1950

The marketing of greeting cards with special reference to independent retailers

Hunt, Robert Douglas
Boston University

http://hdl.handle.net/2144/4709

Boston University
BOSTON UNIVERSITY

College of Business Administration

THESIS

The Marketing of Greeting Cards
With Special Reference to Independent Retailers

by

Robert Douglas Hunt
(B. S. Northeastern University 1945)

Submitted in partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION
Table of Contents

Chapter I  INTRODUCTION  . . . . . . Page 2
1. Statement of the Problem
2. Limitations of This Study
3. Field of Investigation
4. Previous Work in the Marketing of Greeting Cards
5. Method of Approach

Chapter II  AN HISTORICAL SKETCH  . . . . . . Page 9
1. England Gives Us the Christmas Card
2. The First Era of American Greeting Cards
3. The Second Era of American Greeting Cards
4. The Third Era of American Greeting Cards

Chapter III  CLASSIFICATION OF GREETING CARDS  . . . Page 19
1. Distribution of Greeting Card Sales
   A. Distribution of Everyday Sales
   B. Distribution of Seasonal Sales
2. Greeting Cards for Every Occasion
   A. Everyday Cards
   B. Seasonal Cards
   C. Comment on Seasonal Cards

Chapter IV  SOME SOCIOLOGICAL ASPECTS OF THE GREETING CARD  Page 36
1. How the Greeting Card Functions as a Social Adjustment
2. Is the Greeting Card a Good Adjustment?
   A. The Evolution of the Greeting Card
   B. A Value Judgement of the Greeting Card
3. Conclusion

Chapter V  CHANNELS OF DISTRIBUTION  . . . . Page 49
1. Direct Selling to Retail Stores
2. Direct Factory Representatives
3. The Syndicates or Limited Price Variety Stores
4. Direct Selling Agents or Door to Door Sellers
   A. Legal Aspects of Direct Selling
5. Selling through Jobbers
6. Consignment Selling to Retail Stores
7. Direct Mail Selling
8. Indications of the Relative Importance of Various Channels of Distribution

Chapter VI  STOCK CONTROL OF EVERYDAY CARDS  . . . Page 72
1. Description of Stock Control
2. Stock Control Analysis
3. Servicing Reorder Tickets
4. Racks and Fixtures
5. Operation without Stock Control
6. Criticism of Stock Control
Chapter VII  SEASONAL MERCHANDISE AND STOCK CONTROL  .  .  Page 86
1. Seasonal Stock Control
2. Seasonal Buying Procedures
3. Seasonal Display Control

Chapter VIII  SALES POLICIES AND SALES ORGANIZATION  .  .  Page 97
1. Sales Policies
   A. Publishers Selling Direct to Retailers
   B. Sales Policies of Direct Factory Representatives
   C. Sales Policies of Publishers Selling through Direct Selling Agents
   D. Sales Policies of Jobbers
2. Sales Organizations
   A. Publishers Selling Direct to Retailers
   B. Direct Factory Representatives and Publishers Selling through Agents

Chapter IX  ADVERTISING, PROMOTION, AND DISPLAY  .  .  Page 108
1. Early Advertising
2. Present Advertising Programs
3. An Appraisal of Current Advertising Programs
   A. Advertising to the Consumer
   B. Advertising to the Retailer
4. Advertising By the Retailer
5. Can Advertising Create a Demand for Greeting Cards?

Chapter X  THE COMPETITIVE POSITION OF THE DIRECT  .  .  Page 124
BUYING RETAILER
1. The Merchandise
2. Advertising and the Independent Retailer
3. Competition Broadly Considered
4. Competition Between Independents
5. The Future of the Direct Buying Independent
List of Tables and Diagrams

Table I NATIONAL SALES OF EVERYDAY GREETING CARDS . . Page 21
Table II DISTRIBUTION OF SALES OF SEASONAL CARDS . . Page 23
Table III ESTIMATED TOTAL INDUSTRY SALES AT WHOLESALE . Page 69
Table IV PAGE FROM RUST SEASONAL RECORD BOOK . . Page 88
Table V PAGE FROM RUST SEASONAL RECORD BOOK . . Page 91
Table VI EVERYDAY GREETING CARD ANALYSIS . . Page 134A
Table VII GIBSON ANALYSIS . . . . . . . . Page 135

Figure I REORDER TICKET AND HOLDER . . . . . . Page 73
Figure II NEW ACCOUNT AND PROSPECT REPORT . . . . Page 101
Figure III RUST LETTER TO SALESMAN REGARDING STOCK CONTROL ANALYSIS . . . . Page 136
Figure IV LETTER TO GIBSON SALESMAN REGARDING STOCK CONTROL ANALYSIS . . . . Page 137

Appendix A LIST OF INTERVIEWS . . . . Page 131
Appendix B BIBLIOGRAPHY . . . . Page 133
Appendix C STOCK CONTROL ANALYSIS . . Page 134
Chapter I

INTRODUCTION

1. Statement of the Problem

The problem investigated in this paper concerns the problems involved in the marketing of greeting cards. Particular emphasis is placed upon the part played by the independent retailer who buys cards direct from publishers.

An attempt has been made to describe and comment on his methods, problems, and future position. The psychological and sociological aspects of the greeting card are explored in some detail because it was felt that an industry that has achieved such growth as the greeting card industry must have a firm sociological and psychological foundations.

The greeting card industry has grown in sales volume from $55,000,000 in 1928 to $125,000,000 in 1949; these figures are at what the industry calls wholesale. This wholesale is what those selling greeting cards actually paid for them, in other words it includes the factory price which direct buying retailers paid; the true wholesale price that those buying from jobbers paid and the combination of both that direct sellers paid to both manufacturers and jobbers. More detailed information will be given in the Chapter on Channels of Distribution. (1) (2)

The greeting card is a product that comes into every home and touches the life of every individual in some way or other. It apparently helps to relieve certain human ills such as anxiety, loneliness, and sorrow; to give a means of expression to the inarticulate person; and to signalize religious and national holidays. During the war the greeting card industry liked to say that greeting cards helped to fight inflation to an extent because they frequently took the place of more expensive gifts. (1)

2. Limitations of This Study

There seem to be limits of one kind or another to all types of market analysis, but particular limitations are imposed on a study of this kind. First a student is limited by lack of time and money, but these in themselves may not be serious. Perhaps the most burdensome limitation is imposed by the position of the investigator himself. Business men are not very much interested in revealing information, even of an unconfidential nature to mere students. Another limitation appears very often when business men themselves do not know why they do certain things in a certain way. Therefore, they can hardly be expected to thoroughly explain their own operation. Professor Mayo pointed out that as long ago as 1890 William James made the distinction between two types of knowledge. First there was the "knowledge of acquaintance", which comes from direct experience of fact and situation; and second there

is "knowledge about", which is the product of reflective thinking. (1)

Knowledge derived from experience is hard to transmit, except by example, imitation and trial and error, whereas erudition (knowledge about) is easily put into symbols—words, graphs, maps. Now this means that skills, although transmissible to other persons are only slowly so and are never truly articulate. Erudition is highly articulate and can be not only readily transmitted but can be accumulated and preserved. (1)

Then to, some businessmen seem to be affected with what Professor Copeland has called the malady of "sales egotism", in that they feel that their product and method of distribution are so superior that everyone should be aware of it, without being reminded of it or told about it. (2)

Perhaps the worst limitation of all upon this form of research is the policy of the Greeting Card Industry (2) toward releasing information concerning itself. Individual companies avoid revealing their sales if they possibly can. The largest company making greeting cards is Hall Bros., Inc., of Kansas City, Missouri, yet it reveals no figures on its sales, profits, or even capital stock outstanding. The reason this is possible is that the stock of this company is quite closely held. The same applies to several other firms. Where firms are a part of a combination the individual company

(1) Mayo, Elton, "The Social Problems of an Industrial Civilization", Harvard University, Graduate School of Business Administration, 1945, page 16, quote is from a letter written by Dr. Alan Gregg, Nov. 13, 1942.
(2) "The Greeting Card Industry", 200 Fifth Avenue, New York City, this somewhat peculiar name is the actual name of one of the leading trade associations of the greeting card industry.
figures become merged with other members of the holding company and thus lose their significance. This can be observed in the case of Rust Craft Publishers, Inc., which is part of United Printers and Publishers.

It is understandable that individual companies would not care to have their sales figures revealed for competitive reasons, but it is much more difficult to understand why industry-wide figures are not released. The Greeting Card Industry collects information in regard to sales for each of its members and publishes the totals for members only. Why this information should not be made public may perhaps be explained in two ways. First the membership of the Greeting Card Industry may not include some large producers and distributors of greeting cards, therefore the figures would not give a true picture of the situation. Second there may be a fear that if the figures were made public other firms might enter the industry and share in the sales and profits. The first reason is understandable, but at least these statistics are better than nothing. The second reason has little to recommend it, since it seems reasonable to assume that secrecy tends to encourage action rather than discourage it.

3. Field Investigation

Investigation was confined to the marketing aspects of the greeting card industry, with some reference to the historical background and sociological, psychological aspects
of the greeting card. Information about the industry was gathered almost entirely by interviews. In all, thirty-five interviews with twenty-five firms and individuals were conducted. The firms included two jobbers, nine publishers, six retailers buying direct from publishers, two chain store representatives, three direct factory representatives, and three interviews with two publishers and one wholesaler selling through direct selling agents. These are listed in detail in Appendix A.

A reading list of some sixty magazine articles was compiled from the current issues of the "Readers' Guide" and the "Industrial Arts Index" back to 1935. Information from only fifteen of these magazine articles was at all pertinent to the problem. These are listed in Appendix B.

Extensive use was made of the "Romance of Greeting Cards", by Ernest Dudley Chase, for much of the historical material. Other books are listed in detail in Appendix B. (1)

4. Previous Work in the Marketing of Greeting Cards

Not a great deal has been written about the marketing of greeting cards. Chase's book mentions the marketing aspects of the industry only incidentally. Some space is devoted to window display, some to the state of stock control in 1926, and a few snatches of the early history of the

marketing of greeting cards completes the work. The book then is largely a historical treatise, or at least it may now be viewed as such.

The only other work on the marketing of greeting cards that was found was a Bachelor's Thesis by Hymen Hurwitz, entitled "Merchandising of Greeting Cards". (1) The Hurwitz paper does not mention stock control at all; it touches on the channels of distribution, and mentions the cooperative advertising by the greeting card industry. Aside from these two sources nothing was found in terms of research in the marketing of greeting cards.

5. Method of Approach

The emphasis throughout the paper has been upon the operations of the retail outlets buying direct from publishers. The brief historical sketch was designed to show that the greeting card is the result of a long historical development. The chapter on the sociological and psychological aspects of the greeting card shows the solid foundation upon which the greeting card industry is built. The chapters on methods of distribution and stock control served to bring out the degree of care that publishers selling direct to retailers lavish on the marketing of their product. The method of approach then has been to analyze the various methods of distribution and then to point out in detail why

those publishers selling direct to retailers have not only developed the most extensive distribution arrangements but offer the greatest possibilities for continued sales leadership in the greeting card field.
Chapter II
An Historical Sketch (1)

1. England Gives Us The Christmas Card

The greeting card as we have come to know it appears to have originated in England in 1842. In that year William Maw Egley etched a Christmas greeting card illustrating several scenes, among them a Christmas party, skating, carol singers, distribution of soup, a Punch and Judy show, and two figures dancing the "Roger de Coverly". (2)

For some time until the Egley card was discovered in 1937, it was thought that a card suggested by one Sir Henry Cole and designed by J. O. Horsley, R. A., was the first Christmas card, but this card came out in 1846. Both cards were similar in design and somewhat resembled each other in that each showed a trellis upon which was entwined a grape-vine forming small panels in which various scenes were illustrated. The Horsley card showed three scenes, feeding the hungry, a family merry making (with wine), and clothing the naked. The sentiment on both cards was "A Merry Christmas and A Happy New Year To You", and both had a "To" and a "From" for the sender to fill in. Any question as to whether the Horsley card was copied from the Egley card is pure speculation on the basis of present information.

Not much is known about the subsequent history of the

(1) Material from this chapter came largely from "The Romance of Greeting Cards", by Ernest D. Chase, privately published by E. D. Chase, Boston, 1926.
Egley card, but the Horsley card came in for some ridicule and was even criticized for depicting the family merry making with wine. The first issue of the Horsley card amounted to only a thousand, but, "in 1861 Messrs. De La Rue reproduced it in the chromo-lithographic process and many copies were sold." (1)

It was not until 1862, when the firm of Charles Goodall & Sons issued a series of cards, that the Christmas card came into general use. Later Marcus Ward & Co. started publishing greeting cards in earnest, and Messrs. De La Rue in 1875. Both these firms maintained a standard of excellence in the face of the growing tendency toward the novel and the vulgar that had developed.

The facts concerning early Christmas cards were obtained from an article in a special edition of "The Studio" (England) in 1894. The author of the article, Gleason White, revealed that many publishers of the day kept more or less complete sets of samples of their cards, but he obtained most of his information from Mr. Jonathan King, "who was then the best authority on the subject." (2) The King collection,

"contained in some 700 volumes, weighing, collectively, between six and seven tons, includes about 163,000 varieties, and although not exhaustive, offers what is practically a completely illustrated history of the many years between 1862 and today." (3)

(2) ibed, page 7.
(3) ibed, page 7.
White stated that in the preparation of the story he had examined publisher's collections totaling over 200,000 different designs. This, however, did not include the many small concerns and individuals who kept no records of their early publications. Early publishers apparently exercised some care in the selection of their designs, paying many hundreds of pounds for good designs. As a result, members of the Royal Academy, "were not ashamed to work for the Christmas card publishers, as well as many younger designers, scarce out of their student days..." (1)

It is curious, but the Christmas cards of the day bore little relation to the general Christmas theme. True, there were manger scenes and other scenes of a religious nature, but they were far outshone by pictures of children, flowers, kittens, fairies, heads, birds, animals, and even fish and reptiles. The English card generally had no title or sentiment other than the stereotyped expression, "A Merry Christmas and a Happy New Year", although in some instances passages from the New Testament were used and sometimes poems were pressed into service.

The early English cards sold well because of the good designs. Business built up to a peak in 1890 and thereafter began to fall away in the face of competition from cheaper German and Austrian importations. As a matter of fact,

(1) Chase, E. D., "The Romance of Greeting Cards", published by E. D. Chase, Boston, 1926, page 8
many publishers took to importing the cheaper cards and so in a way contributed to their own downfall. Mr. Chase gives us another reason for the downfall of English greeting cards:

"One of the reasons for the downfall of the English card business was that every Tom, Dick and Harry in England seemed to show them when the holiday season came around. At first the outlet was naturally the bookseller and stationer, but when they became so common that they might be seen in the windows of nearly every draper, tobacconist, toy shop and the rest, the better trade fell off.

"When people had learned that attractive cards could be bought at a price per dozen that they had hitherto paid for a single one, that the latest designs of the season were obtainable at greatly reduced prices, and that they were for sale in nearly every store, many stopped buying them." (1)

Perhaps if prices had been maintained and distribution restricted to booksellers and stationers, the story would have been different.

2. The First Era of American Greeting Cards

The first era of pioneer achievement and experiment in American greeting cards owes much to Louis Prang. Prang, like Carl Schultz and others, was a refugee from the German revolution of 1848. Upon his arrival in America he embarked on several ventures in Boston, but it was not until 1856 that he founded his small lithographic business. His plant was located in Roxbury, Massachusetts, and it was there in 1856 that he perfected the lithographic process of multicolor

printing, he called his prints "chromos". While today a chromo may be accounted a poor reproduction of the original, Prang's work was always noted for its excellence, and his reproductions of oil paintings were so well done that often none but an expert could tell them from the real painting.

With facilities for producing such work, he gave his attention to Christmas cards, and by 1874, was exporting some home to England where they found a ready sale. The following year he decided to exploit the American market, which he did successfully, until in 1890 German importations hurt his sale. Other undertakings took his time and interest so that in that year he gave up the card business entirely.

Prang took an enormous amount of care in all his printing, doing everything possible to see that his plant turned out the very best. When he ceased publication of greeting cards one of the things that occupied his time was the painstaking reproduction, in the form of bookplates, of some of the choicest items in the collection of oriental ceramic art owned by Messrs. Walters of Baltimore. The work took eight years and cost $500,000 and will probably never again be equalled.

When Prang was printing cards, he sponsored contests for designs in greeting cards. Leading artists took part and the prizes were quite substantial for those days, first prize $2000 and second prize $1000. The method of judging is interesting. The pictures were exhibited in Reichard's Gallery, New York. Competent judges first passed on the pictures, and then the general public was admitted to add its votes in the
awarding of the prizes. (1) Just what happened if the experts and the people did not agree is not known. At any rate the participation of the public in the voting may have given Prang a clue as to the saleability of cards made from the designs shown.

Prang's painstaking methods, often involving eight colors and sometimes twenty, made his cards more expensive than those of foreign design, and this of course was one of the factors which led to the closing down of his greeting card operation. Besides Christmas cards, Prang made New Year and birthday cards as well as some for Easter. Some of the fancy ones were made of two pieces of paper with cotton batting, containing sachet between them. Like the contemporary English cards, Prang's Christmas cards often depicted most un-Christmas-like subjects.

3. The Second Era of American Greeting Cards

The period from 1890 to 1906 was one of virtual eclipse for the American greeting card industry and it was during this period that great quantities of cards were imported from Germany and Austria. Although these cards were colorful and well made, the quality of the designs and the cards themselves began to deteriorate in later years. The public refused to buy as many cards as before, so gradually imports dwindled. Mr. Chase has this to say:

"...there is, as everyone knows, a danger in quantity production, more especially in art objects. Then again, there was a bizarre vulgarity creeping in, not only in design but in manufacture, something of novelty without artistic merit." (1)

Beginning with A. M. Davis in 1906, native American cards began to appear again on the market and this time with a new idea. The new idea was verses with the magic stuff the industry calls "me to you". Davis had been inspired by an English Christmas card inscribed with the following verse:

"So may the New Year be a happy one to you
Happy to many whose happiness depends on you,
So may each New Year be happier than the last." (2)

Many of the early greeting cards were printed in the form of post cards. These increased in sale up to about 1916, then they gradually fell off until in 1920 no more were published. "However, two years after the business was started, plain flat cards to go in envelopes, and folders tied with ribbon having decorated designs on the cover were added, and these were the foundation of what is now known as the American Greeting Card." (3)

After Davis started it was not long before others, among them, Rust and Gibson, appeared on the scene. Business increased because the American cards were what the people wanted and because of the reaction to the cheap foreign cards which had already begun to set in. The First World War brought

(2) ibid, page 206
(3) ibid, page 207
imports to a halt and dealt a final blow to foreign greeting cards from which they have never recovered.

Special titles were soon developed and have remained with us to the present time. Another lasting innovation was the supplying of matched envelopes with every card. As natural as this practice seems, it was unheard of in the period of foreign importations. Most of the early cards of the Second Era were produced by letter press from line cuts, and it was not until the late 1920's that American publishers "discovered" offset multicolor lithography. Cards produced on the letter presses really were not at a disadvantage, because the process made possible the simpler designs the public preferred as against the gaudy lithographed products from overseas.

4. The Third Era of American Greeting Cards

The Third Era, in the development of American Greeting cards, covers the period from 1926 to the present time, which might be termed the Era of Merchandising and Promotion. This period saw the introduction and development of greeting card stock control, specially designed fixtures, and national advertising and promotion campaigns sponsored by the larger companies. During this period, the retailer assumed a more equal partnership with the publisher in the distribution of greeting cards. He came in for his proper share of recognition as an important part in the channel of distribution flowing from the publisher to the consumer.

Probably the most important single development during this period was stock control, which according to some is the
biggest single factor in the present growth and prosperity of the industry. Greeting card stock control is a type of unit control in which records are kept of each individual greeting card design a retailer may have in stock. The object of the control is to keep a proper balance between sales and inventory, in terms of seasonal, and growth factors besides changes in consumer taste.

Not much is known concerning the early pioneering of stock control, but a few things seem fairly certain. The Gibson Art Co. early came out with a stock control system employing a model stock with periodic inventories. At that time the Gibson company advocated a system of rotating orders under which each publisher supplying a retailer would be given a single large order in turn. Around 1930 George Meiler of Rust Craft developed a unit control system involving the use of separate records of performance of every card design in the retailer's stock. Records under this system were kept on separate cards or tickets, one for each design, and the entire stock was summarized and recorded in a stock control book. (1)

For the first few years after its introduction stock control had to overcome great resistance from retailers and even from publisher's own salesmen. The retail dealers were understandably reluctant to have stock control installed in their stores inasmuch as they had been in the business of selling

(1) Interview with Sam Katz, Manager of Green's Card Shops, April 22, 1949.
(1) Interview with John Woloot, Stock Control Dept., Rust Craft, April 28, 1949.
cards for years and so no need to change methods. Some held back because of the large stock of cards that would have to be sold before the new system could function efficiently, and were proud of the great variety of designs they carried, even in slow moving titles. A much more likely reason they resisted stock control, was simply because it looked like more work to them. There is little doubt that one thing stock control did, that was not advantageous, was to increase the amount of money spent on transportation, because of the many small orders as against the fewer large ones of former days. (1)

(1) Interview with Ernest Dudley Chase, Vice President of Rust Craft, April 20, 1949
Chapter III
Classification of Greeting Cards

The greeting card is a form of graphic communication that substitutes for a personal note or letter. Harry W. Brown has called the greeting card a new art form, "...a conveyance for the expression of human love and human sympathy... that all men can use..." (1) From the point of view of marketing, the greeting card might be thought of as a piece of packaged merchandise. The design on the front of the card forms the package; the caption or title is the label; and on the inside of the card is the merchandise itself, the verse or sentiment. (2)

1. Distribution of Greeting Card Sales

A. Distribution of Everyday Sales

Everyday cards are those greeting cards that are saleable throughout the entire year. They have no particular season of sale. These cards are usually placed under stock control and provide retailers with a source of sales all year long. The "Everyday notes" mentioned in the footnote of Table I refers to boxes of fancy writing paper and envelopes or papeteries. These are sometimes classified as greeting card specialties and are often advertised as such.

