSAS STATE Engineer MARQUETTE U. Engineer MASS. INST. TECHNOLOGY News OHIO STATE U. Engineer PENN. STATE Engineer PENN. U. Triangle PRINCETON U. News Letter Rose Poly. Inst. Technic VIRGINIA U. Journal of Engineering YALE U. Scientific Magazine and 40 others

Figure 15

TENNESSEE U. Orange & White

As shown by Figure 16 (page 13) we have the Bell Securities advertising, which costs us about \$50,000 a year and runs in the financial papers. A typical advertisement is shown on Figure 17 (page 13). What it does is to make one statement to arrest attention, and then gives certain fundamental financial facts about the Bell System and suggests that they write for more. Figure 18 (page 13) lists the publications in which these ads are placed.

FINANCIAL ADVERTISING

MEDIUMS

69 financial publications of national and regional circulation.

SUBJECT MATTER

Basic facts about American Telephone and Telegraph Company stock, policies and organization.

FREQUENCY

Varied. Six, twelve and fifty-two times per year, depending on frequency of issues.

From 2 columns by 7 inches to half- and full-pages, depending on frequency of issues.

CIRCULATION

Per issue, 666,000.

COST

Total for the year, \$48,000.

Figure 16

The world's most frequently consulted book

IT is impossible to know the number of times that Bell System telephone directories are consulted each day. Yet it is safe to say that they are the most frequently used books in the world. More than 1900 separate directories are issued, most of them twice a year. An aggregate of over 31,000,000 copies is required

annually. From these directories more than 56,000,000 calls are made a day over the wires of the Bell

Basic facts on American Telephone and Telegraph as an investment

With its predecessors, the American Telephone and Telegraph Company has paid dividends regularly for



forty-seven years. Its stock is held by more than 420,000 investors. It is constantly seeking to bring the nation's telephone service nearer to perfection. It owns more than 93% of the combined common stocks of the operating companies of the Bell System which furnishes an indispensable service to the nation.

We see for booklet "Same Financial Facts"

BELL TELEPHONE SECURITIES CO. Inc.





Figure 17

MAGAZINES USED FOR FINANCIAL ADVERTISING

American Bankers Assoc'n. Tennessee Banker American Globe Arkansas Banker Bank Director Bank Men Bankers Magazine
Bankers Monthly
Banking Law Journal
Bulletin of Calif. Bankers Assoc'n. Burroughs Clearing House Central Mfg. Dist. Magazine Central Western Banker Coast Banker Commerce & Industry Credit Monthly Financial Digest Fourth District Banker Hoosier Bankers Industrial Digest Kansas Banker Magazine of Western Finance Mid-Continent Banker Mid-Western Banker Mississippi Banker Montana Banker Mountain States Banker N. J. Journal of Ind. & Finance North Dakota Banker North Western Banker Ohio Banker Oklahoma Banker Savings Bank Journal Southern Banker Southwestern Banker Tar Heel Banker

Texas Bankers Record Trust Companies Magazine Forbes Magazine of Wall Street North Pacific Banker Annalist Bank News Banker & Tradesman Barrons-The National Weckly Bond Buyer Boston Commercial Bradstreets Journal Nation's Business Chicago Banker Commerce & Finance Commercial Bulletin Commercial & Financial Chronicle Commercial West Duns Review Economist Finance & Industry Financial Age Financial World Investment News Michigan Investor Mich. Mfgrs. & Financial Record Money & Commerce U. S. Investor American Banker Chicago Journal of News Bureau . Y. City Journal of Commerce Wall Street Journal Wall Street News

Figure 18

These lists of magazines, taken all together, show that pretty nearly all classes, and the best ones in every class of magazines that are published in the United States, have some Bell System advertising in them. Figure 19 (page 14) covers the Juvenile advertising. We have changed the advertising in the boys' magazines from the policies, ideals and aims, which I wasn't sure they would understand, and put in more technical matter. Figure 20 (page 14) is typical, giving an explanation of what the lineman does. Carrier currents, phantom circuits, and all manner of technical subjects are described in other copy.

JUVENILE ADVERTISING

MEDIUMS

4 boys' magazines of national circulation: Youth's Companion, American Boy, Boy's Life, St. Nicholas.

SUBJECT MATTER

Elementary explanations and circuit diagrams of fundamental telephone apparatus and methods. "How it Works."

