ALSO BY SUSAN STRASSER
Never Done: A History of American Housework

SATISFACTION GUARANTEED
THE MAKING OF THE AMERICAN MASS MARKET

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For my father, with love and thanks
campaign. Salesmen reporting from the field could persuade national advertisers to increase their own expenditures on media that could be controlled nationally but would show up locally: streetcars, billboards, and newspapers. And salesmen’s displays and demonstrations brought national campaigns to the stores themselves, where their work checking on stock and courting clerks ensured that a customer who asked for an advertised product would walk out of the store with it.

Well-coordinated advertising and sales were indeed, in the Grocers' Review's words, “bare faced attempts” to intervene in the relationships between retailers and their customers and in their decisions about merchandise. Many articles in the trade press reiterated this view and the merchants’ resentment of manufacturers’ attempts to turn them into “automatons,” dispensing products that paid them little or no profit. Yet even potent new marketing techniques did not protect manufacturers from continuing power shifts in the distribution system. They could dominate the old system based on regional wholesaling and small retailing but not the new mass distributors—the department stores, mail-order houses, and chains that were better equipped to handle the enormous output of mass-production processes.

“SELLING AND DISTRIBUTION,” THOMAS EDISON TOLD AN INTERVIEWER IN 1910, “ARE SIMPLY MACHINES FOR GETTING PRODUCTS TO CONSUMERS. AND LIKE ALL MACHINES, THEY CAN BE IMPROVED WITH GREAT RESULTING ECONOMY. BUT IT IS THE Plain TRUTH THAT THESE MACHINES FOR DISTRIBUTION HAVE MADE THE LEAST PROGRESS OF ALL MACHINES. THEY ARE THE SAME IN MANY INSTANCES THAT THEY WERE FORTY AND FIFTY YEARS AGO... THE AVERAGE SELLING MACHINE HAS BECOME UNWIELDY AND ANCIENT.” AN IDEAL ONE, THE INVENTOR PROCLAIMED, SHOULD GET GOODS “QUICKLY, ECONOMICALLY AND SATISFACTORILY TO THOSE WHO WANT THEM.” TO THAT END, EDISON WAS PERFECTING THE SAMARITAN MARKET, A DEVICE BASED ON THE SLOT MACHINE THAT WOULD DISPENSE TEA, SUGAR, AND EVEN COAL IN STANDARD QUANTITIES.

Edison’s criticism highlighted the thousands of “unwieldy” small stores and the persistence of old-fashioned distribution practices based more on community relationships than on efficient systems for moving merchandise from factories to kitchens and parlors. Yet distribution had in fact changed profoundly by 1910. Even the smallest stores and the wholesale merchants who serviced them sold Ivory and Sapolio, responding to manufacturers’ new marketing methods, which had created direct rela-
tionships between manufacturers and consumers and brought customers into stores with specific demands. Furthermore, small retailers, wholesalers, and manufacturers had all witnessed the development of three genuinely new merchandising forms: the department store, the mail-order house, and the chain store. Like wholesalers, these were large, powerful companies that often combined manufacturing and distribution, and represented a countervailing force to manufacturer power. Like other retailers, the mass marketers served basic functions in people’s daily life and integrated individual consumers into the mass market. But they created new merchandising techniques capable of organizing that market, techniques that could genuinely be described as mass distribution and that posed a threat to traditional methods.

Department stores, mail-order firms, and chains did rest on Edison’s principles of speed and economy, and their systems proved capable of organizing the flow of large quantities of merchandise. The three bore a “strong family resemblance,” two Printers’ Ink writers asserted in a fourteen-part series on chains published in 1914, “embodying exactly the same principles of concentration in buying and management, and exercising the same power of manipulation in selling.” They all purchased directly from manufacturers, bypassing wholesalers and either labeling merchandise with private brands or buying in sufficient quantity to demand concessions from their suppliers.