Notice in the Table that the total of the birthday cards represents more than half the total everyday business.

(2) Interview with John Wolcot, Rust Craft stock control manager, April 28, 1949
The other classifications are the Get Well or Illness cards with 9.4% and the Wedding Anniversary cards with 9.5% of the total. These percentages will probably vary in different types of stores, especially as between department stores and independent retailers and between different types of independent retailers such as greeting card specialty shops and retailers carrying a more general line of merchandise. Unfortunately, no figures are available to show the exact variation from store to store. It is known, however, that as volume increases in stores within a given category very little change takes place in the proportions, to the total, sold in each classification. (1)

The total in everyday cards volume done relative to the total greeting card business seems to vary considerably between different types of stores. Department stores do 57% of their business in everyday cards; variety stores 60%; and independent stores 49%. (2) These figures illustrate in a striking way the emphasis placed on the selling of greeting cards by different types of retail stores. Both the independent retailer and the department store utilize stock control of everyday cards to a wide extent, but there is a difference in emphasis, the independent store usually stocks a greater variety of titles in considerable depth on everyday cards. Department stores, on the other hand, generally stock widest and deepest

(1) Interview with J. J. Stuck, Dealer Service Manager, Rust Craft, February 18, 1949.
(2) ibid
in fast selling items, and fast selling greeting cards are no exception. It therefore sometimes happens that the department store with its larger total stock, may be out of slower moving cards that can easily be found in "well run" independent stores (1).

Table I

National Sales of Everyday Greeting Cards

<table>
<thead>
<tr>
<th>Classification</th>
<th>% of total sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Birthday</td>
<td>13.3</td>
</tr>
<tr>
<td>Humorous Birthday</td>
<td>11.1</td>
</tr>
<tr>
<td>Special Birthday</td>
<td>6.1</td>
</tr>
<tr>
<td>Children Birthday</td>
<td>1.5</td>
</tr>
<tr>
<td>Year Birthday</td>
<td>2.5</td>
</tr>
<tr>
<td>Family Birthday</td>
<td>18.7</td>
</tr>
<tr>
<td>Total Birthday</td>
<td>53.2</td>
</tr>
<tr>
<td>Baby Congratulations</td>
<td>4.8</td>
</tr>
<tr>
<td>Wedding Congratulations</td>
<td>4.9</td>
</tr>
<tr>
<td>Anniversary</td>
<td>9.5</td>
</tr>
<tr>
<td>Friendship</td>
<td>3.1</td>
</tr>
<tr>
<td>Illness or Get Well</td>
<td>9.4</td>
</tr>
<tr>
<td>Sympathy</td>
<td>3.0</td>
</tr>
<tr>
<td>Thank You</td>
<td>2.8</td>
</tr>
<tr>
<td>Gift</td>
<td>5.1</td>
</tr>
<tr>
<td>Travel</td>
<td>4.4</td>
</tr>
<tr>
<td>Religious</td>
<td>5.5</td>
</tr>
<tr>
<td>Birth Announcements</td>
<td>1.6</td>
</tr>
<tr>
<td>Invitations</td>
<td>1.5</td>
</tr>
<tr>
<td>Sympathy Acknowledgements</td>
<td>0.2</td>
</tr>
<tr>
<td>Total Others</td>
<td></td>
</tr>
<tr>
<td>Total All Classifications</td>
<td>46.8</td>
</tr>
</tbody>
</table>
| Source: Information based upon analysis of 36 Rust Craft stock controls doing more than $40,000. a year. Everyday notes represent 7% of the total everyday business. The information was furnished by J. J. Stuck, Dealer's Service Manager, Rust Craft. Exactly what period it covers is not known, but it probably reveals late 1948 experience. The figures are not based entirely on Rust Craft sales, but upon sales of all publishers participating in the Rust Craft stock controls mentioned above.

(1)Interview with J. J. Stuck, Dealer's Service Manager, Rust Craft, February 18, 1949.
B. Distribution of Seasonal Sales

Seasonal cards is a term used to describe greeting cards made for special seasons such as Christmas, Valentine's Day, and Easter. These are saleable only in the particular seasons for which they are designed, unlike the everyday cards which are saleable year 'round. Christmas, Valentine's Day, and Easter represent the major part of the seasonal business, with Christmas as the largest.

Referring to Table II, on the next page, it will be seen that the Gibson and Rust Craft national sales performance figures differ considerably amongst themselves in their percentages on both everyday and seasonal cards. There are two possible reason for this: first, the samples from which the percentages were derived were of different composition; second, the Gibson Art Co. has many more, and perhaps smaller accounts than does Rust Craft. Rust Craft on the other hand appears to exercise a more selective dealer policy than any of the other publishers selling to independent retailers and department stores.

Again it can be pointed out that percentages do not vary greatly with the volume of sales, but they do tend to vary fairly consistently with the type of store. In comparing the independent retailers with department stores, it is found that the seasonal business is much greater for the former than for the latter. This would seem to indicate that department stores sell a great many everyday cards because of traffic created by other merchandise, while independent stores are relying on cards to
## Table II
### Distribution of Sales of Seasonal Cards

<table>
<thead>
<tr>
<th></th>
<th>National Sales</th>
<th>Independent Stores*</th>
<th>Department Store Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rust Craft</td>
<td>Gibson</td>
<td>Rust Craft</td>
</tr>
<tr>
<td><strong>EVERYDAY</strong></td>
<td>50.2%</td>
<td>45.1%</td>
<td>49.0%</td>
</tr>
<tr>
<td><strong>CHRISTMAS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Counter* 18.6</td>
<td>28.4</td>
<td>Counter* 19.0</td>
</tr>
<tr>
<td></td>
<td>New Year 21.6</td>
<td></td>
<td>New Year 20.0</td>
</tr>
<tr>
<td></td>
<td>Thanksgiving 1.6</td>
<td></td>
<td>Thanksgiving 16.9</td>
</tr>
<tr>
<td><strong>VALENTINE</strong></td>
<td>10.4 Valentine</td>
<td>12.0 Valentine 11.6</td>
<td>9.9 Valentine 9.5</td>
</tr>
<tr>
<td></td>
<td>St. Patrick 10.0</td>
<td></td>
<td>St. Patrick 8.0</td>
</tr>
<tr>
<td><strong>EASTER</strong></td>
<td>9.2</td>
<td>9.5</td>
<td>8.0</td>
</tr>
<tr>
<td><strong>MOTHER'S DAY</strong></td>
<td>5.3</td>
<td>5.5</td>
<td>4.6</td>
</tr>
<tr>
<td><strong>FATHER'S DAY</strong></td>
<td>2.0</td>
<td>3.0</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>GRADUATION</strong></td>
<td>1.3</td>
<td>1.0</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>PARTY GOODS</strong></td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

**CHRISTMAS BOXED ASSORTMENTS % OF COUNTER BUSINESS**

- INDEPENDENT STORES, AS THE TERM IS USED BY THE INDUSTRY, MEANS ANY STORE BUYING DIRECT FROM PUBLISHERS, EXCEPT DEPARTMENT STORES.
- COUNTER, REFERS TO CHRISTMAS CARDS DISPLAYED ON RACKS OR COUNTERS AND SOLD SINGLY.

**Sources:**
- Gibson Figures, E. J. Anderson, Gibson Divisional Sales Manager, Feb. 7, 1949
- Rust Craft Figures, J. J. Stuck, Dealer Service Manager, Feb. 2, 1949

Since these figures are semi-confidential, they are available only from the publishers concerned. Exactly what period these figures represent is hard to tell, but they probably represent late 1948 experience of both companies.
build traffic. The appeal of the everyday card as a traffic building item is not as great as that of the seasonal card. The seasonal business offers more promotional opportunities which both department store and independent stores exploit.

While department stores may at times increase the area of display of greeting cards, they do not often devote windows or newspaper space to the promotion of seasonal, or even of everyday cards. The independent retailer on the other hand may make greeting cards his main promotional item. He will devote window space, newspaper advertising and perhaps radio advertising to the promotion of his seasonal and everyday cards.

2. Greeting Cards For Every Occasion

We have all seen the legend "Greeting Cards For Every Occasion" either in a card shop or in connection with some greeting card advertisement, but few people realize how much this phrase means or how far it goes. The following pages represent an attempt to elaborate on the greeting cards for every occasion idea by presenting a kind of catalogue of greeting cards.

A. Everyday Cards (1)

Mr. Fred Rust is credited with having published the first special title cards, such as "To Mother on her Birthday", "To Father on his Birthday", and so on throughout the entire family. These special title cards are also published for the various seasons, such as Christmas, Valentine's Day, Easter, and even Mother's Day, when cards may

be purchased for mother-in-law, reading "To My Other Mother."

In the get well card group, there are cards for those in the hospital, for those who are shut in, for those who have had operations, and special ones for children.

There are also general birthday cards which can be sent to almost anyone. Then follow humorous birthday cards which vary in price from 5 to 25 cents apiece. There are children's birthday cards, many of which are listed as "age" birthday cards. A few are now appearing in this classification titled from one to six years that retail for 25 cents apiece.

Millions and millions of birth announcements are sold yearly, and retail for 5 cents. Then, there are many cards classified as baby congratulatory which retail from 10 cents up to 35 to 50 cents.

There are general party invitations retailing for a nickel, child and child birthday party ones at 5 cents each, and finally under the invitation bracket, there are 5 cent cards for general showers and baby showers.

Generally wedding and happy occasion anniversary cards may be secured for 10 cents up to a dollar. These also include engagement cards. In this group, too, are special anniversary titles, as, "To Husband on Our Wedding", "To Mother and Father", "To Brother and Wife", "To Daughter and Husband", "To Sister and Husband", "To Son and Wife", "From Us", and yearly titles, first, second, third, etc., up to and including tenth, together with special ones for fifteenth, twentieth, twenty-fifth, silver and golden weddings. These latter titles are usually priced from 15 to 50 cents. There are also sweetheart anniversaries.

Countless gift cards are published to retail from 5 cents up to and including 35 cents, the latter usually suitable for whole groups to sign. Special birth gift cards, wedding gift cards, baby gift cards, baby-to-be, and baby shower, money holders, and miscellaneous items are included under this heading.
Thank You cards, with either general sentiments or arranged for group sending have a price range from 5 to 25 cents. These include thank you's for shower gifts, wedding gifts, for flowers and kindness, and for hospitality.

Sympathy cards have been popular for many years and may be had for around 5 cents but are sometimes as high as 25 cents or even more. Millions of sympathy acknowledgements in card form are obtainable everywhere. These sell for as little as 3 cents apiece, but many formal ones may be had for about 15 cents.

Cards for greeting one in a new home, for success and good luck, and travel and bon voyage cards are now almost always available.

There are special cards published with the religious motif containing sentiments for anniversaries, birthday, baby congratulations, Confirmation, entrance into religion, feast day, First Communion, First Mass occasion, happy occasion and general religious, illness, name day, ordination, Silver Jubilee, Golden Jubilee, Spiritual Bouquet, sympathy and wedding congratulations. (1)

Mr. Chase might have mentioned that by far the most popular children's birthday cards are those in the age group from one to six. Publishers spend a great deal of time and money designing cards in this particular group. Cards with "One Year Old", etc. having pins, hats, and other novelties are extremely popular with young children, or at least their elders who buy the cards. It is therefore not unusual for a store to have several series in several price lines in this group.

Relatively few engagement congratulation cards are sold since most people feel that the man, not the woman, should

be congratulated. Wedding congratulations do not enjoy a good sale either, since it is the popular custom to give the bride a "shower", that is, a shower of gifts for the home, but, lately, with the housing shortage, there have even been "greenback" showers. These occasions require gift cards or money folders and thus the need for a congratulation card is lessened. Then too, at the wedding gifts are usually tended, again with a gift card, therefore eliminating a wedding congratulation card.

Anniversary cards are quite popular because this seems to be an occasion that can be properly taken care of without a gift. There is even a group of "belated anniversary" cards to go along with the "delayed wedding congratulation" card. Those with poor memories are well-served even to numerous types of "belated" birthday cards.

It will be seen that greeting cards are in themselves a comment on everyday American life. Take for example the "Thank You" cards. These cards are made for specific occasions, even "thank you for the Christmas" card. These particular ones are really quite popular. Some of these cards, such as wedding gift thank you, may really offend the taste of many, since the one who gave the gift may have spent a great deal of time selecting it; it seems most rude to show appreciation by a stereotyped "thank you". Yet others will say that while this type of thank you leaves much to be desired, it is better than nothing. There will be more comment on the sociology of the greeting card in the next chapter.
No mention is made in the Chase commentary of the "secret pal" card. In the early 1930's dealers began to get requests for these cards. At first publishers were reluctant to make them, but investigation proved that a market existed for them. (1) Secret Pals are chosen by lot. The person who draws another's name remembers his secret pal on birthdays, anniversaries, holidays, and other occasions, there being special secret pal cards for all these occasions. Secret Pals are revealed at the end of a year's time, and there is even a secret pal card revealing the pal!

B. Seasonal Cards (2)

1. New Year's Day

While New Year's, which follows so soon after Christmas, is not a big greeting card occasion, there are nevertheless, plenty of greeting cards for that occasion. At the same time, greeting card dealers feature and sell tremendous numbers of "Thank You" for Christmas cards, "Thank You" for Christmas messages, etc., during the week or two following Christmas.

2. Valentine's Day Cards

The valentine is one of the oldest of greeting cards. Pepys mentions one in his diary in 1667 and in 1797 there was published in England "Young Man's Valentine Writer".

The nineteenth century saw the arrival of the lacy Valentines that are so highly prized today. The 1950 season even found at least one manufacturer trying to imitate them.

The First World War allowed many manufacturers to compete successfully against the Germans, and at the close of the war better designs on the part of domestic manufacturers drove

(1) "Greetings Pal" article by Arlene Wolf, Colliers, Feb. 16, 1946, page 70.
foreign competition out. The new idea of special titles on greeting cards helped Valentines a great deal. (1)

3. St. Patrick's Day Cards

Comic and semi-comic post cards were published for those who desired to greet one another on Saint Patrick's Day long before the advent of the greeting card and even after cards for other occasions were in constant use. It was not until 1912 or 1913 that the first greeting cards (in their present form) were issued covering Saint Patrick's Day, and while many of them were comic or "slap stick" the more serious type of sentiment came into use.

4. Easter

Of all the greeting card occasions, Easter comes nearest to Christmas in popularity and sales point of view, and therefore, Easter cards in great variety are obtainable in all greeting card business a month or six weeks previous to the ever changing Easter date.

Such cards differ in sentiment and type as do those of Christmas, and while there are many serious and religious thoughts incorporated in the sentiments, there are many of a semi-humorous nature. Special titles are almost as numerous for this occasion as at Christmas time. Designs are more spring like, and Easter cards generally are brighter in character than are Christmas cards. Jonquils, Tulips, Narcissi, and other spring flowers are in evidence, as well as rabbits, eggs, chickens, and other popular Easter motifs. Easter greeting cards are obtainable at from 5 cents to a dollar, the latter being mostly for mother, wife and sweetheart.

5. Mother's Day

On May 8, 1914, through the earnest efforts of Miss Anna Jarvis of Philadelphia, popularly known as the founder of Mother's Day, Mother's Day was made official by an Act of Congress,

and from that time on, greeting cards have been more and more in evidence, with sales ranking third in popularity.

The well-known Whistler's Mother has been used year after year as a decoration for Mother's Day cards, but all sorts of designs are used for this occasion. The sentiments are more or less serious, although there are a number of semi-humorous ideas in each year's showings on the greeting card counters.

6. Father's Day Cards
   In 1910, Mrs. John Bruce Dodd, of Spokane, Washington, started a series of national movements to recognize and establish Father's Day, which occurs on the third Sunday in June. This new Greeting card occasion is a very popular one.
   For many reasons, Father's Day cards are the hardest type to design and still be pleasing in appearance. Most greeting card designers try to make such cards masculine in appearance, with the result that many Father's Day cards look like clothing advertisement signs and they lack the feminine appearance, which is essential since most of these cards are purchased by women. However, this custom seems to persist with the result that as a whole, greeting cards for this particular occasion are less appealing in design, although the sentiments are invariably excellent.

7. Graduation
   Almost from the very beginning of the present Greeting Card Era, there have been cards designed for the graduate, and for many years, most of these cards were only available during the months of May and June, but in later years, due to mid-year graduations, it has been necessary for dealers to keep graduation cards in stock the year round.

8. Friendship Day
   About 1919 a movement was started to popularize a Friendship Day, to be observed the first Sunday in August. Unlike the other special greeting card occasions, it never became popular, but there are still cards published for that occasion, although
they are few in number, and do not retail for more than 25 cents.

9. Rosh Hashana, The Hebrew New Year
The first cards for this occasion were published about 1917, and were hand decorated, with biblical subjects, such as the "Ark of the Covenant", the "Seven Branch Candlestick", the "Holy of Holies" and other Jewish emblems, with the Hebrew characters, meaning, "May you be inscribed for a good year".

10. Thanksgiving Day
With the exception of a few years during World War II, the United States has been celebrating Thanksgiving Day the fourth Thursday in November, and during the past thirty-five years, there have been more and more Thanksgiving Day cards designed and sold for this occasion, although it does not begin to have the popularity of other greeting card occasions.

11. Halloween
"Halloween, or All Hallows' Eve, is the name given to the 31st of October, as the vigil of Hallowmas or All Saints' Day". (1) It is now, of course, a christian festival, but it antedates Christianity. In pre-Christian times people believed that, of all the nights of the year this was the one during which ghosts and witches are most likely to wander abroad.

As with some other holidays we have described, Halloween cards came into being with the Second Era of American Greeting Cards in 1908. Again like so many other holidays, the beginnings were disappointing. Even today, it

(1) Chase, E. D., "Romance of Greeting Cards", published by E. D. Chase, 1926, page 112
is not an important day insofar as sales are concerned.

12. Christmas

Christmas cards may be divided into four categories: counter cards, boxed assortments, cello packs and cards for imprinting or personalizing. Counter cards are, without much doubt, the biggest sellers in independent stores. They include general, humorous, and special title cards. These cards are displayed on the racks or counters, hence the name counter cards. Boxed assortments, on the other hand, do not have any special titles and are of a more general nature, to appeal to a larger group of people. Boxed assortments come in several price lines, from 50 cents to $2.50 and with a varying number of cards in each assortment.

Cello packs are a fairly recent innovation. Originally dealers wrapped carryover stock in cellophane and sold the cards at a reduced price, for example, 12 cello packed five cent cards might sell for 29 cents. Here is an instance of how markdowns are carried out in greeting cards. The idea caught on and soon manufacturers started to design special cards for cello packs or made special runs of older designs just for cello packs.

Cards for imprinting are sold in various ways. Two of the principal methods are from sample books and from boxed assortments or cello packs. The price of the cards is usually separate from the cost of imprinting. The imprinting itself may or may not be done by the retailer. There is no doubt that the Christmas holidays are the biggest seasonal card time. It
accounts for about 18% of the total greeting card business done in the average greeting card store. (1) The early history of the Christmas card has already been told; it only remains to be said that the cards and designs themselves seem to improve every year.

O. Comment On Seasonal Cards

In his comments on Seasonal cards, Mr. Chase said that Easter more than any other sales even in greeting cards comes nearest to Christmas. This is not substantiated by the facts. Reference to Table II will reveal that Valentine's rank next to Christmas, not Easter. No mention is made of the April Fool's Day cards; this is a very small holiday on par with Halloween. It has no special titles, except perhaps "For Your Birthday on April Fool's Day", and of course all the cards are humorous. Halloween and April Fool's Day are still small enough so that not all publishers make cards for these days and there is the question whether or not it is actually worth the publisher's effort.