FREQUENCY

Every other month.

SIZE

Generally 2 columns by 8 inches.

CIRCULATION

Per issue, 778,000.

COST

Total for the year, \$10,000.

Figure 19

What the Lineman Does

CI. An Advertisement of the American Telephone and Telegraph Company

ALL over the land, relephone linemen are busy at their work. The telephone system is growing daily and it takes thousands of them just to keep up with the construction work—such as building new lines, putting up new cables—that is always under way. That is one kind of lineman and he is out on his job every day helping to run new wire in all parts of the country.

There is another kind—the "trouble" lineman. This is the man who keeps the telephone system working at top-notch standards. When trouble is reported, he is quickly on the job. He follows the lines, inspects the instruments, tests with the central office and makes the needed tepairs.

The trouble lineman goes out in storms and all kinds of weather. When there is trouble anywhere on his lines, nothing stops him. He must know what to do in all sorts of emergencies.

The lineman uses a safety belt, climbers, pliers, connectors, friction tape, and various other special tools and equipment. All Bell linemen in America use the same kind of tools and the same practices. What is found to be best is used by all.

Throughout the United States there are companies making up what is known as the Bell Telephone System. This System now has: 18,500,000 telephones connected with it.



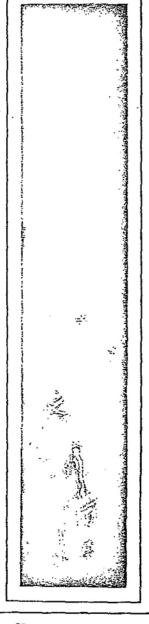


Figure 20

Figure 21 (page 14) National Business Directory advertising, is a new departure, which you know about but which is not yet in operation. This is a plan for making the classified directory a link between the manufacturer and his agent and the public. From

time to time now you see in the national advertising mediums and in the daily press an automobile company or an oil company, or some other firm who print their entire list of dealers. Of course, nobody keeps that list for reference, not any large number of people can use it the particular day it appears, and it is really a waste of money. It is not effective advertising. But what it is, is a sop from the manufacturers to the dealers to encourage them and make them think they are being backed up, but it isn't an effective method.

NATIONAL BUSINESS DIRECTORY ADVERTISING MEDIUMS Saturday Evening Post and six advertising trade publications. Also booklets, folders, directory inserts, etc. SUBJECT MATTER The value of business telephone directories to supply the "missing link" in advertising. FREQUENCY Once a month. Full pages, and probably double pages in advertising trade publications. CIRCULATION Per issue, 2,880,000. COST Total, \$100,000.

Figure 21

The plan we had was to get these people to put in their advertising, in place of that list of dealers, the statement that you can find your nearest dealer in the Classified Telephone Directory, so that you would have an instant place to find the dealer for anything that you saw nationally-advertised. If you read an advertisement in the Saturday Evening Post and wanted to purchase the product advertised and didn't know where to purchase it, all you would have to do is to go to the Classified Directory and look under the title of that product and you would find every dealer in your town listed there.

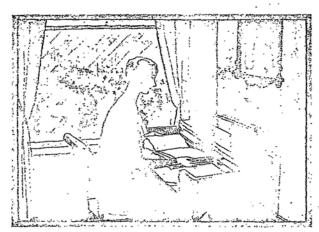
That is real service to the distribution system of American business, and therefore to the public and we are endeavoring to launch this matter from the publicity side with advertising in the Saturday Evening Post, which reaches not only the manufacturers but most dealers. It has become a dealer trade paper as far as advertising is concerned, and of course, reaches the public also. And then we plan to place advertising in the trade publications, and to use booklets, folders and inserts, to reach all of the possible manufacturers who would advertise. Even with this, it won't be effective unless the advertising, which the Associated Companies have always done, about the directory is continued and includes this new feature, because it will only be effective if all of the dealers in a local area come in.

Figures 22 (page 15), 23 (page 16) and 24 (page 17) show the kind of advertising that we are discussing. We haven't any finally settled plan, but this is the kind that we are discussing at present. Figure 22 is supposed to be for the Saturday Evening Post, Figure 23 is a suggestion for Associated Company newspaper advertising, and Figure 24 is a two-page ad, for publications such as Printer's Ink. As shown on Figure 21, we plan

to spend about \$100,000 on the initiation of that campaign. That doesn't include what we may keep on doing afterwards. We don't know what that would be, but when we go, we start off on that basis.