These mass merchandisers shared three characteristics that became fundamental principles of modern selling. First, their customers bought at prices set by the merchant before the sale; nobody bargained with Marshall Field’s or Sears. The one-price system enabled department stores and chains to hire large sales forces composed of low-paid, inexperienced workers. “The old dicker and bargain policy still found in many one-line stores of the old-fashioned type,” the University of Minnesota’s Paul Nystrom explained in 1915, “required salespeople with considerable skill in handling customers.” Secondly, the prices were set at levels calculated to make profits by “turning stock,” moving

the goods through the system. Merchandise that sat on shelves took up space that could be used over and over again by fast-selling stock, and represented capital that could reap continual profits if it were invested in things that sold. Textbooks often gave the pushcart peddler as a simple example: if he bought four dollars’ worth of goods and sold them for five dollars by the end of the day, he made a dollar, or 25 percent on his original investment. If the peddler sold the goods by noon, reinvested his four dollars, and thereby sold out twice by the end of the day,
his four-dollar investment earned two dollars, or 50 percent. More complicated examples pointed out that fixed costs like rent made profits even higher on stock turned often.

The third characteristic of mass retailing was departmentalization. By putting different kinds of stock in different departments, the mass merchandisers devised accounting systems that enabled them to audit the contribution that particular departments and even particular pieces of merchandise made to the profits of the enterprise. Unprofitable goods and departments could be dropped, and employees could be evaluated according to numerical measures of their performance as well as on their personalities.

The New York dry-goods merchant A. T. Stewart built the largest early establishment to succeed using these principles, although he may not have been the first to try them and his store offered too limited a range of merchandise to be called the first department store. Beginning in the 1820s with a small shop, he moved to his four-story “Marble Palace” in 1846 and to an even larger building in 1862; when completed six years later, it covered a city block and rose eight stories. Stewart ran leading wholesale and importing businesses by 1840, and within another decade manufactured clothing for his own store and others. He contracted to make Northern uniforms during the Civil War, and by 1869 employed nine hundred seamstresses and owned textile mills in the United States, England, and Ireland.

During the 1860s, 15,000 to 60,000 customers a day passed through Stewart’s store, served in 1869 by 1,000 retail clerks. “Not one of them has his discretion,” Stewart told industrialist Peter Cooper. “They are simply machines working in a system that determines all their actions.” The clerks did not make change, but handed customers’ money to runners who took it to central cashiers. Nor did they negotiate about price: Stewart operated on the one-price system by 1846 and possibly earlier. He set prices at levels that would move the goods, and probably introduced the clearance sale to move old stock as early as 1837. “Although I realize only a small profit on each sale,” he told another New York businessman, “the enlarged area of business makes possible a large accumulation of capital and assures the future.” By 1869 and probably before, Stewart kept separate accounts for his various departments, making it possible to determine which goods made money.

Stewart’s store was an anomaly at first, but during the 1860s and 1870s, other urban merchants both in the United States and in Europe adopted the new policies. Rowland H. Macy announced the one-price policy in 1858 and two years later began to expand beyond dry goods. Macy’s first opened a new “French and German fancy goods” department to sell chinaware, toys, pocketbooks, and other merchandise. By 1877, twenty-four departments sold an even greater variety, including house furnishings, books, and flowers. At Macy’s and elsewhere, departments contributed to the rationalization and specialization of space, finances, and labor. Separate departments had their own buyers, stockkeepers, and sales staffs. They kept separate accounts and were expected to show a profit, to pay for their own merchandise and labor, and to contribute their shares of the heating bill, the office costs, and other general store expenditures.

Macy’s remained small by later standards through the 1870s, and even large stores like Stewart’s and Marshall Field’s were dwarfed by their wholesale operations. Many opened mail-order divisions, boasting that customers could come to their stores and inspect the goods; Macy’s started mail order in 1874, and its catalogue, 127 pages in 1881, had grown to 311 pages a decade later. During the 1880s and 1890s, most department stores expanded their retail operations, centralizing accounting, employment, advertising, credit, and delivery. Many continued their wholesaling and mail-order operations, but erected new, larger retail stores that became central features of downtown life.

Like world’s fairs, writes historian Neil Harris, big-city department stores “were mass encounters with the art and objects of the modern world, dramatic, persuasive, self-consciously designed to produce a maximum effect.” They began to emphasize
display for its own sake, using windows, mirrors, lighting, and colored fabrics to create a festive atmosphere. Marshall Field’s installed electric lights in 1882, the same year the Edison Company opened the nation’s first commercial power station. Within five years, department stores in smaller cities, like Albany’s Whitney and Company, were lit with electricity.