Much the same comment could have been made about Mother's and Father's Day cards when they first came out, but today these cards provide over 7% of Rust Craft and Gibson sales and the percentage appears to be growing. It is interesting to note that Father's Day has had rather tough going compared to the ready acceptance of Mother's Day. Recognizing this, many

publishers have urged their retail dealers to display at least some Father's Day cards along with Mother's Day. The idea is that while many 'remember momma' some at least will be reminded of poppa. This year (1950) Rust Craft has taken steps in this direction. In the April 29th issue of the "Saturday Evening Post" they have inserted a full color advertisement featuring Mother's Day cards and recommending that the customer buy mother's and father's cards at the same time. (1)

Several greeting card holidays may be called "artificial" in that they were created by conscious concerted effort. Mother's Day and Father's Day are excellent examples of artificial holidays. These artificial holidays or special days have become an American institution. Recognizing this, the Department of Commerce has recently issued a booklet entitled "Special Days, Weeks, and Months in 1950" (2) The listing in this booklet reveals that there is scarcely a day in the year that is not designated a "special" day or part of a special week or month. Many of the days are religious and patriotic, but most of the rest are obviously designed for commercial purposes. One such day is Children's Day, a day long observed in many Protestant churches on the second Sunday in June. The day is sponsored by the "International Council of Religious Education to emphasize the joy of God's beautiful

(1) Form Letter sent out to all dealers by Rust Craft and dated April 17, 1950
world, and the importance of the child". (1) In spite of this long established custom another Children's Day has recently come into being. This day falls, for 1950 at least, on October 15th. The sponsor is "The Children's Day National Council". The purpose is to:

1. An occasion of churches and civic and community gatherings to call attention to the basic educational, health, recreational, and welfare needs of the children, and to discuss better ways of meeting these needs.
2. An occasion, second only to Christmas, to give children toys and games and sport equipment, wearing apparel, and other useful gifts. (2)

The final judgement on special days, weeks, and months must be left to society, but this much can be said, a great deal of promotional effort goes into these days and they seem to be worthwhile in terms of increased sales. The greeting card publishers have not been idle in using this device to promote greeting cards. For example, Hall Bros., Inc., sponsors Friendship Day (3) and The Gibson Art Co. sponsors National Smile Week. (4) As yet, neither of these events is of particular importance in terms of sales.

(2) ibid, page 17
(3) ibid, page 19
(4) ibid, page 27
Chapter IV

Some Sociological Aspects of the Greeting Card

The greeting card industry is closely bound up with the lives and emotions of a great part of modern society. It has achieved rapid growth in recent years and seems reasonable to look for some of the reasons for that growth in terms of the psychological and sociological aspects of the industry. Although psychology and sociology may seem far removed from marketing, actually they are not. The habits of people, their ways of living, are surely influenced to some degree by advertising and various forms and methods of distribution. It therefore follows that advertising, distribution, and the products of industry are also influenced by the habits and mode of living of people.

The greeting card is a social adjustment in the sense that it provides a good many people with a means of expression that they otherwise would not have. A social adjustment, or invention, is an adaptation that man has made to his physical, social, or supernatural environment. As a social adjustment it belongs to that "set" of adjustments that make up the "institution" of communication. Sociologically speaking, "institutions are blocks of adjustments centering around some human interest..." (1) The greeting card is therefore related to the radio, television, printing and the rest of the means

(1) Orgburn and Nimkoff, "Sociology", Houghton Mifflin 1940, page 905
of standardized mass communication, and as such it must share, to some degree, the criticism and praise that is directed at these other media. It is these newer adjustments in communication that have added to the effectiveness of the older adjustments such as language and writing.

1. How the Greeting Card Functions As a Social Adjustment

It has already been mentioned that there is a great group of people who are unable to express their thoughts or feelings toward others. Certain human emotions apparently are more difficult for written expression than others. Sympathy for a friend over the loss of a loved one is perhaps the most difficult to express; a cheerful message to a sick person, who will never be well again is another one. Added to the difficult occasions mentioned above are the many other less difficult ones that demand a certain degree of ability and mental discipline that many people simply do not possess.

There is in this country a foreign born element, who although they may be able to read and write English, find it exceedingly difficult to express themselves. They are natural patrons of the card shops. It is a known fact that in areas in which the foreign born predominate, greeting card sales will be good, especially in the higher price lines. (1) In a way the greeting card may aid in the cultural assimilation of the foreign born. "Assimilation is the process whereby individuals or groups once dissimilar become similar; that is become

(1) Interview with Fred Rust, Jr., July 5, 1949
identified in their interests and outlook." (1) Just how much a part the greeting card may play in the "Americanization" process is an open question, but it undoubtedly plays some part.

Perhaps of greater influence in the use of the greeting card as a social adjustment are some of the facts of modern living. Chief among these is our high rate of mobility.

"Mobility refers to changes in position in space which bring about new contacts and stimulations. In this sense, mobility is an ecological term, describing factors and phenomena which can be measured from the standpoint of the individual's adjustment to his human or non-human environment." (2)

High mobility has resulted in a certain amount of social disorganization; and the breakdown of primary group controls is perhaps the most important and unfortunate result of our high mobility. The primary group is a sociological term used,

"to describe certain groups, notably the family, play and neighborhood groups... they are called primary because they are first both as to time and importance." Direct contact is not essential, "...the only essential thing...is a certain intimacy and fusion of personalities." (3)

Although as a rule primary group relations are characterized by direct, face to face association. (4) The primary group

(4) ibid, pages 256-257
controls are important because, "our standards of right and wrong, our definitions of the situation, emanate from intimate group life. When persons move too rapidly from place to place, this vital contact is lost." (1) It is not too much to say that greeting cards do reestablish to a degree, at least, some of the primary group intimacies. This is particularly true of the family cards in both everyday and seasonal classifications. Greeting cards hardly give the intimacy of face to face contacts; however, when members of former primary group exchange greetings regularly on birthdays, anniversaries, etc. as well as at the various seasons of the year, then a certain intimacy is established.

Another example of the greeting card as a social adjustment may be seen in the process of keeping in contact with the great many acquaintances a person acquires in modern life. A clear distinction should be made between "acquaintances" and "friends". A person is indeed fortunate if he forms more than five or six close friendships during a lifetime. Relations with acquaintances on the other hand are not at all close relationships, but are characterized by impersonal, casual contacts.

Modern man has deemed it important to keep contact with this great host of acquaintances. It is impossible for him to do this by letter writing, or by face to face contact, the

(1) Merrill & Elliott, "Social Disorganization", Harper, 1941, page 300
greeting card provides an expedient answer to the problem. The practice of keeping contact with acquaintances is common to all walks of life, from well educated professional people to the poorest educated working people.

2. Is the Greeting Card a Good Adjustment?

A. The Evolution of the Greeting Card

To say a thing is good or bad implies some standard of judgement. To some, greeting cards are entirely acceptable and to others they are not; they are progress to some and retrogression to others. Therefore, when social adjustments are judged they are inevitably appraised in terms of value judgements. Instead of setting up a standard of value or a goal toward which development is "progress", it seems wiser to speak in terms of "evolution" or change in a given direction.

"...in the case of cultural evolution....every new invention has a history; that is, it grows out of and is dependent upon certain previous inventions. (social adjustments) Evolution describes a series of related changes in a system of some kind. The reference is to an objective condition which is not evaluated as good or bad." (1) The inventions or social adjustments that the greeting card evolves directly out of are two in number. First there are the numerous "complete letter writers" that have been issued for centuries and even up to the present time. The second is the post card, particularly the post cards sold in the period 1890 to about 1910.

1. Letter Writers

A pamphlet entitled "American Letter-Writers", 1698/1943, by Harry B. Weiss, introduces the letter-writer in this manner:

For hundreds of years, letter-writers have been published in a steady flow and have circulated among those wanted to write eloquent, polite, and effective letters on all sorts of subjects, but who lacked the skill to express themselves adequately. Confronted by this situation, such person could, and still can, turn to a letter-writer or handbook containing model letters suitable for all occasions. (1)

The term "letter-writer" as used here does not include collections of famous letters of famous persons nor does it include books on literary correspondence, social etiquette, or form letters for business and advertising.

Perhaps the first of the letter writers to appear in English was the "Enimie of Idlenesse" in 1568, which apparently was a translation of an earlier French letter-writer. "The English Secetorie, wherin is contained, a perfect Method for the inditing all Manner of Epistles and familiar Letters" by Angel Day, London, 1586, was the first English letter-writer to show independence of alien tradition and customs. This letter-writer included a detailed discussion and model letter for "the unlearned, written to meet contemporary needs." (2)

(2) ibid, page 5
Letter-writers continued to be issued throughout the 16th, 17th and 18th centuries. The 18th century saw the introduction of the most famous of all letter-writers entitled, "Letters written to and for particular friends, on the most important occasions. Directing not only requisite style and forms to be observed in writing familiar letters; but how to think and act justly and prudently, in the common concerns of human life. Containing one hundred and seventy-three letters, none of which were ever before published". This letter-writer was printed in London for C. Rivington, in St. Paul's Churchyard, 1741. The author of this was none other than Samuel Richardson, although he never, "publicly avowed his authorship." (1) It appears that Richardson wrote so well that his letter-writer served as a model for many others. Weiss traces evidence of Richardson's models from 1736 to the present time!

In Colonial times American letter-writers were mostly editions of the English ones, but about the middle of the 18th century "The American Instructor" made its appearance. The 1748 and 1753 editions were "Printed by B. Franklin and D. Hall at the New-Printing Office, in Market Street." Weiss's "Preliminary Check List of American Letter-Writers, 1698-1943" (2) lists one letter-writer for the 17th century (1698), more than 50 for the 18th, and more than 225 for the 19th century when during the last years of that century, from 1879 on, not a

(2) ibid, page 26
year went by but one or more letter-writers appeared. The
20th century has had its share of letter-writers too, more
than 125 have appeared up to and including 1943.

The larger number of letter-writers appearing during
the 19th century may be explained by the increased amount of
literacy, larger population, and greater population mobility.
This last factor really lies at the basis of the extraordinary
growth in the use of the letter-writer during the middle and
latter part of that century. The Civil War and the opening
of the West was responsible for much of the increased popula-
tion mobility and undoubtedly increased the amount of letter
writing, and of course letter writing by persons not skillful
in self expression. The letter-writer was exactly the social
adjustment the situation required. These letter-writers were
available to those of even modest incomes. There was "Beadle's
dime letter-writer and practical guide to composition" of 1860
and "Dick's common sense letter-writer", 1863 for 50 cents. In
fact no less than nine 50 cent letter-writers are listed for
1863. (1)

2. Post Cards

The picture post card is a somewhat different social
adjustment. There was at the turn of the century a great mania
for collecting and sending post cards. "In the 1900's, sending
and saving picture post cards was a prevalent and often deadly

York Public Library, 1945, page 25
boring fad in a million middle class homes." (1) While the picture post card does not express the thoughts of a person the same way the complete letter-writers do or the greeting card, it does, or did, convey some kind of feeling. The space for the message is short (although some persons get an amazing amount of material into the space allotted for messages) and to a large degree the card itself spoke for the person who sent it. The post card habit continued through the First World War and then died a natural death. (2)

Two things stand out in terms of the post card era: first the message space was short; second the customs of the day attached some little importance to the post card itself, so that even without a long message the post card did mean something to the one to whom it was sent. Of course the post card is still with us, but not to the extent that it was at the turn of the century when it was not unusual for relatively small local merchants to import post cards from Germany and England. The views were both local and foreign. The local views of the day were not the few scattering views that surface for a locality today, but numerous and seemingly inconsequential views such as "Cutting Ice on Weymouth Great Pond", "Catching Herring, East Weymouth", "Pumping Station, South Weymouth", "Great Hill from Quincy Point Bridge", "Glimpse of Great Pond

(1) Fortune, May 1948, "Maine Street Looking North From Courthouse Square" page 102
(2) ibed, page 106
and Driveway", "Old Centre Factory Falls", "Serman's Mill" and on and on. Yet millions loved them and looked for a "postal". (1)

B. A Value Judgement of the Greeting Card

Some set of values does seem necessary in judging social adjustments since "all social groups set up values which have the greatest significance in life." (2) One of the chief developments of modern life has been an increasing amount of standardization. The standardization of parts, production technique, and lately, marketing and advertising practices are well known adjustments in modern life. Standardization of industrial techniques has been one of the prime factors in making available to more people more material wealth. There is another side to the story, however, that begins with the standardization of the products of industry and goes on to the standardization of society itself. One writer comments thusly:

As if the natural similarity of the American people were not enough, 'big business' has set to work to accentuate it still further by scientific advertising... By accustoming people to a small number of well-known brands, they facilitate the mass production of an article at a low price. A typical advertisement is designed to appeal to the whole country, including Canada, for American advertising is more than national - it is continental. Though an American always pictures himself as free and unbridled as a prairie pony, in reality he is the most docile of men and is molded as easily as clay by 'national publicity'. (3)

(1) Interview, Edward P. Hunt, Proprietor, George H. Hunt Co.
(2) Ogburn & Nimkoff, "Sociology", Houghton Mifflin, 1940, page 909
Those who deplore this situation claim that mass communication, mass entertainment, have produced the diseases of "spectatoritis" and "listenitis". Persons affected with these so called diseases tend to watch and listen rather than participate, and it follows that they let their thinking be done for them by the agencies of mass communication and entertainment. The greeting card is part of this general scheme of standardization and as such it has some of the faults inherent in standardized products. In choosing greeting cards from more or less standardized assortments, consumers are allowing someone else to express their thoughts for them, moreover, the thoughts themselves are standardized. This happens to such an extent that a popular person often receives the same card from people living in widely separated parts of the country.

It can be seen that even in the relatively minor field of the greeting card, standardization of product and display creates a kind of regimentation. Regimentation as used here does not imply any conscious direction or control from some central authority; but it does mean to imply that standardization, in its broadest sense, has brought about a kind of standardized thought and action for a very large group of people.

What has just been said about the social effects of standardization may seem a little strong; but enough evidence has been presented to make it appear that there is a real danger in standardization. There is, however, another side to the
standardization question. It is simply that more material goods are made available to more people; the economies of standardization have brought us a great increase in the quantity and variety of goods available for consumption.

If people are "regimented" into the consumption of standardized products by standardized marketing techniques, they still have before them, in this country at least, freedom of choice or "freedom to pick and choose" as a recent advertising campaign has pointed out. (1) People can use the great variety of the standardized products of industry in an infinite variety of combinations and situations. No one of these situations or combinations will have the exact same value or utility to the person or persons making use of them, even though they may be exactly the same, in other words, standardized.

In other words, the persons living in widely separated parts of the country who sent the same greeting card to a mutual friend sent also a different thought with that card. The person receiving the cards probably did not experience the same feeling toward each person since a different set of memories and experiences would be associated with the different signatures. Yet mass produced sentiment is possible of misuse. People may exercise no care in selecting the cards they send, thus sending a grossly inappropriate card. An example of this kind is the

(1) The "Democracy Works Here!" or the "Freedom to Pick and Choose" advertising campaign of the NRDGA and the National Stationers Ass. The campaign was designed to show the consumer he was still "boss" Reported in "The Greeting Card Retailer" of Feb., 1949, (pub. by Gibson Art Co. and "The Hudsonian" of March, 1949, house organ of the J. L. Hudson Co. of Detroit, Michigan.)
instance in which a person receives at Christmas time a "Merry Christmas" card when a member of his family has just passed on. Christmas in this circumstance would not be "merry" but because of its religious significance it could nevertheless be "happy".

4. Conclusion

Perhaps the final judgement on the desirability of the greeting card should be in terms of the present-day situation. This was rather well put in an editorial in the "Christian Science Monitor"; the writer was commenting on the failure of the "New York Sun".

Where earlier journalists wrote for a generation with time on its hands, the newspaper today competes for attention against radio and television on one side and magazines and "pocket" books on the other.

In this era, moreover, newspapers cater to a public in which apparently the great majority are content to read the same stories, columnists, and comic strips, belong to the same book clubs, drive the same cars, eat the same breakfast foods, listen to the same dance band singers as most of their fellows.

To bring out new counterparts of the many "Suns" that have set in American journalism in recent years calls for at least two things: development of mechanical processes within the reach of the small enterpriser, and rise of a greater desire for distinction and diversity in printed fare. (1)

Much the same comment applies to the use of greeting cards, until something else comes along, or until there is a profound change in the tastes and wants of our people, when the greeting card will continue to grow.

(1) "Christian Science Monitor", January 6, 1950, Editorial entitled "The Sun Sets"
Chapter V

Channels of Distribution

A channel of distribution may be defined as: "....the course of ownership taken in the transfer of title of a product as it moves from manufacturer or producer to final consumer usually the product moves physically along somewhat the same route as that followed by the title, but by no means always. The channel of distribution in such cases consists of all the middlemen or agencies through whom title is passed on to the final buyer." (1)

Our primary concern is with the "independent store" or the retailer who buys direct from the manufacturer. There are, however, other channels of distribution; they are important if only because they are the independents' competition.

1. Direct Selling To Retail Stores

This form of distribution is perhaps the most carefully and skillfully developed. Publishers who sell direct to retail stores are made up largely of the older greeting card companies. They tend to concentrate their distribution in the "better" independent stores and department stores. "Better" stores in this sense are those that are financially responsible, and are generally picked for their desirability as outlets for greeting cards.

The term "independent retailer" as used by the greeting card industry is somewhat confusing. As commonly defined, an independent store means:

...a non-integrated store which is separate from any other store in both ownership and operation. By not being integrated, implies that it performs mainly retailing functions, relying upon manufacturers and wholesalers to perform the other functions necessary to the marketing of goods. Typically, the owner of the store acts as the manager. While, strictly speaking, the independent store is independent in both ownership and operation in practice members of co-operative and voluntary chains as well as operators of groups of two and three stores and local branch systems are usually placed in this classification." (1) (2)

The greeting card industry qualifies the above definition; as far as it is concerned, the term independent retailer applies only to those independent stores which buy greeting cards direct from the publisher. In other words, independent stores buying from jobbers are not considered independent retailers as far as the greeting card industry is concerned.

There are several distinguishing characteristics of a publisher selling direct to retailers. First of all, brand name and brand consciousness are becoming increasingly important. In an effort to protect brand name and reputation, publishers using this form of distribution have generally refused to sell to drug stores, variety chains, and even the basement stores of department stores; because these types of retail outlets too often use price appeal as the basis of their patronage. If a

(1) Duncan, Delbert J. and Phillips, Charles F., "Retailing Principles and Methods", Richard D. Irwin, Inc., 1947, page 13 (2) The definition may also include department stores in specified instances.
manufacturer is endeavoring to build a reputation for his product on the basis of quality, this form of merchandising hardly provides the right atmosphere for quality appeal.

The second distinguishing characteristic is that most publishers selling direct to retailers offer the retailer some kind of stock control or unit control which ties in with the publisher's factory inventory. Stock control is a necessary adjunct to the greeting card operation of most independent retailers. The reason is that the stores large enough to buy direct from publishers typically carry larger, deeper and more varied assortments of special title cards than do any other retail outlets of greeting cards.

The third characteristic, is that of larger and more complete assortment of cards than would be ordinarily found in other retail outlets. In fact this is one of the principal bases of consumer appeal that direct buying retailers and their publishers have over their competition. Nearly all these publishers carry not only a full assortment of everyday cards, but a complete assortment of seasonal cards as well.

Fourth, in order to establish and maintain a reputation for quality, and to provide means by which direct buying retailers can be recognised, these firms engage in a certain amount of national advertising. Some of the other publishers also use national advertising, but not for the same purpose or on as large a scale as publishers selling to independent retailers, theirs being designed largely to obtain outlets for their cards, and not customers for the cards.
Last of all the presence of large sales organizations distinguishes as much as anything else the operations of publishers selling direct to retailers. These organizations are essential to the whole setup, since it is through the salesmen that all contact with the retail dealers depends. The effectiveness of national advertising, stock control, and the whole policy of selective distribution depends to a tremendous extent upon the effective functioning of each publisher's sales organization.

2. Direct Factory Representatives

The direct factory representative is a functional wholesaler. A functional wholesaler is a:

...middleman who operates between producers, on the one hand, and retailers, merchant wholesalers, or manufacturers on the other. They do not take title to the goods in which they deal. They buy and sell for the account of others. (1)

As a functional wholesaler the direct factory representative closely resembles the manufacturers' agent who:

...sell part if the output of their manufacturing clients, whom they represent on a continuous basis. They may or may not carry stocks of goods. In most cases, drop shipments are sent directly from the factory to the purchaser....They are paid a commission for their services. (2)

The direct factory representative is exactly the same as a manufacturer's agent, except for the name and the character of the goods in which he deals. It appears that the manufacturers' agent deals largely in consumer goods. A casual investigation reveals that direct factory representatives are

(1) "Marketing Handbook", The Ronald Press, 1948, page 254
(2) ibid, page 255
frequently used in the distribution of toys, children's games, and giftwares. The same situation may well obtain in other similar lines of consumers' goods.

When greeting cards are sold through direct factory representatives, it is usually through representatives selling, in addition, one or more lines of non-competing giftwares. For example: Mr. Reginal P. Packard, a direct factory representative, with a permanent showroom at The Parker House Office Building, sells, in addition to the greeting cards of the Fravessi Lamont Co., copperware, bridge table covers, stuffed toy animals, pine stationery notes, and Swiss postcards. Other direct factory representatives selling greeting cards, also sell a similarly diversified line of giftwares. The reason for this diversification is that none of the card lines carried has a volume large enough by itself to sustain a direct factory representative, let alone, a manufacturers' selling organization of the kind used by publishers selling direct to retailers. These small lines of cards, small from the point of view of the number of designs, depth of selection, and season they include, are sometimes called "studio" lines, to differentiate them from the "commercial" lines such as Hall, Gibson, Rust Craft, etc.

The studio type of card appeals to a limited clientele, and for that reason wide distribution is unnecessary, even undesirable. These cards sell best in gift shops, greeting card speciality stores, and in gift and card shops located in
expensive resort areas. (1)

In the Boston area it is the custom of direct factory representatives, selling giftwares and allied lines, to hold two gift shows or trade fairs a year; one in March and the other in September. The Gift Show serves to bring into Boston many buyers from large and small gift shops all over New England. Some shops, because they are small or too remote, are not called on as frequently by salesmen as are the larger shops. The Gift Show thus affords the owners of such shops an excellent opportunity to buy merchandise and generally keep informed about the giftwares market.