Rain and snow need have no terrors for the telephone shopper

Through this new Bell System service she knows where to buy what she wants

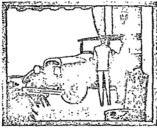


You can buy exactly what you want by telephone, without leaving your own home

OUTSIDE, the rain swishes down in sheets, swirling against the window panes and beating on the roof. Around the eaves the wind blows cold. Water runs ankle deep in the gutters.

It's a fine day—to remain indoors. But the family shopping must be done!

Out into the storm, helter-skelter to



This new "Where to Buy It" service directs you

this store and that, arms full of bundles, clothing drenched, home again with a prayer of relief—fortunately, that is no longer necessary. You can now stay at home and telephone your wants to the different dealers. Right in your own home, through a new service of the Bell Telephone System, you can

the Bell Telephone System, you can learn instantly where almost any article you may need is sold. The new "Where to Buy It" busi-

The new "Where to Buy It" business directory is being prepared so that you can know, quickly and easily, what store sells the particular thing you want. Arranged in alphabetical sequence, for your reference, are products, trade-marks and dealers, with the addresses and telephone

numbers of the latter.

Heretofore you have limited your rainy day buying to bare essentials. But with the "Where to Buy It" directory to tell you where the different brands of merchandise are sold,

stormy weather need no longer prove a hindrance. Telephone orders meet prompt response from obliging merchants.

response from obliging merchants.

Being new, the "Where to Buy It" directory is necessarily incomplete. Although scores of products are already listed, nearly every manufacturer, distributor and retailer who has brand name and trade-mark goods for sale in your community will soon be represented in it. If you fail to find an article in your present directory, it will probably appear in a future issue.

The value of "Where to Buy It" is by no means limited to rainy day shopping. Keep it close at hand, so you can consult it in planning all your buying, whether by telephone or in person. Then you will know the dealers who sell the exact articles you want.



You know which store sells the particular make you want

"WHERE TO BUY IT"



An Advertssement of the American Telephone and Telegraph Company

Find out instantly where to buy what you want

A new Bell System service that saves miles of steps and avoids disappointment



YOU may have read of some trademarked article that you want to buy

Or you want the nearest florist, doctor, service station, lawyer or radio repair shop - immediately.

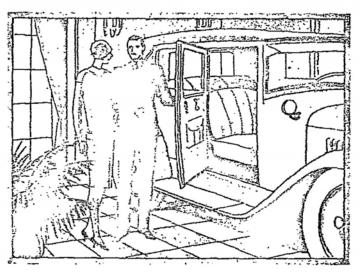
There were formerly just two ways to find where to get what you wanted. Telephone from place to place, or set out upon a personal search.

But now the Bell Telephone System has worked out a new, additional service that will enable the telephone user to locate instantly what is wanted.

Just turn to the new "Where to



For quick reference keep the new "Where to Buy



It presents the wear on tired nerves to know just where to buy what is wanted

Buy It" business directory and open to the general product or service you want. Glance down the alphabetical list to the trade name of the article desired and there you will find a list of the dealers that have it for sale. Pick the nearest dealer, and telephone or go right to him, saving delay and disappointment.

Keep your new "Where to Buy It" directory at hand and consult it whenever anything is wanted. It is already full of valuable information and it is rapidly being improved, as more and more articles are added. Bell representatives are busy throughout the nation calling upon manufacturers, distributors, dealers and all other needed services to urge them to list their names for your instant convenience.

The Bell Telephone System has set out to make the "Where to Buy It" directory able to tell you instantly where to find whatever you want. Consult it for information that will save you miles of steps. That will conserve your time. That will guide you quickly to whatever you want, wherever it is.