Also during the 1880s and 1890s, department stores created an array of new services. Macy’s already provided a soda fountain and a lunchroom, but now restaurants became common; Marshall Field’s 1890 tearoom, “designed to suit a lady’s taste,” provided an atmosphere of “quiet elegance.” Before the turn of

Crowds gather to look at Macy’s Christmas windows, New York. From Frank Leslie’s Illustrated Newspaper, December 20, 1884.

Downtown shoppers congregate in front of Jordan Marsh, one of Boston’s leading department stores, on the first page of the company’s 1885 spring and summer mail-order catalogue.
the century, stores provided telegraph offices, public phones, lost-and-found departments, post offices, ladies’ parlors, free checking, child care, and first-aid stations. Nearly all offered charge accounts. Some provided live background music, sponsored lectures and plays, and incorporated branch libraries. “Under the guise of ‘service,’” Paul Nystrom wrote in 1915, “the modern department store has come to be a sort of club house and amusement place for women.” He added “silence rooms for nerve-tired shoppers” and beauty parlors to the list of common services and pointed to unusual stores that offered opera performances, employment services for domestic help, and banking and brokerage services. For those who chose to stay home, department stores provided telephone service; in 1907, Wanamaker’s in Philadelphia took orders twenty-four hours a day.

By the end of the century, the big stores rivaled large factories in size. Marshall Field’s and Macy’s both completed new stores in 1902, each with over a million square feet of floor space. Macy’s employed three thousand workers in 1898; Jordan Marsh was the fourth largest employer in New England in 1900. Marshall Field’s had ten thousand employees, and a quarter of a million customers a day in its busiest season. Most of the new employees were women for whom the stores were neither clubhouses nor amusement places; their employment contributed to the stores’ female milieu.

“The modern department store is a wonderful business mechanism,” Nystrom wrote in 1915. “At its best it represents very high efficiency as a trade-getting and profit-making institution.” Few of the nearly four thousand stores that called themselves department stores rivaled Field’s or Wanamaker’s, but they all attempted to profit from high turnover, departmentalization, and the one-price system. Even in small cities, they employed advertising specialists and used large amounts of newspaper advertising space, offering “specific, concrete presentation of information” that emphasized price. When they bought branded goods from manufacturers, the larger stores demanded advertising allowances, initiating the “co-operative advertising”
ers encountered mass merchandising in the form of mail-order catalogues. "Here was an organization whose great arms embraced the world," wrote Edna Ferber in a 1917 novel about Fanny Brandeis, a woman executive at a Chicago mail-order firm that might have been Sears, Roebuck or Montgomery Ward. "Haynes-Cooper, giant among mail-order houses, was said to eat a small-town merchant every morning for breakfast. 'There's a Haynes-Cooper catalogue in every farmer's kitchen,' " Fanny's mother, herself a small-town merchant, had explained. " 'The Bible's in the parlor, but they keep the H.C. book in the room where they live.' "

Montgomery Ward began first. "Our business," the catalogue explained, "was organized in 1872 to meet the wants of the Patrons of Husbandry, from whom we then received our main support." This was the leading national farmers' organization, better known as the Grange, organized in part on principles of cooperative purchasing and eliminating middlemen. Membership brought some privileges at Ward's, "The Original Grange Supply House," which sold Grange paraphernalia among its wide variety of goods. All customers received merchandise COD and paid only if they were satisfied after examining what they had bought; Grangers had a ten-day grace period. By 1884, a

240-page catalogue listed nearly 10,000 items; rapid expansion including a new warehouse brought the number to 24,000 by the early nineties.