The permanent show rooms of the direct factory representatives are located in downtown Boston at the Parker House, The Parker House Office Building, and the Paddock Building. These buildings, located on School Street and Tremont Street, are within easy walking distance of one another and help form a center for the Gift Shows, since representatives without permanent showrooms can usually find space at either the Parker House or Statler Hotel. The Parker House and The Parker House Office Building, directly adjoining the hotel, originally held a monopoly on the permanent showrooms at The Paddock Building, a short distance down Tremont Street and at the Hotel Statler located at Park Square some little walking distance away.

(1) Interview with Mrs. Power of Brownie Blockprints, March 22, 1949.
The larger direct factory representatives, in addition to having permanent show rooms, may also have salesmen on the road and office staffs besides, as well as additional show rooms at one of the hotels mentioned above at Gift Show times. The smaller direct factory men may travel the road themselves and leave a secretary in the showroom to handle the clerical work as well as the selling to buyers who may prefer to call at the showroom. There is a third group that maintains no showroom, except at Gift Show time. They travel constantly and often develop very close relations with customers as a result of it.

Greeting cards are only a small part of the marketing situation described above. The great bulk of the business being done is in giftwares, such as glassware, china, leather goods, pictures, etc.

3. The Syndicates or Limited Price Variety Stores (1)

All the stores of the F. W. Woolworth Co. in the greater Boston area sell greeting cards as do most of the stores of the other variety chains. Display for this type of outlet depends on individual store conditions, but there is usually an attempt to locate the department in a similar location in each store. This is usually against one of the walls near the principle entrances, almost never is aisle counter space given to everyday greeting cards.

(1) Material for this section was gained from interviews with Mr. Hodgekin of the District Office of the F. W. Woolworth Co., interviewed March 30, 1949, and Miss Alice J. Mitchell, sales clerk, S. S. Kressge Store, 477 Washington Street, Boston, interviewed April 5, 1949.
One of the strongest characteristics of variety store operation is that such stores do not generally spend much time selling to each customer, being largely on a self service basis. The greeting card department fits into this scheme of things very well indeed, since a good display, or even a modest one in an area such as this is all that is necessary.

Stock is controlled for reorder purposes through weekly inventories of the greeting cards, and even more frequent inventories in the larger volume units of the chain. The inventories are then compared with model stock lists provided by the headquarters management. Orders for cards are made up from the comparison of model stock lists with the periodic inventories, and then sent directly to Woolworth suppliers. Larger stores are required to carry all the cards on the list; smaller volume stores need carry only a part of the cards on the model stock lists.

Some stores of the variety store type seem to carry better and more complete stocks than others. This arises partly from locational factors and perhaps to some extent from managerial differences. The most complete stocks are to be found generally in downtown shopping areas, although rather good selections may be found also in secondary shopping districts. In these larger stores, it is possible to have a large everyday display throughout the year; seasonal cards can be sold from counters normally devoted to other merchandise. Only during the last days of a season need any space be sacrificed in the everyday display.
As might be expected in such stores, the five-cent price line predominates in the everyday card, with some two-for-five cent and a few ten-cent cards to fill out the line. However, more and more ten cent cards are appearing on the model stock lists. This may mean that the margin on five cent cards is not great enough or it may mean publishers can no longer profitably make five cent cards, or it may reflect current (1949) prices.

Everyday cards are ordered by design, price line, and publisher, whereas seasonal cards are ordered by price line and classification only. Individual variety chain stores do not select the designs on seasonal cards but merely send their requirements to headquarters. The buyers at headquarters then select designs and buy in quantities large enough for all the stores in the chain. Reorders are seldom made by individual stores on seasonal cards, since they are apparently considered evidence of poor initial ordering, and the managers of the local stores naturally do not wish to show up in a bad light. Thus initial orders are supposed to be enough for the whole season.

All of the seasonal cards except Jewish New Year, and April Fool's Day cards, Halloween, and St. Patrick's Day cards are not likely to be sold in variety chain stores. These seasons have only a limited appeal. However, if ever they do become more popular the variety stores will undoubtedly handle them. Some of the larger stores may already have some of these seasonal cards.
4. Direct Selling Agents Or Door to Door Sellers

Direct selling agents or door to door salesmen may be used by either manufacturers or wholesalers of greeting cards. In no event are the direct selling agents considered employees of the manufacturer or wholesaler. The agent being supplied with merchandise on a cash and carry basis, they do not even become accounts receivable. Agents are recruited through direct mail advertising or through small newspaper or magazine advertisements which may read as follows:

Sell CHRISTMAS CARDS with name, 50 and 25 for $1.00. Box ass’ts, gift wraps, personalized stationery. Up to 100% profit. Samples on approval. FEDERAL ART, 116 Bedford St., Boston, Mass. (1)

Samples are then sent on approval to respondents, after first checking to see that the respondent does not have a bad record in terms of non payment or non return of merchandise sent on approval. Subsequent orders sent in by respondents or direct sellers, must be accompanied by payment for the cards ordered. This is especially important when imprinted or personalized cards are involved; and of course such a requirement relieves the publisher of any responsibility for customer collections.

The cards sold by door to door agents are of a general nature; that goes for both everyday and seasonal cards. Few special titles are carried; many times none is carried. The selections that are offered to the agents are relatively small -

(1) Federal Art copy for the 1948 season.
perhaps only one or two hundred designs in the everyday category. As for seasonal cards, Christmas is the largest with Easter next. No Valentine, Mother's Day or Father's Day cards are sold through agents. The explanation for this seems to be that these are special title days, and publishers selling through agents do not have special title cards because of the limited appeal for such cards.

Direct Selling agents are usually middle-class housewives, who are not necessarily well educated and who generally sell the cards to their friends and acquaintances. They ordinarily do not go beyond their circle of friends in selling greeting cards. (1) In recent years, however, churches, lodges, and other similar organizations have sold greeting cards as a means of raising money for their treasuries. Such organizations are not usually solicited directly by publishers, but rather, through the members of such organizations who may have seen the advertisements of the publishers. Such members may persuade their organizations to sell greeting cards as a fund-raising proposition. In some cases, churches and lodges have been so active in selling greeting cards that long-established agents have complained, and a few are reported to be no longer willing to sell Christmas cards because the church or lodge has been so active in soliciting business.

Direct selling agents are given suggested retail prices, which may or may not be adhered to; at any rate, the

(1) Interview with Mr. Chilton, Chilton Publishing Co. March 28, 1949
cards do not have a minimum fair traded price. On the other hand, Wallace Brown, Inc., one of the largest greeting card publishers using direct selling agents, requires agents to sell its assortments at the published price. The reason behind this may be the Brown program of national advertising. These cards are advertised in "Good Housekeeping", "Ladies Home Journal", "McCall's Magazine", "Woman's Home Companion", and in many other large magazines.

The cards sold by direct selling agents are customarily less expensive than those found in the stores of direct buying retailers, and they are even less expensive than the cards sold in the stores of the variety chains. For example, Wallace Brown, Inc., offers an "All Occasion" sixteen card assortment for $1.00; there are Baby Birth and Sympathy assortments of fourteen cards, each for $1.00. A similar value in a store buying direct from the publisher would amount to about $1.60 for the "All Occasion" box and about $1.40 for the other two assortments; in the case of the variety store, it would be at least 25 cents less, and if all 5 cent cards were used it would be lower than the Brown cards.

The cards sold by these publishers are usually not branded because some of them sell to wholesalers and some will themselves buy from other publishers in order to make up their assortments. The boxes containing the assortments are not branded for the same reason. The box itself is quite important since no cards are sold individually, but always in an assortment. The reason being that under this method of distribution
it is far easier for door to door agents to handle an assortment than a display of individual cards or a catalogue, furthermore the margin is much greater on an assortment than it is on a few individual cards that might be sold to a customer.

A. The Legal Aspects of Direct Selling (1)

The legal aspects of direct selling are interesting.

The law in Massachusetts is as follows:

SECTION 13-A "hawker" or "pedler" is defined as...a person, either principal or agent, who goes from town to town or from place to place in the same town selling or bartering, or carrying for sale or barter, or exposing therefor, any goods, wares or merchandise, either on or from any animal or vehicle.

SECTION 14-A A hawker or pedler who sells or barters or carries for sale or barter or exposes therefor any goods, wares, or merchandise, except as permitted by this chapter, shall forfeit not more than two hundred dollars, to be equally divided between the commonwealth and the town in which the offence was committed. (2)

Section 22 provides that license fees are to be collected by the Commonwealth and credited to the towns, cities, and counties for which they are granted, and the Commonwealth retains $1.00 from each fee collected. The municipal fees are graduated according to the population of the particular town in which the pedlar is to operate. The highest municipal fee is $26.00. County licenses are for manufacturers and their agents

(1) Material for this section was gathered from an interview with Mr. McBride, Director of Standards, Dept. of Labor and Industries and Mr. Hughes, Inspector of the Division of Standards.
(2) Chapter 101, General Laws, with Amendments Effective, Sept. 1, 1936
and their fees vary from county to county. A statewide license may be had for $50.00, which permits the hawker to operate in any city or town of the Commonwealth, subject to local regulation, which must not be inconsistent with the statute.

There is no doubt that as the law is written, persons selling greeting cards from door to door – including persons selling for lodges, churches, etc. – come under its regulation, and failure to obtain a proper license makes them liable to a fine of not more than $200. However, according to Section 15, the law specifically does not apply to:

...wholesalers or jobbers selling to dealers only, not to commercial agents or other persons selling by sample, lists, catalogues or otherwise for future delivery... (1)

The Attorney General has ruled that "future delivery" shall mean delivery after a twenty-four hour period, but this is an arbitrary ruling and may not be sustained by the courts. The important thing to bare in mind is, "Does the person selling from samples, lists, catalogues, etc., have a stock of goods, wares, or merchandise for sale with him at the time of the solicitation?" If so, then he is a pedler or hawker within the meaning of the statute.

The original reason for the statute governing the activities of hawkers and pedlars was an endeavor to control a public nuisance. It may now be viewed as a device for protecting established retailers from competition from outside their

(1) Chapter 101, General Laws, Massachusetts, with Amendments Effective September 1, 1936
towns or from any person that takes it into his head to start
door to door peddling. A careful reading of the above, however,
will reveal a glaring loophole in the law. The loophole is that
a person may avoid being classified as a hawker or a pedler
simply by taking orders for future delivery. Thus, persons
selling greeting cards for future delivery cannot be classified
as pedlers, nor be required to have a license.

5. Selling Through Jobbers (1)

A wholesale merchant, or as they are usually called,
wholesalers or jobbers, take full title of the goods they
handle and therefore assume more risk than the functional
wholesaler, or agent, such as the direct factory representative.
When the term wholesaler or jobber is used here, it refers to
the service, or full function, wholesaler. The service wholesaler—

...buys and sells merchandise on his own
account, carries stocks, sends out sales-
men, extends credit, assembles his goods
from many sources in large quantities,
sells in smaller quantities, and renders
valuable counsel and advice to his
customers. (2)

Most greeting card jobbers resemble regular wholes-
alers in that they are small in comparison with manufacturers,
particularly those selling direct to retailers, and their
customers likewise are usually small purchasers and are more

(1) Material for this section was obtained from interviews with
Mr. Hymen Hurwitz of the United Art Co. on March 25, 1949, and
Mr. Freeman of the Freeman Art Co. on May 4, 1949. Mr. Hurwitz
is the same person who wrote the Bachelors Thesis cited on page
numerous. Larger retailers take advantage of the opportunities offered by publishers selling direct, if they can qualify under the selective distribution policies practiced by these publishers.

To combat this tendency toward buying direct, a group of wholesalers, "The Greeting Card Distributors of America, Inc.", have established a branded line of greeting cards of their own. This they call "Charm Craft" and it comprises about three hundred fifty designs of everyday cards. It is planned to add more, but at present there are no seasonal cards in the line.

When the Charm Craft line is fully developed, it can be expected that the jobbers will push this line in preference to others. The jobbers in the Charm Craft organization, own no printing or designing facilities, however, they do control both the designs and sentiments used in the cards. One jobber interviewed believed so completely in the Charm Craft that he refused to answer any detailed questions in regard to it. It was his contention that Charm Craft was a source of worry to the publishers selling direct to retailers, and for that reason no further information should be given out. At this point, it is well to recall that the position of the publishers selling direct to retailers is built upon much more than brand name. It includes continuous promotion of novelty greeting cards, a large sales organization, and fully developed stock control, none of which the jobbers have shown any signs of developing.

Some paper merchants (jobbers specializing in wrapping paper, twine, etc.) have taken on lines of Christmas cards.
They have done this to get an entree for their salesmen in stores during October, November, and at Christmas time. The cards they sell are largely formal cards suitable for sale as personal cards, and most are sold to the consumer from a sample book. The actual work of personalizing or imprinting the cards may be handled by the store or perhaps by the jobber.

Most greeting card jobbers must depend on everyday business to maintain their volume, because direct selling agents, Christmas time jobbers, and others have made such inroads into the Christmas business. They have a saying that goes, "seasonal lines (especially Christmas) are the frosting and the cake, and everyday line the bread and the butter."

6. Consignment Selling to Retail Stores

Selling on consignment, as practiced in the greeting card industry, consists of making shipments to retail dealers under an arrangement whereby title remains with the manufacturer or jobber until the cards are sold to the consumer. The retailer pays only for what he sells. In effect, he acts as agent of the jobber or manufacturer. (1) Strictly speaking then, consignment selling is not a "channel of distribution", but a method of sale.

Although no figures are available on the volume of consignment selling, many executives of the greeting card industry give one to understand that consignment selling has declined considerably. There are two reasons given for this decline:

(1) Definition of consignment selling adapted for definition in the "Handbook of Marketing", Ronald Press, 1948, page 207
first, the low markup obtained by the retailer; second, the fact that cards that do not sell in one store must be transferred to other stores. Shifting merchandise from one store to another may result in all consignment stores having poor merchandise, especially in slow times, the same thing may result if the merchandise is poor to begin with.

In spite of inherent disadvantages some jobbers and manufacturers have been able to sell greeting cards on consignment very successfully. One jobber in northern California offers the druggists of that area the cards of eight publishers. (1) The dealer pays $60. to $150. for a display rack and receives his cards on consignment, paying only for what he sells. Before putting any cards into a store, the jobber makes a survey of the store's greeting card potential, taking into consideration the neighborhood, amount of traffic, kind of traffic, type of clientele, and the size of the operation. From this information, the salesman recommends the type of cabinet that will do the best job.

Now, as contrasted with the usual setup of a Hallmark, or Rust Craft, this jobber does not usually have self service as a feature of his displays. Instead, samples of the cards are mounted on heavy cardboard and displayed in pockets in the top of the cabinet, the reserve stock, from which sales are made, is kept in drawers in the cabinet. The reserve stock is checked twice a month or once in six weeks, whatever the sales performance

warrants, when the salesman notes what is selling and replenishes the stock accordingly. In that way, this jobber offers the retailer the best of his eight lines.

The American Greeting Card Co. offers a similar service on a nationwide basis, although it sells only the cards it makes and none of other publishers. Both American and the California jobber appear to offer small stores a valuable service. The bulk of their customers are drug stores which typically do not devote a great deal of space to greeting cards. The reason why more space is not given over to cards is that a larger amount of markup can be obtained on other drug store items, such as cosmetics. Another reason may well be competition from retailers who buy their cards direct from publishers. Such retailers have full displays and assortments, in contrast to the limited displays and assortments offered by jobbers and manufacturers selling on consignment.

7. Direct Mail Selling

This type of selling consists of soliciting the consumer through the mails by the use of a form letter. Sometimes greeting cards were sent on approval, with the request that they be returned if the recipient did not want them, otherwise he was expected to send in payment for the cards.

Although no figures are available, it appears that in recent years direct mail selling of greeting cards has given way to sales through direct selling agents. The only support for this statement are the general statements of some of the greeting card industry executives that were interviewed.
There is some evidence of at least one campaign against direct mail selling. It took place some years ago in California. It was a local campaign sponsored jointly by local retailers and the publishers from whom they purchased greeting cards. Apparently direct mail advertising offered serious competition at the time this campaign took place, at any rate, it is reported to have been quite successful. (1)

Small greeting card publishers and distributors, who cannot sustain selling organizations, still resort to direct mail solicitation in urging their wares on retail stores. Often they send samples of their cards, and at Christmas time they may send books containing cards suitable for imprinting. Offers of goods to retailers in samples of this manner place the stores under no obligation whatever to accept the goods or even return them. In fact, the best way to discourage this practice is to keep the goods and do nothing at all with them.

3. Indications of the Relative Importance of Various Channels of Distribution

The table on the next page gives an indication of the importance of the various channels of distribution of greeting cards of the years 1941-1944. Under "Method of Distribution" chains and jobbers are combined. It was amply demonstrated that these two methods are really quite distinct. Direct factory representatives are left out entirely, unless they are included under jobbers. If this is true, then it is a mistake,

### Table III

**ESTIMATED TOTAL INDUSTRY SALES AT WHOLESALE**

For the years 1941-1944, inclusive

Yearly Totals and Sub-Totals by Method of Distribution Groups

<table>
<thead>
<tr>
<th>METHOD OF DISTRIBUTION</th>
<th>Number of Concerns</th>
<th>Estimated $ Sales</th>
<th>Percent of Total</th>
<th>Estimated $ Sales</th>
<th>Percent of Increase</th>
<th>Total Concerns</th>
<th>Estimated $ Sales</th>
<th>Percent of Total</th>
<th>Estimated $ Sales</th>
<th>Percent of Increase</th>
<th>Total Concerns</th>
<th>Estimated $ Sales</th>
<th>Percent of Total</th>
<th>Estimated $ Sales</th>
<th>Percent of Increase</th>
<th>Total Concerns</th>
<th>Estimated $ Sales</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through Independent Retailers</td>
<td>35</td>
<td>20,089,294</td>
<td>43.0</td>
<td>25,035,596</td>
<td>26.0</td>
<td>33</td>
<td>31,353,581</td>
<td>25.0</td>
<td>33</td>
<td>8,926,444</td>
<td>8.3</td>
<td>44.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Through Caisie and Jobbers</td>
<td>36</td>
<td>19,567,920</td>
<td>41.0</td>
<td>22,014,664</td>
<td>41.0</td>
<td>36</td>
<td>26,163,321</td>
<td>17.8</td>
<td>36</td>
<td>28,303,206</td>
<td>7.6</td>
<td>40.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Sellers</td>
<td>28</td>
<td>7,858,876</td>
<td>16.0</td>
<td>7,440,425</td>
<td>16.0</td>
<td>28</td>
<td>7,689,039</td>
<td>3.2</td>
<td>28</td>
<td>8,248,064</td>
<td>7.3</td>
<td>11.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Concerns</td>
<td>99</td>
<td>47,113,090</td>
<td>100.0</td>
<td>49,400,685</td>
<td>100.0</td>
<td>97</td>
<td>54,016,714</td>
<td>100.0</td>
<td>97</td>
<td>70,447,714</td>
<td>100.0</td>
<td>109.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data collected by Marketing & Research Service Dun & Bradstreet, Inc., September 27, 1945

This table was copied from an undated pamphlet circulated by The Gibson Art Company of Cincinnati, Ohio.
since the distinct difference between the two is that the direct factory representative is a functional wholesaler rather than a merchant wholesaler or jobber. However, this would not affect the figures a great deal because in all probability, direct factory representatives do not sell a very great proportion of the total greeting cards sold.

As for the figures themselves, they reveal that selling through "independent retailers", which in this case probably includes department stores, has increased percentage wise to the total for the year and in absolute terms in each successive year. Chains and jobbers have also increased in sales each year, but not in proportion to the total business done.

Direct sellers of direct selling agents lost ground in 1942. They gained some back in 1943 and more than regained their 1942 position in 1944. It would be very interesting to know what the present figures are, because one gets the impression that this is the fastest growing method of distributing greeting cards.

The percentage of yearly increase for each method of distribution is interesting. The greatest increases occurred in 1943, except for direct sellers. Thereafter the increase was at a decreasing rate. This may indicate that the saturation point was being approached. Again the question may be raised as to whether or not the direct sellers had not more room for expansion than the others.

The sales for 1949 are reported to be about $200,000,000. at retail or about $125,000,000. at wholesale.
These figures are only approximate because of the same reasons outlined above. (1) About one half the sales were through "independent" retailers, about one third through chains and jobbers, and the rest through direct sellers. This tends to bear out the statement by an executive of a firm selling direct to retail outlets that, "The chain stores have lost out in recent years."

It would of course be much better to have the actual figures before us, but even those who compile them cannot vouch for their accuracy and have therefore asked that the statistics not be released.

Chapter VI
Stock Control of Everyday Cards

The stock control of everyday greeting cards is a unit control system, that is, it is a control in terms of units of merchandise rather than in the dollar value of merchandise.