"WHERE TO BUY IT" @



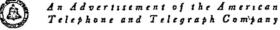
SIGNATURE, ASSOCIATED BELL COMPANY

"Where to Buy It" A new Bell System service that assists national manufacturers to relate their sales and advertising activities in every one of your national advertisements a guide-post to local dealers in any part of the country... the key of the new Bell "Where to Buy It" service a simple phase... contract for your . . a simple phrase . . . one name, your trade-mark and your dealers to be Your nearest dealer is listed your "Where to Buy it" direcentered as fast as the new directories go to tory under the heading " " This will lead the public, edupress? Advise your advertising agency cated by Bell System advertis-ing in The Saturday Evening. Post and in newspapers everycommission is allowed. The listing may be bought by the advertiser, or if he wishes, will be sold to the dealers them-Call your local Bell business where, straight to those dealers who handle your product. office. Let us help you plan the best coverage for your needs, The "Where to Buy It" serselves by the local Bell comvice is a development of the Bell business directories, which, in 700 of the most important cities Rates have been developed for a variety of coverages. The ser-vice is fiexible, as the entire cov-erage need not be bought unless needed. A trade-mark heading, THE Consuming Public, your and towns, cover the United States. Their circulation totals 12,000,000 copies. They are re-vised and reprinted every six source of incom Advertising, that persuades the public to buy your product, your brand. needed. A trade-mark heading, for instance, in all directories (142 in number) serving cities of a population of 50,000 or over, with a combined circulation of 10,350,000, would cost less than \$3000 for the full six months, and one bold type of distributor or local dealer in the same directories would cost Your Dealers, from whom the In these directories, the Bell consumers, their interest and desire aroused by your adver-System now sells to manufactur-ers space, limited for directory visibility to a one-inch minimum and a two-inch maximum depth, in which can be displayed their name or the name of their prod-uct, their trade-mark, a short tising, must buy A new merchandising service of the Bell Telephone System now makes it possible for you to weld these elements of dissame directories would cost about \$350.

"WHERE TO BUY IT"

tribution into a unit of solidarity

never before achieved. Without long lists of local dealers, bulky and almost unreadable, you can now insert uct, their trade-mark, a short description of their product, and the phrase, "Where to Buy It." Following that phrase, addi-tional space is sold for a listing of dealers.



Every six months, as fast as the new directories are printed, more advertisers are aking ad-vantage of them. Why not

Figure 25 (page 17) covers the Transatlantic Steamship advertising for the transatlantic business, which is a small matter. It goes in all of the papers that are published daily on the liners going and coming across the ocean. Figure 26 (page 17) is a typical advertisement.

Figure 24

TRANSATLANTIC STEAMSHIP ADVERTISING

MEDIUMS

5 transatlantic steamship daily newspapers issued on 11 steamship lines. Chicago Tribune Ocean Times, Ocean Post, Ocean Gazette & Wireless News, Daily Mail, L'Atlantique.

SUBJECT MATTER

Use of transatlantic telephone for business and social purposes.

FREQUENCY

General 6 issues per trip—on all sailings of the 11 lines throughout the year. One set of ads for east-bound and another for westbound ships.

SIZE

2 columns by 5 inches.

CIRCULATION

Varies with the passenger lists.

COST

Total for the year, \$15,000.

Figure 25

... USE THE RANSATLANTIC ELEPHONE



Now only \$45— New York to London Upon returning to the States, why not use the transatlantic telephone to cement associations overseas? Call the business houses you met there. The telephone is an ideal way to keep connections alive by personal contacts.

Transatlantic telephone calls are so easy to make. From anywhere in the States or Cuba to anywhere in Great Britain and continental cities, just ask for the Long Distance operator.

Figure 26

Figure 27 (page 19) refers to Long Distance advertising, which of course, as far as the public is concerned, is exactly the same thing as the toll business, which is one of the main items of our discussion. We spend \$328,000 in 100 magazines, the larger ones being the Saturday Evening Post, Literary Digest, Collier's Magazine, Liberty, American, and then the trade journals. Figure 28 (page 18) shows a typical advertisement of this series, and Figure 29 (page 19) the magazines in which they appear.

LONG DISTANCE ADVERTISING

MEDIUMS

100 magazines, including Saturday Evening Post, Literary Digest, Collier's, Liberty, American and leading trade journals of 15 basic industries.

SUBJECT MATTER

Actual cases of successful long distance transactions in business life. Long Distance rates featured.

FREQUENCY

Once a month of Big Five except for occasional institutional ads. Once every other month in trade journals.

SIZE

Full pages. Many preferred positions.

CIRCULATION

Per issue, including Big Five, 11,129,000.

COST

Total for the year, \$328,000.

Figure 27

Coast to Coast now only \$9.00 Cleveland to Pittsburgh 80¢



An Advertisement for Bell Long Distance Telephone Service

The station to station day rate for the longest telephone call you can make within the United States is now only \$10.00. From San Francisco to New York is only \$9.00. From St. Louis to Chicago is only \$1.45. From Newark to Philadelphia is only 60 cents.