Montgomery Ward, then, was already successful in 1886, when Richard Sears began selling watches; Sears hired watchmaker Alvah C. Roebuck the next year. After several other ventures, the two established an office in Chicago, adopted the name Sears, Roebuck, and Company, and added jewelry, silverware, firearms, sewing machines, clothing, and other merchandise to their catalogue in 1893. Two years later, plagued by illness and stress, Roebuck sold out to Sears for $25,000. Two Chicago businessmen joined the firm, bringing new capital that financed continued growth. "Nearly everything in merchandise can be found in this book," the company claimed in its 786-page 1897 catalogue. Twenty-four special catalogues carried complete descriptions of even more goods, including blacksmith tools, furniture, groceries, books, and sewing machines, a much wider range of merchandise than the department stores sold. By 1900, Sears had surpassed Ward. Five years later, it embarked on a successful marketing campaign in Iowa, offering customers premiums for persuading others to order from the catalogue. Richard Sears became personally determined to "Iowa-ize" America, and the company extended the plan across the country, state by state.

In 1906, Sears owned or held a major interest in sixteen manufacturing plants. That year it moved to a new plant on a forty-acre tract in Chicago, with buildings connected by pipes, wires, railroad tracks, and underground tunnels. The Merchandise Building housed a clothing factory and could receive a sixty-car train; freight handlers worked night and day, in any weather. Two thousand people opened and processed more than nine hundred sacks of mail a day; the express companies, railroads, telegraph companies, and post office all managed branches on the grounds. Sears operated its own printing plant and the second largest power plant in Chicago after the Edison Company.
At the new plant the company instituted a scheduling system that enabled it to ship merchandise within forty-eight hours of receiving an order, even on mixed orders for merchandise from different departments. Machines opened 27,000 letters per hour; gravity chutes and conveyer belts carried the goods. At least as early as 1911, Sears applied systematic methods also to merchandising, maintaining a card index that showed what every customer had ever bought, indicated address changes, and often contained other information about the family. The firm used the index to classify customers—in essence, to segment its already established market—in order to decide who would get which catalogues. By 1915, the largest mail-order firms kept files on 4 to 6 million customers.

Before the turn of the century, companies wishing to do mail-order business could buy addressed envelopes or mailing lists with millions of names, classified by occupation and other considerations. Although Sears and Ward were indisputably the largest retail mail-order merchants, such mailing lists and other promotional techniques permitted other companies to compete, some with considerable success. The Spiegel, May, Stern company, still selling goods by mail a century later, was founded in 1882 and for many years specialized in mail-order installment selling. The Larkin Company, a Buffalo soap manufacturer since 1875, began selling by mail a decade later, advertising "Thirty Days Trial and Pay If Pleased," and offering lamps, desks, and other premiums to customers who sent large orders. Eventually the company expanded, not by increasing its soap business, but by offering other grocery products, selling only for cash in lots of ten dollars or more, and encouraging customers to form buying cooperatives. For the most part, Larkin manufactured and bought goods to label with its own brand. "This is probably the biggest move ever made toward selling groceries direct from factory to consumer for cash," commented the Grocers' Magazine, although Larkin did sell some nationally advertised products. By 1914, the company had established branches in Philadelphia, Chicago, and Peoria as well as the original Buffalo branch, and had lowered the minimum to five dollars.

Mail-order houses met considerable opposition from local business interests. During the 1880s and 1890s, some urban retailers had protested the rise of department stores, demanding special taxes or laws that would restrict the lines of merchandise a store could handle. These bills failed, but they set precedents for later, more powerful protests against mass merchandisers that called on small-town loyalties. By the turn of the century, local newspapers regularly attacked the mail-order houses as foreign interests that would destroy local business. Sears and Montgomery Ward responded directly, in their catalogue copy. The 1899 Sears spring catalogue stated on its cover: "This book tells you just what your storekeeper at home pays for everything he buys—and will prevent him from overcharging..."
you on anything you buy from him.” Ward’s 1902 catalogue reprinted an agricultural paper’s comments that “the farmers of today are tyrannized over by the country merchants to a far worse extent than they realize.”

During 1906 and 1907, small-town businessmen organized “trade-at-home” clubs; Midwestern commercial associations banded together in the Home Trade League of America. “There is such a thing as ‘tainted’ dry goods, ‘tainted’ groceries and ‘tainted’ furniture,” wrote William Allen White, editor of the Emporia, Kansas Gazette and a nationally renowned spokesman for small-town life. “All of such that are not bought at home, of men who befriended you, of men to whom you owe a living, are ‘tainted’ because they come unfairly.” The Sears catalogue in those years promised protection from charges of betraying local merchants. Goods arrived from Chicago in plain wrappers with no return address, because “many people object to having the name of the shipper spread across every box or package, so that when it is unloaded at the station or express office everyone can see what they are getting and where they buy it. . . . We have learned that thousands of our customers need the protection that the omitting of our name affords. This applies especially to townspeople.”