1. Description of Stock Control

The secret of the success of a unit control is to "control" the control. Some greeting card manufacturers have prepared excellent retail control systems. Each pocket in the display unit has a number. Each stock bin, from which the pocket is refilled, has a corresponding number. A reorder ticket (having the same number) is placed in each stock bin in front of the minimum model stock. (see illustration next page)

When the reorder ticket is reached, it is taken out of the bin and mailed to the manufacturer who then ships the store a model stock quantity of the same card or, if it has proved to be a slow seller, substitutes a best seller of the same caption and price. The order ticket is returned to the store with the cards and again placed in the bin in front of the minimum model stock.

Each reorder ticket is assigned to a specific manufacturer. To send the ticket to another manufacturer or buy cards "out-of-control" and put them in assigned pockets, destroys the purpose of the control. Empty pockets should never exist if the control is correctly operated. (1)

In conjunction with the reorder tickets there is also a stock control book in which the tickets are recorded. This lists each design by title, price line, and reorder ticket number. From this book it is possible for a publisher to

(1) Article "Greeting Cards" in "Stores" bulletin of the N. R. D. G. A., October, 1947, pages are not numbered.
Actual reorder or stock control ticket and ticket holder used by the Gibson Art Co. The ticket of course would not be mailed to The Gibson Art Co., unless it was assigned to that firm.
analyze the control. The accuracy with which the book has been kept can be checked to a degree, from the publisher's own records sent to the store in question. In fact, upon receiving a control for analysis this is the first thing he does, if the discrepancy between his records and the control book is too great, then no further analysis will be made. The assumption being that the same condition would prevail in tickets assigned to other publishers. Stock controls may be 100% controls or split controls. The 100% control is one in which all reorder tickets have been assigned to a single publisher; the split control is "split" among several publishers.

The object of the greeting card stock control is the same as that for any other unit control, namely, the achievement of a proper balance between sales and inventory. A proper balance results in a minimum of inventory and maximum sales. The minimum inventory is determined by the minimum model stock for each design. Under a properly functioning control, it is estimated that at any one time a store will have in stock 60% of its total capacity of everyday greeting cards. (1) In other words, reorder tickets are always in transit either to publishers or from publishers.

The following is an example of how stock control may help to increase sales and reduce inventory:

(1) Interview with J. J. Stuck, Dealer's Service Manager, Rust Craft, February 18, 1950
Over a period of six months, a sales study was made by a manufacturer in a store doing a volume of $300 a week. The buyer made purchases from any resource that seemed desirable, whenever the stock head reported a need. The result was that sales ran $300 on a stock of $2,400. (retail).

First the stock was reduced to $1,500. using the same space, sales remained the same.

Second a stock control was installed, the stock was further reduced to $800, the reduction being based on the study. Space occupied by the display was reduced 15% and sales increased 12%. (1)

Publishers make much of the fact that each control is tailored for each store. This is true in that certain basic decisions must be made before a control can be installed and the factors influencing these decisions vary in degree. The amount of space to be occupied by display racks, the number of designs to be carried, the number of publishers, and the percentage of tickets assigned to each publisher, are some of the basic decisions to be made before a control can be installed.

Some of these decisions can be made on the basis of objective analysis such as the amount of space occupied by display racks and the number of designs and the quantity of each design to be carried. The first is decided on the basis of space competition from other types of merchandise that may or may not offer better profit prospects than greeting cards. The number of designs and the initial model stock in each design can be determined by the publisher installing the control on the basis

(1) Article from "STORES", bulletin of the NRDQA, September, 1941, page 84.
of his recorded past experience in similar installations. Another item to be decided is what designs will be mounted on heavy cardboard, and displayed in a manner similar to that described for drug stores in the last Chapter in the section on Consignment Selling. Because no matter how large an amount of space is available, some cards must be displayed on mounts, either because the sale of certain cards does not warrant full rack display or because space is not available.

2. Stock Control Analysis

An analysis of the stock control is made from the information recorded in the stock control book. This analysis will reveal the percentages of sales in each classification, as compared with the percentage of styles in each classification, the number of styles in each classification and the average ticket value of each classification, and the average investment and stock turn of each classification. Two summaries of analysis of the same control will be found in Appendix C.

In a split control it is of course possible to make an analysis of sales by publishers. A comparative sales analysis of this kind would reveal the number of tickets assigned to each publisher, the total sales per publisher, the percentage of tickets assigned in relation to the percentage of business placed. Other information the analysis would bring to light would be total sales, average ticket value, average inventory, average total stock turn, and average daily sales.

Much of the information revealed by the analysis cannot be obtained unless the control is "controlled" in the
retail store. Clerks must go to some pains to properly record the sending and return of reorder tickets, and to "pull" the tickets when the reorder points are reached. It would be perfectly possible to operate a control without a control book; tickets would simply be sent to the publishers whenever the reorder points are reached. Stock control analysis under these circumstances would be more difficult and expensive.

3. Servicing Reorder Tickets

The process of filling orders called for by reorder tickets and returning the merchandise and tickets to the dealer is called "servicing". There are several different ways in which publishers service tickets; two of these methods will be described. Both involve the use of master charts which list the designs each publisher has assigned to him according to the publisher's own design number. Master charts are made out for every publisher taking part in a split control, regardless of how few or how many tickets he may have in the control. This is because all publishers realize it is to their mutual benefit to have the control operate efficiently.

Hallmark uses a master chart that contains not only their own design numbers but the reorder ticket numbers as well. Each design Hallmark has in the control is checked off on the list and the control or reorder number is placed beside it. Thus there can be only one design assigned to a ticket. There are, however, several different cards representing a single basic design, each of these cards will have the same basic stock
number but the last digit in the number will represent only one particular design. For example, the basic stock number may be 392 for a 10 cent general birthday card, individual designs in that classification might be numbered 392-1, 392-2, etc. As tickets are serviced orders are filled according to the design number on the ticket, provided that particular design is selling well. If not, the number is circled on the master chart, indicating it is not to be sent to that dealer again, and another design, in the same basic classification, is returned to the dealer. The determination of what to send the dealer is guided by a "master board control" which lists the best selling numbers. This listing is obtained by summarizing the orders that come in from Hallmark dealers all over the country. Thus dealers are assured of getting the best designs and of course this helps to keep the tickets turning over more rapidly. (1)

Rust Craft uses the master charts only to make the initial setup of the dealer's Rust designs on Rand file books. These are large visible index books which list dealers in code across the top of each page and the designs vertically down the left hand side of the page. The designs are listed on separate removable strips of cardboard that are held in place by a suitable mechanism. The first part of the strip, beginning on the left, contains the design number the rest of the strip contains boxes corresponding to the dealer code numbers

(1) Interview with Mr. Dean Hall of Hallmark Boston office, February 9, 1949.
listed across the top of the page. As tickets are serviced the proper box designating design and dealer is checked in much the same manner as described in the Hall system above. Where Rust differs is the manner in which best selling designs are rated. Four times a year the strips are removed and replaced according to the latest available sales data, and thus the best selling designs in a basic group are placed at the top of that group, for like Hall, Rust of course makes several designs within a single basic group. Designs that have consistently held top place in the group are further designated by a blue circle which indicates that they are proved sellers. (1)

In order to satisfy the whims, and preferences of individual dealers, both Hall and Rust maintain instructions for the servicing of each dealer. Hall records this information on the master sheet, while Rust maintains separate loose-leaf memo books for the same thing, a book for each large visible index book. Some dealers may prefer that they be sent no "liquor" cards or no "off color" cards. These whims are met in so far as possible. However, unusual requests such as "send me all flower cards, nothing else" cannot be satisfied through stock control, and such buyers are advised to "buy from the line" which means to forget stock control and buy from salesmen's samples. (2)

(1) Interview with Mr. Dean Hall of Hallmark Boston office, February 9, 1949.
(2) Interview with Mr. John Wolcott, Sales Promotion Manager, Rust Craft, April 28, 1949.
In addition to the large Rand file books maintained at the factory, Rust also has smaller visible file books for use by salesmen. They are similar to the ones at the factory and permit salesmen to service accounts on a very individualistic basis. Moreover, the small books are used largely by salesmen on the West Coast because it saves time in sending tickets to Boston and back again. In doing this, salesmen are of course taking on an additional burden of work, with no additional compensation, except the possibility of increasing the dealer's sales and thus his own commission. Since the return may not be immediate, the salesmen may neglect this additional work to the harm of all concerned. (1) Therefore Rust is careful to limit the use of the small Rand file books.

Finally the importance of stock control to the publisher may be gauged somewhat by the fact that some 60% of Rust Craft's everyday business comes in on stock control reorder tickets. (2) Other publishers would also probably show large percentages of business from everyday stock control tickets.

4. Racks and Fixtures

Stock control requires adequate display and reserve stock space for the cards if it is to function properly. As was pointed out earlier, most of the major companies now offer for sale some kind of furniture to their dealers. Open display

(1) Interview with Mr. John Wolcott, Sales Promotion Manager, Rust Craft, April 28, 1949.
(2) Interview with Mr. J. J. Stuck, Dealer's Service Manager, Rust Craft, February 18, 1949.
is very important because everyday cards are impulse items, or at any rate, they are not planned consumer expenditures. Good lighting is another important factor. Many customers wish to examine the cards carefully and read the sentiments. This customer habit is encouraged by good lighting. In many cases lighting fixtures may be part of the racks sold by the publisher.

Next to the racks themselves, the drawer space under the racks is most important for the functioning of stock control. The drawers provide special compartments for reserve stock. Each compartment has a stock number which corresponds to the ticket number and the rack space number where the card is displayed. The reserve stock and the reorder ticket are placed in these compartments, part of the stock being placed in the minimum order section of the compartment.

Although no manufacturer makes a profit on the sale of furniture, most will urge customers to buy if they care to have any kind of effective stock control. It is interesting to note that although each publisher has his own fixture designs, most confirm to the same general specifications. For example, all racks are made in standard four-foot lengths, often times small two foot lengths are also provided. As a further aid to efficient stock control rack capacity is about the same and along with this the greeting cards themselves have assumed standardized sizes. Some of this work, like the sizes of the cards, is a result of formal cooperation on the part of the major companies.
The remainder is a result of natural development that has become standard practice. (1)

5. Operation Without Stock Control

Stock control aids in determining the minimum inventory for the most profitable operation, and insuring variety in display. It also helps the publisher determine what designs are selling the best and helps him to transmit this experience to individual retailers. If a dealer working by himself using his own system can obtain these ends, then he doesn't need stock control.

Those who operate without stock control generally order at random what seems to be selling well, display some of it, and keep the rest in the stock room. No provision is made for reorder points; no effort is made to determine what is selling best nationally. When some sellouts have accumulated, they will call in a salesman and look at his samples and "buy from the line". This procedure usually results in much larger inventory investment than is necessary under stock control. It also means that unless the salesman can influence the buyer, he is likely to buy only what appeals to him. Another variation of line buying is to use reorder tickets as reminders of when to reorder only, without recording them in a control book or assigning them to any particular publisher.

One might be tempted to say that a dealer is foolish to depend on such methods for buying his everyday cards. This

(1) Interview with Sam Katz, Mgr. Green's Card Shops, April 1, 1949.
is true, depending on the dealer, as several of those dealers interviewed were line buyers. Their shops appeared to offer as good a selection of cards as any using stock control. Line buying in the hands of an expert (often an "old timer") is just as effective as stock control insofar as providing variety and balance of designs is concerned. Even in these fine, well managed stores, however, there is a question as to whether the other two objectives of stock control have been attained, namely, minimum inventory and determination of the best selling designs.

This question cannot be answered, since it would hardly be proper to ask questions concerning inventory turnover. Also, these people will maintain that the very reason they do not use stock control is because publishers cannot furnish them with the cards that belong in their shops. They will maintain that it is foolish to assume that because a design sells well nationally, it will sell well in their shop.

6. Criticism of Stock Control

The reason why some shops do not use a stock control system has already been stated, namely, that the publisher cannot be relied upon to send in designs that will sell well, since his decisions are based on national sales performance. One thing these managers seem to have forgotten, a good control is tailored to the needs of each individual store. This is accomplished by careful initial planning and subsequent revision on the basis of stock control analysis.

One of the worst criticisms is that the buyer does not but, the control does it for him. People who make such a state-
ment are actually against stock control anyway and would use
tickets merely as reminders to reorder. They question the very
basis of control when they imply that the publisher who installs
a split control sets out to take the best and most active captions
for himself anyway. They further state that small companies may
be allotted captions they do not even make. The answer to this
charge is simple; it seems only right that the publisher in-
stalling the control should receive some compensation in that
he have a substantial share of the titles, both good and bad.
Some publishers have demanded that they be given a stated minimum
share of the tickets in a control before they will install it.
Others, like Rust Craft, do not ask for any specific percentage
of a control. The latter stand is more sensible, because if a
dealer were not satisfied with the shares each publisher had, he
could alter them to suit his fancy simply by reassigning the
control tickets.

Those of "the buyer does not buy" school advocate a
continuous rotation of tickets. Needless to say, this defeats
the purpose of stock control entirely since no analyses and
subsequent readjustment of the control is possible. If a control
is properly designed in the first place, reassignment of tickets
is not a good idea. A good control is like a well tailored
suit—when it was originally bought, it fitted just about the
way it should, later perhaps it was necessary to let out the
pants or perhaps the coat needed adjustment. When one buys a
good suit, one does not change the cut of the lapels on the
coat or put tucks in the pants where there were none before. The same applies to greeting card stock control. When originally installed it was just about the way it should be; no radical adjustments are necessary, although later, based upon analysis, adjustments can be intelligently made. (1)

Last of all, it should be borne in mind that stock control is not a "sacred cow" that cannot be touched. One of its greatest faults is that instead of being tampered with it will be left strictly alone, for years! At least once a year, buyers should ask to see each publisher's entire line of everyday cards. New titles may have appeared, that are not in the control, or perhaps there are new designs the dealer might like to have in his store. These things can be attended to without upsetting the control. Publisher's salesmen can advise the dealer how to do this. Usually it amounts to adding something and dropping something else, just exactly what the salesman is usually in the best position to advise.

(1) Interview with Sam Katz, Mgr. Green's Card Shop, April 22, 1949.
Chapter VII
Seasonal Merchandising and Stock Control

Seasonal card business is estimated to represent about one half of the total greeting card business done by the average retail store, buying direct from publishers. Figures cited in Chapter III reveal that department stores do about 43% of their total card business in seasonal greeting cards. Seasonal greeting card business, in common with many other types of seasonal business, requires very careful advance planning. Planning really begins for next year, at the end of this year’s season. This is only logical because inventories must be taken of the current year’s carryover in order to determine how many cards were sold. After sales have been found planned buying can begin. Aside from his buying records the small dealer who buys direct must also make plans for the advertising and promotion of each season. This involves store display arrangements for personalizing cards.

1. Seasonal Stock Control

It was not many years ago that dealers were buying their seasonal requirements without the use of any records whatever. The exceptions were the greeting card specialty shops, department stores, and stores doing a large volume in greeting cards.

The basic record keeping procedure to be outlined here is taken from the Rust Craft Seasonal Control Book, because this was found to enjoy widest use among the retailers interviewed.
The Rust Craft book is designed to cover a period of five years; each season has a separate section and each season is divided into classifications such as "General", "Mother", "Father", etc. The classifications are further divided into sub classifications. The sub classifications under "Mother" would be "Mother, Humorous" or "Mom", etc. These sub classifications are further designated by price lines.

The illustration on the next page shows the classifications as described. The boxes are for recording in units the ending inventory or "left" for each subclassification. By adding the "left" of the previous season's purchases or "buy" the "on sale" is determined. After the selling period is over and inventory taken, the "left" for the current year can be deducted from the "on sale" to determine the "sold". This process can be carried out for each publisher in each sub classification and the results brought across to the "total".

Next Year's sales are planned on the basis of this year's sales. The instructions in the Rust Craft book suggest that the dealer automatically add 20% to last year's sales to arrive at the planned on sale figure for the next year. The 20% figure may seem arbitrary, but actually it has been based upon Rust Craft experience over a number of years and with many dealers. The 20% is supposed to allow 10% planned carryover and 10% for increased business. This procedure is illustrated for successive years on page 88.

Since nearly every greeting card holiday has now become
### Table IV

<table>
<thead>
<tr>
<th>Season</th>
<th>EASTER</th>
</tr>
</thead>
</table>

#### Title: GENERAL

<table>
<thead>
<tr>
<th></th>
<th>DISPLAY 19</th>
<th>RETAIL 10¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR 1946</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUY</td>
<td>-5,350</td>
<td>2,300</td>
</tr>
<tr>
<td>ON SALE</td>
<td>6,600</td>
<td>1,425</td>
</tr>
<tr>
<td>LEFT</td>
<td>8,725</td>
<td>315</td>
</tr>
<tr>
<td>SOLD</td>
<td>5,775</td>
<td></td>
</tr>
<tr>
<td>YEAR 1947</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td>6100</td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ON SALE</td>
<td>6,275</td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td>630</td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YEAR 1948</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td>6375</td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ON SALE</td>
<td>7,700</td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td>8,300</td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YEAR 1949</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td>7125</td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ON SALE</td>
<td>11,75</td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Title: GENERAL

<table>
<thead>
<tr>
<th></th>
<th>DISPLAY 15¢</th>
<th>RETAIL 25¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR 1946</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ON SALE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YEAR 1947</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ON SALE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YEAR 1948</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ON SALE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>YEAR 1949</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ON SALE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LEFT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOLD</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: From the Rust Craft Seasonal Record Book
a "last minute" affair as far as the sale of greeting cards is concerned, it is most important that a good selection be maintained up until the last minute. This is why a 10% carryover or left is planned. Greeting cards can be safely carried over for about three years, after that they usually become soiled or otherwise unsalable. Styles do not change abruptly from year to year so there is not too much danger of style obsolescence in the carryover. Actually individual designs are seldom repeated another year, except for a few very popular designs. One of these exceptions is a Rust Craft five cent Easter card depicting a chicken and a flower pot.

The other 10% of the planned 20% carryover, which allows for a 10% increase in business, may seem too optimistic at first glance, but the important thing to remember is that a dealer's investment in carryover is made only once.

For example, if he decides that 20% of his (initial) purchases is a reasonable carryover, and the following year his carryover is approximately the same, he has turned his complete purchase the second year without any additional investment. In other words, his investment in carryover is only made once, and his purchases for subsequent years are either increased or decreased depending upon his current inventory. (1)

After the planned sales have been determined as described above, the "left" is deducted from the planned sales or "on sale" to find the open to buy or simply "buy". This may

(1) From the Introduction to the Rust Craft Seasonal Stock Control Book, published by Rust Craft, Boston, Mass.
be done publisher by publisher or it may be done on a total basis for each sub classification. The latter seems to be preferred, because in that way the buyer may buy from whom he chooses, regardless of individual publisher's "left". The merit of the merchandise is the determining factor, not last year's performance.

There is a summary sheet for each season with spaces for entering in dollars the sum total of all the sub classifications. This is done for each publisher and thus provides a means of rating the sales performance of each publisher's line. The next page gives an illustration of a seasonal summary sheet. The rating is based on a per cent of purchases carried over for each line. Analyzing the figures in the illustration it can be seen that Line A is the most profitable, Line C should be dropped or replaced because while the amount of carryover is about the same as Line A, the per cent of carryover is 3 1/2 times as great.

In addition to the Seasonal Stock Control Book, many dealers use the work sheets provided by the various publishers, to record inventory information and transfer it to the Control Book. These work sheets vary in size and form, from those that can be used only for the publisher that provides the particular form to those that can be used for several publishers, like the Control Book. The information provided on these sheets can be posted to the Control Book with very little trouble.

Hallmark provides two different types of inventory sheets: one is the usual type provided by other publishers, des-
### Table V

**CHRISTMAS SUMMARY SHEET**

This summary sheet is to be used for recording in dollars, the total purchases, sales and inventory for each year, and for each Publisher.

#### YEAR 1946

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEFT</td>
<td>$1,294</td>
<td>373</td>
<td>329</td>
<td>260</td>
<td>33.2</td>
</tr>
<tr>
<td>SOLD</td>
<td>$5,550</td>
<td>2,900</td>
<td>500</td>
<td>750</td>
<td>1,000</td>
</tr>
</tbody>
</table>

#### YEAR 1949

<table>
<thead>
<tr>
<th></th>
<th>BUY</th>
<th>ON SALE</th>
<th>LEFT</th>
<th>SOLD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,350</td>
<td>2,300</td>
<td>1,425</td>
<td>625</td>
</tr>
<tr>
<td></td>
<td>6,744</td>
<td>2,873</td>
<td>1,854</td>
<td>885</td>
</tr>
<tr>
<td>LEFT</td>
<td>825</td>
<td>200</td>
<td>315</td>
<td>195</td>
</tr>
<tr>
<td>SOLD</td>
<td>5,919</td>
<td>2,497</td>
<td>1,539</td>
<td>670</td>
</tr>
</tbody>
</table>

% CARRY OVER: 9%, 22%, 51%, 11%

#### YEAR 19—

- BUY
- ON SALE
- LEFT
- SOLD

#### YEAR 19—

- BUY
- ON SALE
- LEFT
- SOLD

#### YEAR 19—

- BUY
- ON SALE
- LEFT
- SOLD

Source: From Rust Craft Seasonal Record Book
cribed above; the other is printed on a yellow colored sheet of heavy paper. The yellow sheet lists the Hallmark cards for the particular season by basic design number and price. Space is provided next to each stock number to enter the amount of cards left. This sheet is then used in conjunction with the order form of the immediate past season, showing what was bought, to make up the order for the next season. Hall has even gone to the extent of providing special holders for the yellow inventory sheet and the order form which is printed on tissue paper. This device together with specially designed chart or tables to determine the open to buy, is used by the salesmen to make up the order for the next season. The procedure outlined above does not appear to be too popular with either salesmen or retailers, especially those who keep Seasonal Stock Control Books.