An average of 2,614,000 toll and long distance calls are now handled daily by the Bell System. The purchasing agent of a large western manufacturer called his general storekeeper from New York, 2800 miles away. He secured information that enabled him to make a purchase saving his firm \$250,000.

The Cheyenne, Wyoming, manager of a farm machinery house made seven long distance calls to Nebraska and Colorado points. Within an hour's time he sold 25 threshers for \$50,000.

A Missouri fruit company calls each of its dealers at regular intervals and gets their orders by Long Distance.

The time and money saved by Long Distance is summed up by a Chicago lumberman. He says: "The toll to Milwaukee is 80 cents. Average cost of making the trip, \$10.00. Detroit toll is \$1.80. A trip would

cost \$25.00 or more."

What long distance calls can you profitably make now? You will be surprised how little they will cost. . . . Calling by number takes less time. Number, please?



Figure 28

MAGAZINES USED FOR LONG DISTANCE ADVERTISING

Hardware World Saturday Evening Post Hardware Age Literary Digest Good Hardware Liberty Collier's Hardware Dealers Magazine American Magazine Hide & Leather Boot & Shoe Recorder Nation's Business Business Shoe & Leather Reporter Industrial Digest American Shoemaking American Lumberman Commerce, Finance &. Timberman Industry Chemical & Metallurgical Purchasing Agent Sales Management Engineer Engineering & Mining Magazine of Business Manufacturers' Record Journal Iron Age Forbes Magazine T. P. A. Magazine Mining & Metallurgy Rotarian Foundry **Kiwanis** Iron Trade Review Sample Case Blast Furnace & Steel Plant Lion's Club Magazine Am. Perfumer & Essential Motor Age Oil Rev. Automobile Topics Oil, Paint & Drug Reporter Automotive Industries Chemicals Motor Paper Industry Ford Dealer News Paper Trade Journal Tires United States Paper Maker Men's Wear Petroleum World Haberdasher, Clothier & National Petroleum News Furnisher Oil & Gas Journal Dry Goods Economist Dry Goods Merchants Trade Oil Weekly Railway Purchases & Stores Journal Railway Age National Retail Clothier Railway Mechanical Engi-Women's Wear Magazine песг Black Diamond Electric Railway Journal Coal Age National Provisioner Electric Traction Railway Electrical Engineer Canner American Silk Journal Western Canner & Packer Cotton Packer Silk American Miller Textile World Facts About Sugar Am. Wool & Cotton Statistical Sugar Trade Reporter Journal and 24 others Modern Miller

Figure 29

Figure 30 (page 19) shows a summary of the whole plan. There are 446 publications used once a month or oftener, in varying sizes, but in the important advertisements full pages, regardless of the size of the magazine. It reaches about 44,000,000 people and costs us about \$1,000,000 to do it.

SUMMARY OF NATIONAL ADVERTISING

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

MEDIUMS

446 publications; general, women's, farm, college, financial, boys' magazines, steamship dailies, telephone directories and trade journals.

SUBJECT MATTER

Institutional, adequate service, farm uses, career opportunities, financial facts, "how it works," national business directory advertising, transatlantic, toll and long distance.

FREOUENCY

Once a month or oftener in general, college, financial, and steamship groups; once every other month in women's, farm, boys' and trade journals.

SIZE

Various; from two columns by five inches, to full pages.

CIRCULATION

Total per issue, approximately 44,300,000.

COST

Total for the year, \$1,000,000.

Figure 30

Advertising, of course, is only a small assistance in this business of selling. It does give you an opportunity, for instance, in connection with items such as colored handsets, to make a much greater public impression than the actual number of sales would indicate.

Most of the time the public is willing to pay for what it wants, and where it is willing to pay for it and where it won't hurt the service, we can certainly benefit our public relations and our business by going out of our way to attend to these things.

Advertising, of course, won't sell anything by itself. It is an aid to selling and that is all, and there is no use in advertising when there isn't any selling going on. It reminds me a little bit of the old slogan of the Eastman Company. They said, "You push the button, we do the rest." Now the Publicity Department does about as much as push the button, and you do the rest. We are perfectly willing to start pushing the button, but there isn't any use in doing that except on a comprehensive basis in which both the button-pushing, which is the advertising, and the real work behind it is going on continuously, actively, and nationally all the time.