The issue heated up in 1910, when election victories by Democrats and insurgent Progressive Republicans put into Congress a majority favorable to legislation that would establish a parcel post and thereby authorize the post office to handle packages weighing more than four pounds. At committee hearings, both sides used arguments that had been developing for years. Parcel-post supporters described the difficulties of modernizing rural life for farmers who had to travel to the nearest railroad freight station to pick up packages. Opponents (led by the four large private express companies) described the legislation as money in the pockets of Sears and Ward, and warned that government package delivery “is likely to change fundamentally our conception of government.” Trade journals for retailers, traveling salesmen, and manufacturers called the measure “a severe blow to retail merchants.” Active agitation both for and against parcel post lasted until the legislation passed in August 1912.

Local merchants’ organizations fought the catalogue stores with publicity. When Larkin opened a sample store in Louisville, Kentucky, so that mail-order customers could examine the goods, members of the Retail Grocers’ Association organized opposition. They distributed 75,000 cards warning customers...
that "you and your friends pay for the free prizes, and you get equal and better values for less money in Louisville." In February 1912, members of the Cedar Falls, Iowa Commercial Club paraded through town, marching to band music and displaying banners proclaiming "Cedar Falls makes good" and "We thought we were buying cheaper, but we know better now." The parade ended with a mail-order catalogue bonfire in the town square. A few months later, the merchants of Peabody, Kansas, advertised that they would match any mail-order prices, and urged customers to bring their catalogues and order blanks to the stores.

Ada, Minnesota merchants "all had vastly exaggerated notions" of the volume of mail-order trade, according to a University of Minnesota study made six months after parcel post began operating. About 65 percent of farm families and 41 percent of village people had ordered something by mail, but they did not order much: less than 3 percent of the region's total trade went to mail-order businesses. Still, some merchants "felt very bitterly that farmers should send away at all, and were apparently sincere in their declarations that they had no moral right to do so." As for parcel post, the study declared, more merchants than farmers had used it so far. A few years later, the same researcher found that only a handful of New Haven, Connecticut families bought groceries from Sears and Montgomery Ward.

"From the perspective of a present-day vantage point," the leading historians of Sears wrote in 1950, "one can feel that the inadequate system of retail distribution would sooner or later have cracked under its own dead weight even without the mail-order companies." Retail trade was bound to change in a culture and an economy based on "better roads, motion pictures, improved communications, the automobile— in short, the whole march of technological progress." The protests, they assert, came from merchants who "saw their position deteriorating," and they suggest that these men "opposed change." Similarly, Daniel Boorstin describes the movement against parcel post as...
"rear guard actions": "Its spokesmen spoke for the dying past of the general store, the village post office, the one-room schoolhouse and the friendly corner drugstore."

In fact, small-town merchants and the business organizations they joined usually led their communities' forces for local economic development. In the many boards of trade, chambers of commerce, and commercial clubs that formed in towns and cities of all sizes, merchants established social and business contacts with other local businessmen and financial interests. These associations promoted progress through economic growth: road-building, sewer systems, train depots, post offices, tourism, settlement, and irrigation projects. They sponsored Christmas shopping campaigns that built business despite inclement weather; they promoted regional prosperity by bringing extension agents to advise farmers on the latest agricultural methods; they solicited industrial growth and factory-building. They crusaded not only against mail-order houses but against peddlers and other less-established business people, fostering the growth of Main Street, where they had their businesses. Each of these campaigns represents their attempts both to defend their immediate financial interests and to expand their horizons. Though they may have refused to acknowledge or failed to see it, the good roads they promoted and the mass-merchandising techniques they attacked were of a piece, two aspects of a transformation that reverberated throughout the culture.