Nevertheless the system has much to recommend it. It makes use of design numbers, which are used by all firms; and it eliminates one step in record keeping, namely, recording under "buy" what was actually bought. In other words, a certain amount of work is necessary in writing an order, so why not carry it over into seasonal control and thus eliminate one step in seasonal record keeping? Many dealers, large and small, have used the Hall system and found it entirely satisfactory, so satisfactory that they will turn the entire responsibility for buying over to the Hallmark salesmen. This latter is not necessary, not the intended result of the system, since each basic design number
represents several designs and the buyer's opinion should be worth something in deciding what is to be bought. The Hall Display Control system does not eliminate the need for the Seasonal Record Book described in the first part of this section. The record book provides an excellent five year comparison by classification, price line, and publisher. The Hall Display Control does not do this, but it does supplement the control book. (1)

2. Seasonal Buying Procedures

The buying procedure based upon the Rust Craft Seasonal Record Book has already been indicated in its essentials. There are two comments to be made on the Rust system. First it is apparent that the "buy" cannot be figured to the last card; the packing of the cards must be taken into consideration. For example, 5 cent cards are packed 24 in a box; 10 cent cards are packed 12 in a box, etc. Therefore, "buy" must be figured to the nearest packing. Since publishers for the most part pack their cards in uniform quantities, this is fairly easy to figure for the "total". Next, it must be assumed that the rating of each publisher on the summary sheet will serve as a guide and not as an unbreakable rule, since it is perfectly possible for a publisher to have a poor year now and then. The actual merit of the merchandise should influence buyers, not past statistics entirely.

One large dealer in this area has developed a comparison (1) Interview with Mr. Dean Hall, Hallmark Boston office, February 9, 1949.
rating system which permits him to compare and rate each line in the same detail information is recorded in the Rust Seasonal Stock Control Book. The comparison book has spaces across the top of each page for the publishers' names, which appear in code, the greeting card classification and price line are listed down the left hand side of the page. Boxes are provided to record the rating, which again is done in code. Use of a code for publishers' names and the rating itself makes it impossible to know how his fellows or his own cards are rated. (1)

After the lines have been rated, the next step is to allot cards in each classification from the total "buy". This is done through the control book. The efficacy of the comparison rating system depends to a high degree on the keen retentive memory of the individual buyer; not many people, let alone many buyers, have such a memory.

The comparison rating system has proved useful in the buying of Christmas cards in boxed assortments. There may be no formal guide for the buyer in this case; he may simply look at all the boxed assortments of his resources before he places any order. Very often an individual publisher's line may look good when seen by itself, but when compared with others (as it will be on the sales counter at Christmas time) it may not stack up at all. There seems to be no reason why small dealers, who don't buy five hundred dollars worth of boxed assortments at

(1) Interview with Mr. Wassaman, Personal Card Shop, April 30, 1949
retail, should not compare and rate each line before buying.

The comparison rating method may come in for some criticism on the ground that the salesman doesn't sell, since a larger buyer might be tempted to view and rate the line without the salesman being present. Perhaps this is true, but since there are very very few buyers qualified to do this, and since by its nature, comparison rating can never become prevalent, it does not appear to be in danger of causing any substantial lessening of the salesman's function.

3. Seasonal Display Control

The actual display space available should determine how many designs a buyer should buy in each title and price line within that title. This is true no matter what method is used in buying. The Rust Craft Seasonal Record Book has this to say:

Many dealers buy seasonal cards without considering the amount of space available for displaying what is purchased. In many instances, the dealer has only sufficient space to display 25% to 33% of the number of designs ordered.

It is good merchandising to determine the number of spaces that can be devoted to each title and price and buy accordingly. If the sale of 15¢ Mother cards for example justifies three display spaces, it is better to order four or five styles of high sales value in increased packings, than it is to buy fifteen or twenty numbers in standard packings. (1)

Beside the consideration that some of the designs bought will never get out on display, there is another point to be mentioned. Assuming there was room to display a great many designs of a given title and price line, it is reasonable to assume that such a wide choice would only confuse a customer and make it more difficult for him to make a selection.

Recognizing that retailers may go "over board" and buy too many designs or too many cards, some publishers have prepared "balanced" display plans. These plans show the proper proportions each classification of designs should bear to the total seasonal cards on sale. Naturally the emphasis varies from season to season and also in terms of the display space each store has available. The boxes marked "display" in Table IV, page are used to indicate how many designs in each classification may be displayed in the racks. There are also illustrated plans showing dealers where to place the various classifications in the display racks.
Chapter VIII
Sales Policies and Sales Organization

1. Sales Policies

Sales policies are courses of procedure laid down beforehand by higher management. These procedures are used to evaluate the various factors in selecting channels of distribution and in setting up sales organization. In other words, it is to be assumed that for the sake of consistency over the long run, a channel of distribution and the formation of a suitable type of sales organization are determined by the development of a sales policy in the first place.

A. Publishers Selling Direct To Retailers

The prime consideration of greeting card publishers selling direct to retail outlets has been to promote their product as items of quality and distinctiveness. To do this, they have found it necessary to exercise selective distribution, which means that fewer retail outlets will be used than under a policy of indiscriminate distribution, yet more than under an exclusive agency setup.

While the exclusive selling agency has its advantages, it is not nearly so flexible as selective distribution and is seldom used in the greeting card industry. No agreements are necessary as to territory or any other obligations under the selective distribution policy.

One company has stated its policy on new accounts as follows: New accounts will be opened only after taking into
consideration the following factors:

1. In accordance with the locality
2. In accordance with the type of store
3. In accordance with present representation in the locality

While this allows for considerable latitude of interpretation and execution, yet is far from being an indiscriminate policy. Publishers vary in the degree of selectiveness they exercise; for example, Rust Craft is the most selective of all the major publishers and as a result probably has fewer accounts than any of the rest.

Besides the quality consideration, there is another and equally important consideration in choosing a policy of selective distribution. It is that accounts should be selected from the point of view of their probable contribution to net profits. Judgement should be exercised however, because unprofitable accounts may grow into worthwhile ones, and smaller accounts may make possible manufacturing economies through their contribution to total sales volume.

1. Problems in Selective Distribution

Several problems arise in connection with a policy of selective distribution, chief among which is the amount of protection to the established dealer. This is important because both publisher and retailer have an investment in time and money at stake. The retailer has money invested in fixtures and equipment for selling greeting cards as well as the time, often years, spent in building a reputation in the community. The
publisher has a similar investment in time and goodwill as far as the dealer is concerned. Often times, however, a dealer may gradually lose his relative position in the community. Or perhaps the community may grow to such an extent that the established dealer may not be getting the full potential sales from the area. Under these circumstances changes must be made if sales are to be maintained. The problem may be further complicated by the activities of other publishers opening new accounts in the same town.

The choice before a conscientious sales manager, in such cases, appears to be fairly simple. If it is felt that the full sales potential is not being realized, then sales must be increased, either by improving the setup of the established dealer or by opening new accounts. But because so much bad will has been created by publishers opening new accounts, it would seem best to avoid this, particularly since the retailers' goodwill is so important. It becomes expensive selling if dealers are going to be a continual source of irritation and trouble, furthermore, the retailer can ruin much of the advertising effort put forth by a publisher, if he fails to co-operate in national advertising campaigns, for example. Therefore in order to preserve good will, it seems much wiser to aid established dealers in improving their sales performance. Although this may mean new adjustments in the dealer's stock control, new furniture or more local advertising, these are problems to be solved in each individual case, after all factors have been weighed.
If for some reason, it is necessary to open a new account, the probability is that the business will have to be shared with another publisher, anyway. The problem here raised is that if the new dealer has stock control on everyday cards, it will be necessary to reset the control and reassign stock control tickets afresh which in turn may cause friction with other publishers. At any rate, enough has been pointed out to show that selective distribution is not by any means a static affair for any single publisher. Local market conditions change and the selection of retail outlets, clearly must change with them.

At this point it seems well to call attention to the procedure of one large company in regard to new accounts. The Gibson Art Co. requires the form on the next page to be filled out before any new account will be considered. A standard procedure of this type helps to make for consistency over the long run, and takes much of the decision making power away from salesmen and puts it in the hand of his immediate superiors. Such a practice prevents over enthusiastic salesmen from opening undesirable accounts.

It should not be concluded that publishers selling direct to retailers, necessarily confine their sales activities to greeting card specialty stores. Although this type of store is almost as important as the number of established dealers as a factor in determining whether or not to open new accounts. Publishers generally prefer to be represented by a stationery
Figure II

NEW ACCOUNT AND PROSPECT REPORT...THE GIBSON ART COMPANY • CINCINNATI

<table>
<thead>
<tr>
<th>Character and Location of Store</th>
<th>Type of Outlet</th>
<th>Current Greeting Card Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location of Store</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good</td>
<td>Book and Stationery</td>
<td>(1)</td>
</tr>
<tr>
<td>Fair</td>
<td>Drug</td>
<td>(2)</td>
</tr>
<tr>
<td>Poor</td>
<td>Department</td>
<td>(3)</td>
</tr>
<tr>
<td>Excellent</td>
<td>Jewelry</td>
<td>(4)</td>
</tr>
<tr>
<td>Comparison of Store with</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best</td>
<td>Gift and Novelty</td>
<td>(5)</td>
</tr>
<tr>
<td>Fair</td>
<td>Photo Supply and Camera</td>
<td>(6)</td>
</tr>
<tr>
<td>Poor</td>
<td>General Merchandise and Variety</td>
<td>(7)</td>
</tr>
<tr>
<td>Average</td>
<td>Greating Card</td>
<td>(8)</td>
</tr>
<tr>
<td>Below Average</td>
<td>Cigar and News Stand</td>
<td>(9)</td>
</tr>
<tr>
<td>Overall Estimate of Dealer</td>
<td>Miscellaneous (Describe)</td>
<td>(10)</td>
</tr>
<tr>
<td>Desirable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesirable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Did former owner of this store buy Gibson merchandise?

Other Stores Operated By Or Affiliated With This Dealer:

Name of Nearest Gibson Dealer:

Number of Gibson Accounts in City: Total Sales To These Accounts Last Year At Wholesale $:

<table>
<thead>
<tr>
<th>Character and Location of Store</th>
<th>Type of Outlet</th>
<th>Current Greeting Card Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location of Store</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good</td>
<td>Book and Stationery</td>
<td>(1)</td>
</tr>
<tr>
<td>Fair</td>
<td>Drug</td>
<td>(2)</td>
</tr>
<tr>
<td>Poor</td>
<td>Department</td>
<td>(3)</td>
</tr>
<tr>
<td>Excellent</td>
<td>Jewelry</td>
<td>(4)</td>
</tr>
<tr>
<td>Comparison of Store with</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best</td>
<td>Gift and Novelty</td>
<td>(5)</td>
</tr>
<tr>
<td>Fair</td>
<td>Photo Supply and Camera</td>
<td>(6)</td>
</tr>
<tr>
<td>Poor</td>
<td>General Merchandise and Variety</td>
<td>(7)</td>
</tr>
<tr>
<td>Average</td>
<td>Greating Card</td>
<td>(8)</td>
</tr>
<tr>
<td>Below Average</td>
<td>Cigar and News Stand</td>
<td>(9)</td>
</tr>
<tr>
<td>Overall Estimate of Dealer</td>
<td>Miscellaneous (Describe)</td>
<td>(10)</td>
</tr>
<tr>
<td>Desirable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesirable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(See G. H. F. Salesman's Manuf. Manual for definition)

TOTAL $:

METHOD OF OPERATION AND DISPLAY

<table>
<thead>
<tr>
<th>Everyday Display</th>
<th>Seasonal Display</th>
<th>Additional Display Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>All On Display</td>
<td>On Everyday Racks</td>
<td></td>
</tr>
<tr>
<td>All Mount Display</td>
<td>On Additional Racks in Merchandise Boxes</td>
<td></td>
</tr>
<tr>
<td>Combination Mount and Open</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Everyday Display Space

<table>
<thead>
<tr>
<th>Present Operation</th>
<th>Future Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ft.</td>
<td>Ft.</td>
</tr>
</tbody>
</table>

Total Everyday Designs On Display

<table>
<thead>
<tr>
<th>Presents from Samples</th>
<th>Operates &quot;AB&quot; Type Installation</th>
<th>Operates Stock Control Installation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealer Now Buys From Following Greeting Card Publishers:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Installation Made By Which Publisher:

RECOMMENDATION OF SALESMAN:

- Open the Account—Solicit Through Salesman
- Open the Account—Solicit Through Sales Service Dept.
- Retain on Prospect List at This Time—Continue to Solicit
- Do Not Solicit or Sell This Dealer

COMMENTS:

Date: 194

RECOMMENDATION OF DIVISIONAL SALES MANAGER:

- Open the Account—Solicit Through Salesman
- Open the Account—Solicit Through Sales Service Dept.
- Retain on Prospect List at This Time—Continue to Solicit
- Do Not Solicit or Sell This Dealer

COMMENTS:

Date: 194

APPROVED BY DIRECTOR OF SALES

Signature:

Date: 194

Facsimile of “New Account and Prospect Report” used by The Gibson Art Co.
store or by one dealing in related stationery items such as giftwares, candles, party goods, and other items of social stationery. However, when it comes right down to the question of having a less desirable store or none at all, most publishers will take the less desirable store. This can be seen by the fact that drug stores and stores selling newspapers have been favored in recent years because they were open more hours, a factor that more than compensates for the lack of greeting card "atomosphere". (1)

B. Sales Policies of Direct Factory Representatives

The procedures used by direct factory representatives in determining to whom and under what conditions they will sell are not a great deal different from those used by publishers selling direct to independent retailers. The principal difference is that, if anything, they are more selective, not through any deliberate policy on this score, but because of the nature of the marketing situation in which they operate.

In the chapter on "Channels of Distribution" the manner in which the direct factory representative operates was described. It will be remembered that this type of sales representative tended to concentrate his efforts in gift shops and in stores selling giftwares, plus a few of the greeting card specialty stores. This sort of selling naturally leads to restrictive distribution. Furthermore, the other types of

(1) Interview with Mr. Shaw, Eastern Division Sales Manager of Rust Craft, May, 1949.
products do not admit of wide appeal, which factor in itself would impose high selectivity.

C. Sales Policies of Publishers Selling Through Direct Selling Agents

Of all the forms of distribution, this type probably offers less control over selection of outlets. One of the characteristics of selling through direct selling agents is the unevenness of distribution, which results from no control whatever being exercised over who will answer the advertisements. It is probably true, however, that the broad general character of those acting as direct selling agents can be controlled to a degree by the type and kind of media in which the publisher advertises.

Some publishers or wholesalers selling through direct selling agents refuse to sell to agents who do not maintain the "published" price of the boxed assortments. Incidental to this is the experience of Wallace Brown, Inc., which first sold imported English paper napkins in retail stores in an attempt to determine what sales possibilities they had. The possibilities were proved good and the napkins are now sold through direct selling agents as well. The stores still selling the napkins are required to maintain the published or advertised price. Violations on the part of stores are often reported by direct selling agents! The company then acts by cutting off the stores (1)

D. Sales Policies of Jobbers

Jobbers as a rule do not appear generally to use any kind of selective distribution, which means that they will sell cards in any retail establishment they can. Some apparently do endeavor to protect established dealers to an extent. One jobber, who had apparently lost accounts to other jobbers or perhaps to publishers selling direct, said frankly that the policy of his firm was to sell cards wherever it could, regardless of established dealers. His experience is probably typical.

Presumably even an indiscriminate policy of distribution would be limited by considerations affecting net profits in the long run. In other words, unprofitable accounts would not be maintained. The greeting card assortments of most jobbers is characterized by a relatively small number of designs which usually must be sold in great quantity in order for them to earn a profit. This struggle for sales in volume is the basic reason why jobbers have undertaken a comparatively indiscriminate sales policy as against the selective policy of publishers selling to retailers.

2. Sales Organizations

Organization has been defined -

as the plan which makes it possible for people to work as effectively together as they do individually. (1) A sales organization therefore consists of person working together to accomplish ends connected with the marketing of the products manufactured by the company. (2)

(1) "Handbook of Marketing", Ronald Press, 1943, page 605
A. Publishers Selling Direct To Retailers

Most publishers using this form of distribution have a regional sales organization, by this we mean that organization begins with the territorial allotments to individual salesmen and combines them into regions or districts under a district manager. The district managers are responsible to the home office and have supervision over the salesmen in their territory.

The Gibson Art Co. has a typical regional organization. The country is divided into eight regions under the supervision of eight district sales managers. The district managers are responsible to the home office in Cincinnati and have supervision over the men under them. The salesmen themselves, once they are assigned their territories, are left pretty much to themselves. The exceptions are the newer salesmen who are really continuing their training in the field, and salesmen who are endeavoring to sell a customer a stock control installation. Exact detailed knowledge of stock control is not often possessed by individual salesmen, and the district sales manager is expected to help out in these instances. New salesmen are usually given much closer supervision by the district managers who are veteran salesmen themselves.

New accounts may not be opened nor old accounts dropped without approval of the district sales manager. This insures a more uniform execution of the policy to selective distribution. (see page 101 in this chapt.) In connection with this a number of accounts have actually been dropped by the Gibson Art Co. in the
New England territory, either on the grounds that they were unprofitable or undesirable outlets for Gibson merchandise. (1)

The greatest fault to be found with the regional type of sales organization is that the regional manager may become loaded down with detail. Especially is this true if he has many new salesmen, or if everyday sales are being pushed in his territory. The quickest way for a company to increase its everyday sales is to open new accounts and install new stock controls. Both of these often demand on-the-spot investigation by the regional manager. It does not seem unreasonable to suppose that a veteran salesman or "senior" salesman could function as an assistant to the regional manager, and thus relieve him of some of this burden.

B. Direct Factory Representatives and Publishers Selling Through Agents

The sales organization of the direct factory representatives has already been explained in the chapter on channels of distribution.

Little can be said for sales organizations of publishers selling through direct selling agents. Aside from the branch offices of large organizations such as Wallace Brown, there is little, if any, kind of selling organization used by the publishers using this method of distribution. The agents

(1) Interview with E. J. Anderson, Gibson Divisional Sales Mgr. February 7, 1949
themselves might constitute the selling organizations in a sense, but legally these people are self-employed, selling goods, title to which is vested in them. Furthermore, very little control is exercised over the agents as long as they pay their bills.

C. Jobbers

Most jobbers are relatively small and have only a local business, being essentially distributors. Their entire organization is in a sense given over to selling, yet seldom is there any formal sales organization setup. This in itself is by no means serious since usually a strong willed person heads the firm making formal organization unnecessary, perhaps even impossible.
Chapter IX
Advertising, Promotion and Display

1. Early Advertising

Advertising includes those activities by which visual or oral messages are addressed to the public for the purpose of informing them and influencing them either to buy merchandise or services or to act or be inclined favorably toward ideas, institutions or persons featured. (1)

In the section on the Second Era of American Greeting Cards, it was mentioned that in 1929 business increased under the stimulus of a cooperative advertising campaign. This campaign was the answer to severe criticism from prominent people on the greeting card sending habit, a criticism which implied that money spent for greeting cards might better be spent for something else. (2)

Later, in the early 1930's, the Greeting Card Association published a magazine for the retail trade called "The Greeting Card". This magazine was sent to all retailers buying direct from publishers. The complete mailing list was in the hands of the association secretary so that no one company could gain any advantage. The magazine was published successfully for a few years and helped to promote sales aids to the retailer. It was possible to obtain envelopes or bags (to be used for enclosing purchases of greeting cards); an official seal to identify the store as an "Association Dealer"; electrotypes for

(2) Interview with Ernest D. Chase, Vice President, Rust Craft, April 20, 1949.
newspaper use; lantern slides, for theater advertising; and easels for displaying cards. This magazine lasted for a few years, then ceased publication.

Following these cooperative advertising ventures, the major publishers embarked on ventures of their own. The magazines published by "The Greeting Card Association" was never replaced by similar magazines from the publishers except Rust Craft. This company had published "The Rustler" since 1922 and continues to do so to the present time.

2. Present Advertising Programs

At the present time Hall Bros., Inc., makers of Hallmark cards, are probably the most aggressive greeting card advertisers. The company sponsors a nation-wide radio program and uses magazine space about twice a year to promote Christmas cards.

Another publishers, The Gibson Art Co., uses newspaper space at fairly regular intervals throughout the year. The advertising is not confined to the large newspapers of the metropolitan areas, but is placed in about 175 dailies throughout the country. The Boston area is an exception, no newspaper advertising is used at all. Instead, the company sponsors the Uncle Elmer radio program each Sunday over Station WEEI. Gibson ties in its advertising with the local dealer in that for a small payment the dealer's name will be listed under the newspaper insertion in his area. Gibson dealers around metropolitan Boston are more fortunate as five of them are mentioned every Sunday on the Uncle Elmer program. No charge is made for this. Gibson
uses magazines for special promotions like national smile week. (1)

National Smile Week, sponsored by Gibson is an endeavor to promote the sale of humorous cards, principally in the Birthday and Illness classifications. The campaign for this was announced in 175 major newspapers on February 28th in a three column, eight inch advertisement. Smile Week will occur each year at the most logical week between Valentine's Day and Easter. (2)

Norcross, Inc., regularly makes small newspaper insertions in leading metropolitan papers throughout the country. In Boston the company makes two small insertions a week in the "Globe", "Traveler", "Herald", and "Christian Science Monitor". (3)

Rust Craft has no newspaper or radio advertising. At Christmas time and at other important greeting card holidays, the company uses national magazines to promote specific boxed assortments of Christmas cards or the general line of cards for any given holiday.