Nearly two decades later, small businessmen joined a campaign in opposition to chain stores that echoed the anti-mail-order protests, with local merchants again urging patrons to trade at home, battle big business, and save the American way of life. This time, both sides used up-to-date techniques, reaching the public over the radio and by means of well-organized public relations campaigns. Opposition to the chains rallied around William K. "Old Man" Henderson, Jr., the owner of a Shreveport, Louisiana radio station with a clear channel and sufficient wattage to broadcast his opinions across the South and Midwest. Henderson organized a national group of retailers, the

Montgomery Ward grocery catalogue, 1911. The catalogue was seventy-two pages long and listed some dry goods as well as groceries.
Merchants' Minute Men. By 1930, Minute Men and their fellow merchants had organized local “trade-at-home” campaigns in more than four hundred towns, and the question whether chains served or harmed the public interest had become the national college and high school debate topic. The National Chain Store Association responded with a public relations campaign, distributing pamphlets and issuing a monthly bulletin to more than 400,000 editors, marketing teachers, state officials and legislators, and libraries. Individual chains and chain organizations sponsored many such campaigns over the next decade, culminating in the three-year, half-million-dollar, “elaborately casual publicity program,” in the words of one historian, that the Carl Byoir firm created for the A & P.

This controversy was a response to a marketing phenomenon as significant as the mail-order houses, although only the most careful observers of retail trade understood the importance of chains before the 1920s because most were still small and confined to regional trade. By the end of that decade, more than seven thousand national, regional, and local chain-store organizations did more than one-fifth of America’s total retail business. The largest and best established, the Great Atlantic and Pacific Tea Company, had begun in the 1860s as a tea-and-coffee firm, offering premiums and adding new retail stores almost from the start, and conducting a large mail-order business that was both advertised and attacked in national periodicals. In the 1880s and 1890s, the A & P gradually expanded into other grocery lines, beginning with baking powder and flavoring extracts. By the turn of the century, the company operated nearly two hundred stores in twenty-eight states and the District of Columbia. Other successful chains were still much smaller. Cincinnati’s Great Western Tea Company, later the Kroger Grocery and Baking Company, ran thirty-six stores in 1902. Frank W. Woolworth opened his first successful five-cent store in Lancaster, Pennsylvania, in 1879; he had seven stores in operation by 1886, twenty-five by 1895, and fifty-nine in 1900. That year McCrory had twenty stores and Kress had eleven, but S. S.

Kresge, which would become the second largest variety chain, was still a single store.

By 1912, chains were under attack as part of the movement to protect the public against big business. Critics who charged that Wall Street interests dominated chain activity had plenty of evidence about the larger firms, especially Woolworth’s, whose directors included Henry Goldman, of Goldman, Sachs and Company; A. Barton Hepburn, chairman of the board of Chase National Bank; and Philip Lehman, of Lehman Brothers. These three men also served together on the boards of Sears and two other companies. “When a man with a business investment of
stores each. The Riker-Hegeman Corporation of New York, a
drug chain with 105 stores, was growing at the rate of more than
three per month. Woolworth's dominated the variety trade with
774 outlets, but Kress, Kresge, and McCrory each had more
than 100. Although chains ran fewer than 5 percent of American
grocery stores, they were particularly strong in urban areas,
doing more than a quarter of the business in many cities; in
Philadelphia, chains accounted for between 60 and 70 percent
of the grocery trade. In all, five hundred grocery companies ran
eight thousand stores. Substantial numbers of chain stores oper-
ated in the tobacco, newsstand, variety, and drug trades, and the
authors found smaller numbers in numerous other fields, in-
cluding piano stores, clothing stores, ticket agencies, funeral
parlors, lumber yards, and bookstores.

Like department stores and mail-order houses, chains de-
pended on modern accounting systems, departmentalization,
high stock turn, and the use of low-cost labor. The United Cigar
Stores required daily reports from each store; men from head-
quarters appeared without notice to check on their accuracy.
The Printers' Ink authors likened the chains' employee training
systems to "the building of a machine—an efficient, high-
powered machine—in which the personality of each individual
is merged in the house personality." Systematized work meth-
ods enabled chains to hire immigrants and women at low wages.
Even managers' freedom and individuality were submerged in
the systems, which determined merchandising and employment
policies. "The Riker-Hegeman manual tells the manager that his
place is in the front of the store, making sure that every patron
who enters is assured a welcome and immediate attention. He
has, in short, about the status of a floorwalker."

Chain employees ran high-volume operations. The average
druggist turned stock three or four times per year, while the
Riker-Hegeman chain claimed twelve. The most prosperous and
up-to-date independent grocers and tobacco stores turned their
stock fifteen or twenty times a year; some grocery chains claimed
as much as forty-five, and the United Cigar Stores claimed fifty.
In the variety-store field, chains and independents showed more similar results. This was due to the concerted efforts of the variety wholesalers, whose survival depended on training their retailer customers to compete with the phenomenally successful Woolworth's and its substantial competitors Kresge, Kress, and McCrory. Butler Brothers, for example, a large jobber with branches in many cities, published an extensive series of manuals on how to do business, emphasizing the importance of stock turn to modern merchandising.

Chain-store locations were chosen systematically, and real-estate specialists negotiated sales and leases. The Child's restaurant chain, with eighty outlets around the country, waited as long as five years for particular locations, chosen on the basis of "data on virtually every available place in the country." United Cigar employees stood on street corners counting pedestrians. The busiest corner in America turned out to be State and Madison in Chicago (142,000 people between 7 A.M. and midnight), followed by New York's Broadway and Forty-second Street and rather less crowded corners in Philadelphia and Boston. The United Cigar system further incorporated information about who populated the crowds; some busy corners swarmed with the wrong market segment, workers with "a low purchasing capacity." The company's real-estate subsidiary bought whole buildings to secure good locations, and reaped substantial nonselling income; its stores were "often hardly more than holes in the wall" of large, company-owned office buildings.

Most of the bigger chain companies owned or were owned by other firms. Like manufacturers and wholesalers, these large retailers contributed to the "chaos in distribution" by refusing to keep to their assigned places in the old-fashioned manufacturer-wholesaler-retailer system. The chains lowered costs and increased efficiency by doing their own wholesaling and by buying manufacturing facilities; sometimes manufacturers and wholesalers bought or created chains as outlets for their goods. The United Drug Company owned at least three candy makers, several other manufacturing firms, and another chain, the National Cigar Stands. Sears briefly tried a chain of retail

food stores in Illinois in 1904. The Kroger Grocery and Baking Company packed meat, roasted coffee, and manufactured candy and canned foods. Like large wholesalers, chains labeled goods with private brands.

Even without such direct connections to sources, systematized and massive buying power enabled chains to obtain financial advantages based on sheer size. They asked for and got extra discounts from the manufacturers and wholesalers that supplied them. They demanded—and sometimes simply took—extensions of time for payment, financing their operations in part on the credit of the jobbers and the manufacturers. Chains further enjoyed tax advantages unavailable to independents, a major issue for legislative reform as opposition to chain stores developed. Some states, for example, required corporations to pay local taxes only in the cities where they were incorporated, not in the places where they operated stores. Under such laws, A & P and Woolworth's conducted tax-free businesses in municipalities that assessed small merchants for revenues.

All of the chains' financial advantages—tax breaks, discounts on quantity buying, real-estate holdings, sophisticated financing schemes, Wall Street financial backers, and low operating costs—enabled them to cut prices on trademarked, nationally advertised goods. The extent of price-cutting varied from trade to trade. The chain variety stores—"five-and-tens"—really did limit their merchandise to things that could be bought for a nickel or a dime, and could not charge four or nine cents without altering that policy. But the Printers' Ink investigators called drug chains "pronounced price-cutters," and most grocery chains cut prices as well. In a 1915 court case, Cream of Wheat charged that the A & P Economy Stores sold its cereal for twelve cents, two cents less than the price at the regular A & P stores.

Cut prices on standard advertised products posed a fundamental challenge to small merchants, whose customers might well wonder why they should pay higher prices on identical cans of Campbell's soup or cakes of Ivory. Although the new A & P stores had abolished credit and delivery, most grocery and drug chains still offered those services as well as low prices. Small
retailers could compete with price-cutting only on the basis of location, personality, and their position in the community.