3. An Appraisal of Current Advertising Programs

The advertising by greeting card companies in the last ten or fifteen years has been primarily brand name advertising, with selective appeals in contrast with that early program of cooperative product advertising in the early 1920's when more primary buying motives predominated. In endeavoring to build up brand preference or "wantability", publishers' advertising

(1) Interview with Mr. E. J. Anderson, Div. Sales Manager, Gibson, February 7, 1949
(2) "The Greeting Card Retailer", Feb., 1949, pamphlet pub. by The Gibson Art Co.
(3) Interview with Mrs. James Fales, Norcross Rep. in Boston, March 23, 1949
has taken two forms. First, there is advertising to the consumer aimed at getting consumers to buy the advertised cards from the retailer.

A relatively small part of consumers' goods advertising is designed to induce purchase direct from the producer. The greater part is employed to influence the purchase of the advertisers' brands from tradesmen. It is largely indirect in action, in that its aim often is not so much to induce immediate sale as to build up the reputation of brands and to enhance their wantability, through ideas relating either to the merchandise itself or to the characteristics of the maker which might influence sale. (1)

The second type of advertising is directed at the dealer and is aimed at calling his attention to his importance as a seller of greeting cards, and secondly at the importance, or desirability of selling the cards of the particular company that brings the advertising message.

This latter type of dealer advertising is best represented by Rust Craft's "Rustler", a magazine sent to, "Rust Craft dealers and their assistants." It is published ten times a year and features pictures of racks, window displays, and articles on future Rust promotions. The "philosophy" of the "Rustler" might be stated as follows: 1. The "Rustler" can call on a dealer more frequently than a salesman. Furthermore the salesman is in the store on business; the "Rustler" is there

(1)Bordon, Neil, H., "Advertising In Our Economy", page 22
to create goodwill. 2. The "Rustler" endeavors to carry on institutional advertising in a subtle way; Rust Craft is not mentioned except in the regular course of factual reporting.

3. There is an endeavor to establish a feeling of kinship among dealers. Most dealers are small, but they like to feel important and the "Rustler" helps them to feel important, especially when mention is made of their own store. (1)

Another example of dealer advertising is provided by the Gibson Art Company. That company publishes a pamphlet called "The Greeting Card Retailer", which is sent to every Gibson dealer. Like the "Rustler" it contains information of forthcoming promotions and provides merchandising tips of various sorts.

A. Advertising to the Consumer

The first type of advertising mentioned, that is designed to induce consumers to buy from retailers, has been based upon brand name and uniqueness of product. When a customer buys a greeting card, it would appear that she is buying sentiment, that is, she is buying the card primarily because she likes the verse. Going upon this premise that the customer buys a card primarily for the verse, the question arises: Can brand name advertising stimulate the sale of sentiments published by the advertisers?

(1) Interview with Mr. John Beuret, Assistant Editor of the Rust Craft "Rustler", April 14, 1949
Observations by many people—dealers, salesmen, and various executives in the greeting card industry—seem to indicate that the answer is no. They declare that customers buy a card primarily because of the verse; the design of the card is secondary and the publisher of the card is the least consideration. This observation seems to apply even to those customers who will ask for a specific publisher's card. The usual reply of the sales clerk in that case is, "Yes, you will find them on the rack." Unless the particular store has only one line of cards, then the rack is likely to contain several publishers' cards. In this latter case, which is most common, the customer has an excellent chance of selecting the cards of a publisher whose advertisements she may not have seen.

Ordinarily brand recognition is an important part of consumer advertising, but in the instance cited above, brand awareness and wantability had been created, but the chances of this doing the publisher any good are greatly diminished unless the consumer can also recognize the product and associate it with the brand advertising.

All the greeting cards made by the major publishers are marked with the publisher's name and the retail price on the back of the card. Since this identification cannot appear on the front or inside the card without violating the canons of good taste, the customer must turn the card over to see the brand name. A comparatively few people, especially those who buy many cards, can tell who published each one merely by looking at the
design on the front of the card, but this is not typical. Quite often good sales clerks can do this, but in the main, most people must turn a card over to see who made it. Since it is presumably the verse on the inside of the card that actually sells the card, it is difficult to see how strong brand preference or wantability can ever be built, because they are essentially unimportant. The trick is to get customers to see a pleasingly designed card, and then turn it over to read the publisher's name. But if the premise that the verse or sentiment sells the card is valid, then consumer recognition can never be built for greeting cards as such.

There is a way of partially solving this recognition problem. To do this some stores will clip the card, envelope, and a price ticket together. The price ticket will carry the name of the publisher as well as the price. This involves a lot of work, however, and most stores do not do it except sometimes on seasonal cards. Besides the paper clip may damage the card if it is on too long. Actually this practice is valuable chiefly because it helps to keep card and envelope together, and is especially helpful at Christmas time.

Although there seems to be no way at present of getting a substantial number of consumers to, "look for the name Hallmark on the back of the card", there are ways in which brand advertising is helpful to publishers. (1) First of all,

(1) Slogan used on weekly Hallmark radio show.
brand names help to identify the retailer as one who carries good quality nationally advertised cards. Consumers may patronize such stores merely because the stores prominently display signs telling the public that the store features brand name cards. Secondly, national advertising plays a part in introducing the brand to prospective retailers. In other words, national advertising of the brand can be used as a wedge in opening new accounts. This last function of advertising, a means of selling dealers, was scarcely recognized until recent years. Some managements have admitted frankly that they do not expect consumer advertising to have any appreciable affect in inducing consumers to buy, but that their consumer advertising does have a favorable affect on retailers. (1)

Other companies, recognizing that consumer advertising has doubtful value, insofar as cards in general are concerned, nevertheless believe that the advertising of specific items – specialties, or promotions of some sort – does have a value. The hope that the greeting card specialty involved will be unique with their particular company. Examples of such specialties are the Hallmark Dolls, Norcross Circus Cards, and Rust Craft's Flower Portrait Cards. All these items were specialties and all were exclusive with the company advertising them. Consumers who bought the articles on the strength of the advertising had to buy these specialties or none at all, since they were unique and had no comparable substitute.

(1) Interview with Mr. Derring, Rust Craft salesman, Nov. 21, 1948
B. Advertising to the Retailer

Both the "Rustler" and the "Greeting Card Retailer" attempt to build up institutional reputations and at the same time stimulate the dealer into some sort of promotional activity. The idea behind these publications is not necessarily to induce immediate sale of greeting cards, but to give stimulus to the sale of cards already in the dealer's hands, thus leading to orders for more merchandise. Much of the material in the "Greeting Card Retailer" centers around seasonal and everyday promotions. The May, 1950, issue calls attention to the increasing share in the Christmas card business being taken by the direct sellers. The answer to this is for the dealer to take part in the Gibson Christmas promotion, which will begin September 27th. The four page pamphlet goes on to tell how dealers can share in the many golden opportunities summer will offer. There is a picture showing the nine divisional sales managers and a brief story about their work. Last of all there are the inevitable "before" and "after" pictures showing, "how Gibson planned modernization quickly paid for itself." (1)

Admittedly, a certain amount of ballyhoo is mixed in with these promotion campaigns directed at the dealer; however, past experience causes a thoughtful dealer to pause and reflect. For years the summertime has been an off season for greeting cards, so if anything can be done to improve the sales for the season,

then it is all to the good. Similar reasoning applies to the National Smile Week promotion. Perhaps it was weak this year, and maybe all it amounted to was a lot of additional window displays, but on the other hand, Mother's Day was once a feeble unimportant greeting card holiday. Now it is quite the opposite of that, so who can forecast the future of National Smile Week?

4. Advertising By the Retailer

The great majority of stores selling greeting cards rely on their windows for almost all their advertising, although newspaper mats, radio commercials and window material may be had free of charge from most publishers. Dealers make varying use of such material. Perhaps the first thing to remember is that no shop can offer anything special that other shops cannot offer. Distribution has become so widespread, store operation so standardized, that advertising can do very little except bring the name and location of the store before the public. While it is perfectly true that mention of nationally known brand names serves to identify the store in particular since national brand distribution is so widespread. For this reason, most stores in large metropolitan cities such as Boston attempt no radio or newspaper advertising, because what is advertised can be purchased in hundreds of stores in dozens of suburban towns and cities.

Secondly, advertising on the part of greeting card retailers cannot usually be made on the basis of price appeal. There
are exceptions at Christmas time, as many stores will clearpack old merchandise and sell it at reduced prices, or boxed assortments may be sold at low prices to get rid of them (Filene's sold Rust Craft's "Gleam O'Gold" dollar assortment for sixty-seven cents) (1) Again, after Christmas some stores sold their remaining boxed assortments at half price. Variety stores are virtually the only greeting card outlets that make a year round appeal on the basis of price. But even then the emphasis on price is somewhat more subtle than in other types of variety store merchandise. In the main then, retailers using newspaper and radio advertising emphasize the convenience of their location, the completeness of their stocks and services, as well as secondary consideration, the brands of cards they carry.

By far the greatest amount of advertising done by the dealer is through his display windows. Publishers recognize this and go to great pains to see that the dealer is supplied with display material of all kinds, some of it free and some of it very expensive. The Rust Craft "Rustler" encourages window displays by publishing pictures of exceptional displays. The magazine even goes to the length of publishing pictures prominently featuring cards by Rust Craft competitors.

This type of advertising is relatively inexpensive and is used extensively in the larger cities. Greeting card retailers located in the smaller towns and cities have found that newspaper and radio advertising is effective. The experience of

(1) Interview with Ernest D. Chase, Vice President, Rust Craft, April 14, 1949.
Green's Card Shops seems to bear this out. Two of the five stores in the group are located in Boston, the other three are located in Concord, New Hampshire; Manchester, New Hampshire; and Portland, Maine. Newspaper advertising was found to be ineffective as a means of stimulating sales in the two Boston stores. In the smaller cities newspapers were found to be a satisfactory medium. Radio spot announcements of a minute or so duration were found to be unsatisfactory. (1) The failure of newspaper and radio advertising in Boston was felt to be two fold. First, the extensive advertising competition from the large department stores, second, a great deal of wasted coverage resulted in that the stores could offer nothing that could not be bought locally. Presumably in the small cities were better locations in which to advertise because neither of the two reasons for the Boston failure were present, plus the fact that the Green shops in the small cities probably enjoyed a higher relative standing and patronage in the community than the Boston stores. Not all merchants have had the same experience with radio. Barker's Card Shop in Quincy, Mass., makes use of daily spot announcements, while George H. Hunt Co., in East Weymouth, Mass., utilizes spot announcements over the same local station for seasonal advertising only. (2) Both of these stores are located in comparatively small cities, yet are within the metropolitan

(1) Interview with Mr. Sam Katz, Mgr. Green's Card Shops, April 1, 1949
(2) Interview with Mr. Burt Reed, Account Executive, WJDA, April 1949.
Boston area. It should be mentioned that spot announcements in the case of both stores are devoted to other items as well as greeting cards. The Hunt's store frequently emphasizes boxed candy, which of course complements greeting cards to a high degree. Barker mentions party goods (paper napkins, table covers, favours, crepe paper, etc.) and other stationery items.

Some dealers have managed to make their stores a little different so that their advertising can appeal on the basis of the unusual. H. W. Brown & Co. of Milwaukee, Wisconsin, offers an excellent example of this sort of thing. Brown's card department is located in the basement and the cards are displayed on beaver board wall built on a very slight slant. Only one card of a design is displayed; the customer chooses the card she wants, writes the number of the stock number of the card on an order pad provided for that purpose, and hands it to the sales clerk. The filing system for the stock is so effective that the sales clerk can have the card for the customer almost before she gets the change out to pay for it. H. W. Brown emphasizes "fresh, clean, unhandled cards" in all their advertising. The advertising is continuous and sustained, making use of such media as newspapers, radios, and street car cards. (1)

The L. A. Bigelow Co. of Boston, operators of one of the largest card shops in that city, uses another device. While

(1) Chase, Ernest D., "Romance of Greeting Cards", pub. by E. D. Chase, 1926, page 247
it is not unique, it does serve to tie in the store with brand name cards. Several of the major publishers will furnish dealers with "memory books" at cost. The Bigelow Co. mails these booklets to those who bought imprinted personal cards the previous Christmas. This practice effectively ties in with the publisher's advertising. In fact, the store holds back the Hallmark Date Book until it is announced on the Hallmark radio show. (1)

5. Can Advertising Create a Demand For Greeting Cards?

The best way to answer this question is to trace the history of the demand trend for greeting cards. Unfortunately there are no reliable statistics available to indicate the year to year growth of the greeting card industry, but a few facts and instances do stand out. These incidents give some indication of the growth in the demand for greeting cards.

Although Louis Prang stopped publishing greeting cards in 1890, imported foreign cards helped to keep Americans greeting card conscious. When, in 1906, American publishers entered the field, they did so not with a new product but with a new idea. The demand for greeting cards was already established; it was further stimulated by the greeting card of the new message variety.

Seasonal cards, greeting cards for special days, gave further impetus to the demand for greeting cards. Later in the 1920's the industry engaged in extensive cooperative advertising. And within the last ten or fifteen years balanced

(1) Interview with Miss Patterson, greeting card buyer for L. A. Bigelow Company, April 5, 1949.
displays and controlled inventories have assured consumers of a wide selection of cards, at least in those stores having stock control. All these incidents gave stimulus to demand, but if the basic needs that greeting cards satisfied had not been present, all the effort to stimulate demand would have been a waste of time.

In recent years large scale advertising of branded greeting cards has added its bit in stimulating demand. Professor Borden states the case of advertising and demand trends in this way:

......advertising can be profitably used only when it holds forth something that consumers need or can easily be made to desire. Advertising creates needs only in the sense that it makes consumers aware that a product offers a satisfactory solution to a need. Often, particularly in the case of new products, consumers are unaware that the products will fill certain needs or desires. Advertising serves to let them know what the product will do for them, but the latent desires or needs must be present. (1)

The "latent" desire in the case of greeting cards was for some form of communication between friends, acquaintances, and loved ones upon special occasions in their lives. The message cards of the Second Era of American Greeting Cards supplied just this need.

The latent desire or demand was satisfied. The job of promotion, display, and advertising made more consumers aware of the fact that greeting cards offered a solution to this need.

for communication between friends on special occasions.
Chapter X

The Competitive Position of the Direct Buying Retailer

Basically the strength of the competitive position of the direct buying retailer will be determined by the competitive position of the publishers selling to such retailers. The interdependence of the two, while not unique, is rather striking. One of the fundamental reasons why manufacturers sell direct to retailers is so that they may exercise greater control over the distribution of their product. In order to achieve any kind of control over the distribution of his product, the publisher must establish a community of interest between himself and the independent retailer. It is the establishment of this community of interest that this chapter is to be concerned with.

1. The Merchandise

It is best not to get into a discussion on such an intangible thing as taste and quality, but publishers selling direct to retail stores will contend that their product is a quality product sold in the better stores. For our purposes "quality" will be thought of as implying the "best" possible in printing, production, design, and sentiment in greeting cards.

The great variety of the cards carried by the retail stores buying direct is as important as the quality of the cards, and a lot easier to define. Variety implies many special titles in a wide range of designs and price lines. While other stores, including department stores, carry greeting cards, and may sell comparable cards at lower prices, they do not usually match the direct buying stores in the variety of stock they offer for sale.
Taken together, quality and variety are the two greatest customer appeals the direct buying retailer of greeting cards has. The independent's competition does not approach him on this score. It is true that the stores of the limited price variety chains may approach the direct buying stores in the number of designs they carry, but the average direct retailer with thirty-two feet of display racks can usually muster more than seven hundred designs; which will have wider range and coverage on variety than a chain store with as many if not more designs. Again, department stores may sell exactly the same cards as other direct retailers, but their stocks will not cover, in proportion to the rack space, the wide range of designs and titles the independent direct retailer does.

Jobbers and direct selling agents are in a weaker position than variety stores in offering a variety of cards. Jobbers' retail outlets are usually small and cannot carry a large number of designs; direct selling agents are limited to boxed assortments of general cards with no special titles at all.

2. Advertising and the Independent Retailer

The conclusions reached in the chapter on advertising were that publishers' national advertising served to identify the stores that bought cards direct from publishers; but that advertising, as a means of building a brand preference, is questionable. The very fact of the publishers' advertising, alone gives the direct buying retailers a competitive advantage. His competition has no such identification. They must rely on their
own advertising efforts and the general card consciousness of the public.

There is one exception: Publishers who sell through direct selling agents make extensive use of national magazines as a media, not only to attract new agents, but also to help identify their merchandise. How effective this advertising is, is open to question. It is doubtful if consumers would refuse to buy from an agent merely because he did not happen to seek his brand advertised in a magazine. Advertising may be valuable as an aid in selling a particular brand of cards to an agent, however.

Even assuming national advertising of greeting cards is of questionable value, there is still the advertising of greeting card specialties. The specialties themselves are indicative of the creative ability of publishers selling direct to independent retailers. None of the direct retailers' competition has exhibited any great ability to create new greeting card products. On the other hand, they have shown an amazing ability to copy these original creations. For example, a few years ago Norcross came out with the Norcross Roses; these rose designs were featured on cards and note paper. In less than a year boxes of note paper resembling the Norcross numbers began to appear on the counters of variety stores. Nevertheless, by featuring these specialties in conjunction with the publishers' advertising, the direct retailer achieves a distinction that his competitors cannot duplicate.
3. Competition Broadly Considered

First of all, greeting cards, like every other product, must compete with all other products for the consumers' dollar. Greeting Cards are fortunate in this respect because they are usually incidental nonbudgeted consumer purchases. (1) They are often picked up by customers who are shopping for other items. In other words, the impulse factor is important in the sale of greeting cards.

Looking at competition in a little narrower sense, the direct retailers' greeting card competition centers largely with the limited price variety stores and the direct selling agents. The variety store offers serious price competition, but there are signs that less emphasis will be placed on the five cent price line. It apparently is becoming more expensive to make five cent cards, at least, that is the experience of some of the publishers selling direct to retailers. (2)

Direct sellers also offer price competition, but the emphasis there is not necessarily on price. The appeal seems to be upon the basis of the convenience of having an assortment of cards in the house. There is also another motivating factor or appeal, if it can be called that, behind the direct seller. The "appeal" is in the person of the direct seller. Who is he? Is he a person in need, making his own way in the world? Or

(1) Interview with J. J. Stuck, Dealers' Service Manager, Rust Craft, February 18, 1949
(2) Interview with E. D. Chase, Vice President, Rust Craft, April 20, 1949.
does he represent the church or the lodge? Many people must build up terrific sales resistance to say, "no" to the direct seller under these circumstances. This is a basis of buying appeal that is unique. The only way to counter it apparently is through local regulation of such persons or a strong campaign against them. Few local merchants would have the "nerve" to take any direct local action, since adverse publicity might very easily result, especially in smaller towns. A more positive approach is for the local merchant buying direct, to put his own direct sellers out to canvass consumers. It may mean that the direct sellers will have a smaller profit but they will be selling brand name cards and the direct buying retailer will at least be sharing in some of this business.

4. Competition Between Independents

Competition between independent retailers falls into two broad categories. First of all, there is a brand competition - that is a competition between brands of greeting cards carried by one retailer against those carried by another. This type of competition probably isn't very strong. Few consumers will consistently avoid patronizing a store merely because it does not have a certain brand of greeting cards.

The second type of competition between independents is in terms of service, location, and adequacy of display. It is in this type of competition that the retailer must strive to the utmost to give his store a good personality. Why is it, for instance, that a short street like Bromfield Street in Boston is
able to support three greeting card specialty shops? It is because each of these stores has built up its own reputation of service, and adequacy of display. The merchandise, as far as greeting cards go, is very nearly identical in all three shops.

Against competition from other retail outlets of greeting cards, the principal appeal a direct buying retailer can have is that of quality (real or supposed) and variety and depth of merchandise selection. In doing so he is actually appealing to a different greeting card market. Those who will buy from a direct retailer consistently are those who are greeting card conscious and are more or less aware of the differences in quality and taste offered in such stores. On the other hand, the market the variety stores and the direct sellers appeal to is far less card conscious and much more keenly price conscious, and may be assumed to have poorer taste.

5. The Future of the Direct Buying Independent

Buttressed as he is with the many advantages of his competitive position, there seems to be no reason why the "independent" stores or more properly direct buying retailers, should not continue to enjoy the larger share total greeting card sales. Jobbers no longer offer serious competition; variety stores are sharing in a smaller part of total greeting card sales. The really serious competition is now from the direct seller. It is singular that the real appeal of the direct seller is not based on merchandise or even service, but upon the person of the
direct seller or the organization he represents.

Many direct buying retailers are not yet aware of this according to an article in "The Greeting Card Retailer". (1)

This is plain talk - because the threat itself is plain to be seen. Direct Sellers— or those who sell outside of retail store channels are getting an alarming and increasingly large share of America's Christmas Card volume. This is happening in communities of every size, large and small.

Many retail stores do not seem to be concerned over this rapidly increased share of the Christmas Card volume that is being filled by Direct Sellers or house to house agents.

This complacency is probably due to the fact that retail stores, themselves, have shown healthy Christmas Card business gains during the past few years. The big point that should cause concern is that the total public purchase of Christmas Cards has gained far more than is reflected in the sales increases of stores. Direct Sellers are getting the big - very big - difference. (1)

While the threat of the direct seller is already discernable, it can become much worse if there is a business depression. It is at such times that more people become interested in peddling greeting cards from door to door. Therefore now is the time for alert direct retailers to aggressively merchandise their stores and think seriously about utilizing direct sellers in their own operation.

Appendix A
List of Interviews

Anderson, E. J.; Divisional Sales Manager, Gibson Art Co., Parker House Office Bldg., School St., Boston; Feb. 7, 1949
Beuret, John; Asst. Editor, "Rust Craft Rustler", Rust Craft Pub., 1000 Washington St., Boston, April 14, 1949
Blumenthal, Mr.; manager, Washington Street Subway Station Card Shop, April 20, 1949
Carter, Miss; clerk, Wallace Brown, Inc., 216 Tremont St., Boston, May 3, 1949
Chase, Ernest Dudley; Vice President, Rust Craft Pub., 1000 Washington St., Boston, April 20, 1949
Chilton, Mr.; Chilton Greetings Co., 147 Essex St., Boston, March 28, 1949.
Cunningham, Maj. John; salesman for Hallmark Cards, Box 666, Scituate, Mass., Nov. 30, 1948.
Deering, Louis; salesman for Rust Craft Pub., 110 Tremont St., Boston, Nov. 21, 1948
Downey, Mr.; Hampton Art Co., 470 Atlantic Ave., Boston, March 30, 1949
Fales, James; local manager, Norcross Greeting Cards, 101 Tremont Street, March 3, 1949
Freeman, Mr.; Freeman Art Co., 111 Summer St., Boston, May 4, 1949
Gibney, Mrs.; buyer, Samuel Ward Co., 57 Franklin St., Boston, April 5, 1949
Gold, Louis; salesman, Hannah Miller Card Shop, Bromfield St., Boston, Feb. 25, 1949; Mar. 23, 1949
Hall, Dean; salesman, Hallmark Cards, Parker House Office Bldg., 44 School St., Boston, Feb. 9, 1949
Hodgekin, Mr.; Rep. District Office, F. W. Woolworth Co., 120 Tremont St., Boston, March 30, 1949
Hughes, Mr.; Inspector, Div. of Standards, Dept. of Labor and Industries, State House, Boston, Mar. 28, 1949
N. B. This is the same Hurwitz referred to in Appendix B
Katz, Sam; Manager, Green's Card Shops, West St., Boston, Mass., April 22, 1949
Kendall, Col.; salesman, Norcross Greeting Cards, 101 Tremont St., Boston, Nov. 27, 1948
Londi, Miss Louise; clerk, local office, Stanley Greetings, Inc., 101 Tremont St., Feb. 25, 1949
MacQuade, Miss; employee, W. M. Wasson, Inc., 145 High St., Boston, Mar. 30, 1949
McBride, Mr.; Director, Div. of Standards, Dept. of Labor and Industries, State House, Boston, April 12, 1949
Mitchell, Miss Alice J.; clerk, S. S. Kresge Co. store, 477 Washington St., Boston, May 3, 1949
Appendix A (Continued)

Packard, Reginald P.; direct factory representative for Fravessi Lamont greeting cards, 44 School St., Boston, Mar. 28, 1949

Patterson, Miss; greeting card buyer, L. A. Bigelow Co., Bromfield St., Boston, Apr. 5, 1949

Powers, Mrs. Martha; salesman of Mary and Jim Canaday, Direct Factory Reps. of Brownie Blockprints, 101 Tremont St., Boston, Mar. 22, 1949

Reed, Burt; Account Executive, Station WJDA, Quincy, Mass., April, 1949

Rust, Donald E., Jr.; Merchants Card Co., 167 Oliver St., Boston, Mass., Mar. 12, 1949

Rust, Fred W., Jr.; salesman, Rust Craft Pub., 1000 Washington Street, Boston, July 5, 1949

Shaw, H. E.; Sales Manager, Eastern Sales Div., Rust Craft Pub., 1000 Washington St., Boston, Mar. 1, 1949

Stuck, J. J.; Dealers' Service Manager, Rust Craft Pub., 1000 Washington Street, Boston, Feb. 16, 1949

Wassaman, "Esky"; Manager, Personal Card Shop, Bromfield St., Boston, March 30, 1949

Winslow, Russell; local manager for Stanley Greetings Inc., 101 Tremont St., Boston, Feb. 25, 1949

Wolcott, John; Sales Promotion Manager, Rust Craft Pub., 1000 Washington Street, Boston, April 28, 1949


Chase, Ernest Dudley, "The Romance of Greeting Cards", privately pub. by Ernest Dudley Chase, 1926


"Greeting Cards", article in "Stores", Sept., 1949, page 86

"Greeting Cards", article in "Stores", Oct., 1947, pages are not numbered

Hawkers and Pedlers, Chapter 107, Commonwealth of Massachusetts, General Laws, with Amendments effective September 1, 1936

Hurwitz, Hyman, "Merchandising of Greeting Cards", Bachelor's Thesis


"Main Street Looking North from Court House Square", article from "Fortune", May, 1948

Mayo, Elton, "The Social Problems of an Industrial Civilization", Harvard University Graduate School of Business Administration, 1945

Merrill & Elliott, "Social Disorganization", Harper, 1941

"Millions for Tribute", article from "Business Week", May 2, 1942, page 50

"No Investment Stock Plan Builds Lucrative Greeting Card Sales", article from "Sales Management", August 15, 1948


Ogburn & Nimkoff, "Sociology", Houghton Mifflin, Boston, 1940

"Seasonal Greeting Card Record" or Seasonal Stock Control Book, Rust Craft Pub., Boston


Wolf, Arlene, "Greetings Pal" article in "Colliers" for Feb. 16, 1946, page 70
Appendix C
Stock Control Analysis

The value of a stock control analysis lies in the use to which the information it reveals can be put to work. The control analyzed on the next few pages is a Rust Craft Control. The first analysis is by Rust and the second is by Gibson. The two letters were written to the salesmen who sold the account by the Dealers' Service Managers of Rust and Gibson respectively.

The control analyzed was a Rust installed control and quite naturally the largest single share went to that company. The "area of agreement" in the two separate analyses is remarkable. Both favor increases in General, Family, Age Birthdays, and what Gibson calls Humorous Birthdays. Both agree Illness should be increased. These are the important classifications as shown in Table I, page 21. As for the others, Rust recommends that, if possible, open display space be made for Anniversary, Friendship, Sympathy, Gift and Thank You. Gibson differs on this score somewhat, they make no mention of Sympathy or Anniversary, but agree that Gift and Thank You should be on open display. Friendship, however, should be decreased, "because sales are down from the war years."

What did the dealer do with these recommendations? Absolutely nothing. He continued to keep his control book as accurately as before, and did nothing to increase the open display space. Mr. Stuck's letter raised the question of more open display space and also the question of whether or not more such space could be obtained. The dealer decided it could not, furthermore, he did not feel that there was sufficient reason to cut some classifications and increase others.

Now the question is: "What good was the analysis?" First, the knowledge that his clerks were keeping stock control records accurately was a source of pride to the dealer. Second, the information provided by the analysis helped Rust Craft and possibly Gibson, to assemble summary information such as was shown in Table I page 21. Many factors peculiar to a given operation can never be obtained from mere statistics. To show this the dealer in this case thought he should have more Gift cards in spite of their poor showing as his customers had complained of a poor selection.
Table VII

EVERYDAY GREETING CARD ANALYSIS

From: JAN. 1948  To: DEC. 1948  Period: 1 YEAR

<table>
<thead>
<tr>
<th>Classification</th>
<th>Total Retail Sales</th>
<th>% Of Sales</th>
<th>% Of Styles</th>
<th>Number of Styles</th>
<th>Average Ticket Value</th>
<th>Average Investment</th>
<th>Average Stock Turn</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Birthday</td>
<td>596.40</td>
<td>12.1</td>
<td>9.7</td>
<td>65</td>
<td>9.47</td>
<td>86.40</td>
<td>6.9</td>
</tr>
<tr>
<td>Humorous Birthday</td>
<td>361.80</td>
<td>7.3</td>
<td>7.4</td>
<td>48</td>
<td>7.54</td>
<td>61.92</td>
<td>5.8</td>
</tr>
<tr>
<td>Special Birthday</td>
<td>226.80</td>
<td>4.6</td>
<td>5.4</td>
<td>35</td>
<td>6.48</td>
<td>45.72</td>
<td>5.0</td>
</tr>
<tr>
<td>Children Birthday</td>
<td>96.00</td>
<td>1.9</td>
<td>1.8</td>
<td>12</td>
<td>8.00</td>
<td>11.88</td>
<td>8.1</td>
</tr>
<tr>
<td>Year Birthday</td>
<td>270.60</td>
<td>5.5</td>
<td>4.0</td>
<td>26</td>
<td>10.41</td>
<td>27.72</td>
<td>9.8</td>
</tr>
<tr>
<td>Family Birthday</td>
<td>1038.00</td>
<td>21.0</td>
<td>16.7</td>
<td>109</td>
<td>9.52</td>
<td>138.24</td>
<td>7.5</td>
</tr>
<tr>
<td>Baby Congratulations</td>
<td>333.90</td>
<td>6.7</td>
<td>4.6</td>
<td>30</td>
<td>11.13</td>
<td>34.38</td>
<td>9.7</td>
</tr>
<tr>
<td>Wedding</td>
<td>201.60</td>
<td>4.1</td>
<td>5.7</td>
<td>37</td>
<td>5.45</td>
<td>51.30</td>
<td>3.9</td>
</tr>
<tr>
<td>Anniversary</td>
<td>488.70</td>
<td>9.9</td>
<td>11.8</td>
<td>77</td>
<td>6.56</td>
<td>115.20</td>
<td>4.2</td>
</tr>
<tr>
<td>Friendship</td>
<td>42.00</td>
<td>0.9</td>
<td>3.1</td>
<td>20</td>
<td>2.80</td>
<td>20.16</td>
<td>2.1</td>
</tr>
<tr>
<td>Illness</td>
<td>844.40</td>
<td>17.1</td>
<td>10.9</td>
<td>71</td>
<td>11.95</td>
<td>92.16</td>
<td>9.2</td>
</tr>
<tr>
<td>Sympathy</td>
<td>174.40</td>
<td>3.6</td>
<td>4.3</td>
<td>28</td>
<td>6.23</td>
<td>29.88</td>
<td>5.8</td>
</tr>
<tr>
<td>Thank You</td>
<td>60.00</td>
<td>1.2</td>
<td>4.1</td>
<td>27</td>
<td>2.42</td>
<td>23.76</td>
<td>2.5</td>
</tr>
<tr>
<td>Gift Cards</td>
<td>196.20</td>
<td>4.0</td>
<td>10.0</td>
<td>66</td>
<td>3.08</td>
<td>57.42</td>
<td>3.4</td>
</tr>
<tr>
<td>Travel</td>
<td>10.80</td>
<td>0.2</td>
<td>0.5</td>
<td>3</td>
<td>3.60</td>
<td>3.24</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>4945.60</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>651</strong></td>
<td><strong>7.60</strong></td>
<td><strong>799.38</strong></td>
<td><strong>6.2</strong></td>
</tr>
</tbody>
</table>

COMPARATIVE SALES ANALYSIS BY LINES

<table>
<thead>
<tr>
<th>Publisher</th>
<th>Number of Tickets</th>
<th>Total Retail Sales</th>
<th>% Tickets Assigned</th>
<th>% Total Business Placed</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>RUST CRAFT</td>
<td>260</td>
<td>2015.70</td>
<td>39.9</td>
<td>40.8</td>
<td></td>
</tr>
<tr>
<td>HALLMARK</td>
<td>201</td>
<td>1497.40</td>
<td>30.9</td>
<td>30.5</td>
<td></td>
</tr>
<tr>
<td>GIBSON</td>
<td>146</td>
<td>1041.30</td>
<td>22.4</td>
<td>21.0</td>
<td></td>
</tr>
<tr>
<td>NORCROSS</td>
<td>40</td>
<td>379.20</td>
<td>6.2</td>
<td>7.7</td>
<td></td>
</tr>
<tr>
<td>OPEN</td>
<td>4</td>
<td>12.00</td>
<td>.6</td>
<td>.2</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>651</strong></td>
<td><strong>4945.60</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

MISCELLANEOUS GROUPS

<table>
<thead>
<tr>
<th>Classification</th>
<th>Total Retail Sales</th>
<th>% Of Sales</th>
<th>% Of Styles</th>
<th>Number of Styles</th>
<th>Average Ticket Value</th>
<th>Average Investment</th>
<th>Average Stock Turn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religious</td>
<td>56.20</td>
<td>31.7</td>
<td>37.5</td>
<td>27</td>
<td>2.04</td>
<td>28.44</td>
<td>1.9</td>
</tr>
<tr>
<td>Birth Announcements</td>
<td>30.60</td>
<td>17.6</td>
<td>23.6</td>
<td>17</td>
<td>1.80</td>
<td>28.44</td>
<td>1.1</td>
</tr>
<tr>
<td>Invitations</td>
<td>72.00</td>
<td>41.4</td>
<td>31.9</td>
<td>23</td>
<td>3.13</td>
<td>41.40</td>
<td>1.7</td>
</tr>
<tr>
<td>Sympathy Ack.</td>
<td>16.20</td>
<td>9.5</td>
<td>7.0</td>
<td>5</td>
<td>3.24</td>
<td>15.00</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>TOTAL MISC. GROUP</strong></td>
<td><strong>174.00</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>72</strong></td>
<td><strong>2.41</strong></td>
<td><strong>113.28</strong></td>
<td><strong>1.5</strong></td>
</tr>
<tr>
<td><strong>GRAND TOTALS</strong></td>
<td><strong>5119.60</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

AVERAGE DAILY SALES: $17.07

STOCK-TURN FOR ANALYSIS PERIOD: 5.6

STOCK-TURN FOR ONE-YEAR PERIOD: 5.6
**Table VII**

**Gibson Analysis**

<table>
<thead>
<tr>
<th>CLASSIFICATION OF EVERYDAY GREETING CARDS</th>
<th>NO.</th>
<th>OF DEP.</th>
<th>OF DEP.</th>
<th>OF SALES</th>
<th>TOTAL RETAIL</th>
<th>AVERAGE RETAIL SALES PER DESIGN</th>
</tr>
</thead>
<tbody>
<tr>
<td>General &amp; Hum. B'Day</td>
<td>108</td>
<td>16%</td>
<td>18%</td>
<td>813.00</td>
<td>7.53</td>
<td></td>
</tr>
<tr>
<td><strong>Age &amp; Juv. B'Day</strong></td>
<td>44</td>
<td>6%</td>
<td>8%</td>
<td>343.20</td>
<td>7.80</td>
<td></td>
</tr>
<tr>
<td>Specific B'Day</td>
<td>32</td>
<td>5%</td>
<td>5%</td>
<td>209.40</td>
<td>6.54</td>
<td></td>
</tr>
<tr>
<td>Family Birthday</td>
<td>109</td>
<td>16%</td>
<td>21%</td>
<td>922.20</td>
<td>8.46</td>
<td></td>
</tr>
<tr>
<td>Illness</td>
<td>72</td>
<td>11%</td>
<td>17%</td>
<td>745.20</td>
<td>10.35</td>
<td></td>
</tr>
<tr>
<td><strong>Friendship</strong></td>
<td>20</td>
<td>3%</td>
<td>--</td>
<td>37.20</td>
<td>1.86</td>
<td></td>
</tr>
<tr>
<td>Sympathy</td>
<td>28</td>
<td>4%</td>
<td>3%</td>
<td>141.60</td>
<td>5.06</td>
<td></td>
</tr>
<tr>
<td>Baby Congrats</td>
<td>30</td>
<td>4%</td>
<td>7%</td>
<td>300.60</td>
<td>10.02</td>
<td></td>
</tr>
<tr>
<td>General Congrats</td>
<td>1</td>
<td>--</td>
<td>--</td>
<td>7.20</td>
<td>7.20</td>
<td></td>
</tr>
<tr>
<td>Wedding Congrats</td>
<td>36</td>
<td>5%</td>
<td>4%</td>
<td>178.80</td>
<td>4.97</td>
<td></td>
</tr>
<tr>
<td><strong>Anniversary</strong></td>
<td>77</td>
<td>11%</td>
<td>10%</td>
<td>435.30</td>
<td>5.65</td>
<td></td>
</tr>
<tr>
<td>*Gift</td>
<td>65</td>
<td>10%</td>
<td>4%</td>
<td>185.40</td>
<td>2.85</td>
<td></td>
</tr>
<tr>
<td>*Thank You</td>
<td>26</td>
<td>4%</td>
<td>1%</td>
<td>46.20</td>
<td>1.78</td>
<td></td>
</tr>
<tr>
<td>*Religious</td>
<td>27</td>
<td>4%</td>
<td>1%</td>
<td>49.80</td>
<td>1.84</td>
<td></td>
</tr>
<tr>
<td>*Travel</td>
<td>3</td>
<td>--</td>
<td>--</td>
<td>5.40</td>
<td>1.80</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>678</td>
<td>99%</td>
<td>99%</td>
<td>$4,420.50</td>
<td>$6.52</td>
<td></td>
</tr>
</tbody>
</table>

Total Retail Sales of Everyday Greeting Cards: $4,420.50
Average Daily Retail Sales: $9.82
Average Retail Sales per design: $6.52
Average Daily Retail Sales per Design: $1.04
Gross profit: 50%
Estimated average operating inventory at Retail: $766.44
Estimated number of turns of operating inventory: 5.8

Packing: -- variable
rib
**Partly mounted**
*All Mounted*
February 11, 1949

Dear Fred:

I am enclosing the analysis for Hunt's, East Weymouth, Massachusetts.

The information contained herein should be very accurate because the Every-day figure obtained from the check sheets corresponded very closely to the figure we have on our Rand. I would like to compliment these people on keeping such an accurate check list.

Fred, there are a lot of recommendations that might be made as a result of this analysis but I think the most important is the general observation of the fact that this account would have a higher potential if they could secure more open display space and I am sure that this is exactly the factor that influenced the sales percentage of Anniversary, Friendship, Sympathy, Gift and Thank You, to be considerably lower in each instance than the percentage of styles allotted to these groups. These groups just mentioned produced in sales percentage, approximately 14% less than their percentage of styles. If we base this on their total retail sales of more than $5,000, we find that they have a potential increase of $700 per year by putting these groups out on open display. Fred, I realize that it may be impossible to get this additional space, however, I just thought I would point this out to you.

As far as the rest of the analysis goes, it would be well to consider the possibility of increasing General, Family and Age Birthday, Baby Congratulations and Illness, at the expense of Special Birthday and Wedding Congratulations. I realize that even this change would be very difficult without more display space; in fact, you may find it necessary to content yourself with an increase in General Birthday and a slight reduction of Special Birthday on racks A and B and a reduction of Wedding Congratulations and the overlapping of Illness onto rack F. Your Gift cards look a little heavy and could possibly stand some cutting.

The price and title breakdown contains a lot of interesting information and I am sure you will use this to the best ends. The analysis by lines certainly shows that Rust Craft is more than holding its own in competition with the other three lines and your dealer might even feel that an increase in percentage is in order.

If there is anything further we can do, please do not hesitate to call on us.

With kindest personal regards.

Very cordially yours,

Jule Stuck

JJS:BG
Encl.

Copied--5/10/49--MLA
April 21, 1949

Dear Harry:

We are sending you the analysis for this account and as nearly as possible have decided the period of time involved is from October, 1947 to April, 1949. If this is an error then, of course, the daily sales figure will be in error. However, the total volume and the average retail sales per design will be correct and that is the important thing as far as comparative purposes are concerned.

There are several points in this analysis on which we are to be in disagreement. General and Humorous Birthday cards are only 15% of the setup and I believe these could be increased to at least 18%. Family Birthday could also be increased to 18%. Illness classification with 11% and producing 17% very definitely needs increasing. Friendship, because of the fact that the sales in this classification are down from the war years, need to be possibly reduced and by all means shown on open display. The greatest improvement this dealer could make would be to get such things as Gift and Thank You Cards on open display. You will note that they comprise 14% of their setup and he is only getting 5% of their dollar return.

In the body of the analysis you will note a very wide range of earnings for the individual items. You will note that some of the items listed as Masculine show very poor returns in General and Humorous Birthday.

Some of the Age and Juvenile classification, especially the mounted items, show very poor returns.

Specific Birthdays range from $15.00 for a Balated Humorous at 25¢ down to $1.80 for a Secret Pal.

The Family classification in turn shows a very wide range of earnings and should be examined very closely to determine which of these items to drop and which to add.

To make a very flat statement of the thing it looks like a complete re-set of the department is in order.

If we can be of any further assistance, please let us know.

We are taking no further action until we hear from you.

Sincerely yours,

E. W. Johnson/Enol