Price-cutting threatened manufacturers' power as well, by emphasizing price and challenging brand loyalty. A newspaper advertisement touting two cents off a ten-cent box of Kellogg's corn flakes made the chain store look more attractive than the independent grocer even if it did not actually coax customers away from their neighborhood stores. Worse for Kellogg's, it reduced the product to the level of other corn flakes and other breakfast cereals and might suggest to consumers that Kellogg's was only worth eight cents. Marketers created their products as much in the process of setting prices as in designing packages. Yuban differed from Ariosa, Ivory from Star, in all the elements of what is now called the "marketing mix": the products themselves, the promotional strategies, the targeted retail outlets, and the price. Marketing for branded products aimed to establish strong brand loyalty that could overcome price sensitivity: belief in the qualities of Kellogg's or Ivory that would induce consumers to pay whatever those products cost.

Manufacturers feared that price-cutting made their products more susceptible to substitution when the neighborhood grocer or druggist suggested some less expensive brand that paid him better margins. If Kellogg's was advertised for eight cents, then the eight-cent private brand might really be as good as the local merchant claimed. The chains, too, substituted; some chain stores advertised low prices on branded goods but encouraged clerks to recommend the private label.

Some manufacturers took firm stands for traditional distribution, refusing to sell to chains that cut prices and committing resources to court battles when chain stores filed suit, as the A & P did in the Cream of Wheat case. Kellogg refused to sell directly to any retailer, whether a small independent or a large chain. Other manufacturers filled trade magazines with rhetoric. "Price cutting is a species of commercial debauchery that rests upon the relentless doctrine of the survival of the fittest," the Bissell Carpet Sweeper Company's advertising manager wrote in 1910, "upon the narrow, cold-blooded principle that mer-

chandising is a sort of commercial warfare; that 'all's fair in war' and 'the devil take the hindmost.'"

Other manufacturers were less alarmed. Heinz left negotiations with chains to its branch managers. H. H. Good, an executive for Carter's Little Liver Pills, celebrated the volume of business the chains brought. "There may be a possibility of their growing so large as to dominate the manufacturer but that is very remote at present," he asserted. "What we are after now is business, and we must use the best channels to get it." A representative of the Bon Ami Company had a similar reaction: "Theoretically I believe the chains will become a menace to the manufacturer in the future, but that is too far distant to think about now," he declared. The firm offered a jobbing discount to any chain with twenty or more stores.

Wholesalers recognized the chains as another manifestation of the general trend towards "eliminating the jobber," because large chains did just that, handling their own warehousing, shipping, and financing. The secretary of the California Wholesale Grocers' Association called them "nothing less than 'revolution.'"

Some jobbers began their own chains, buying out retail debtors to save themselves from loss. Others acquired stores in new territories in order to find local outlets for their private labels. In most fields, wholesalers formed trade associations to bargain with manufacturers about policy. Some, like the Butler Brothers variety firm, coached their retail customers in modern merchandising to help them compete with the chains.

Retailers received such lessons from a number of quarters: manufacturers' house organs and other "dealer helps," materials from wholesalers' and retailers' associations, and commercially published trade magazines and books. These organizations had an interest in keeping small retailers from failing, and in keeping the system of which they were part from "cracking under its own dead weight," in the words of the Sears historians. Despite the success of the mass merchandisers, distribution was still for the most part carried out in single stores operated by individual retailers. In 1919, chains accounted for only 4 percent of total national retail sales. Four years later, the
proportion had grown to 8 percent; department stores accounted for about 16 percent, and mail-order houses and company stores about 4 percent each. As late as 1923, over two-thirds of American retail business was still done through general stores and small, single-unit stores selling one line of goods, such as hardware, drugs, groceries, clothing, or furniture. For more than a decade their proprietors had been told—in trade journals, at meetings, and by salesmen, bankers, and others representing the larger firms they did business with—that they could not in the long run beat the mass merchants and could only survive by imitating their methods.

These retail advisers recommended the one-price system and urged that prices be publicly displayed. Price-marking signified that the store renounced the outdated principle of “making the price suit the buyer” and the outdated practices of bargaining and secret price marks, the American Grocer editorialized in 1909. “A price attached to every article begets confidence; aids the customer in making a selection; is easily seen; saves time for purchaser and seller.” Price cards and price tickets “give any store an air of prosperity and up-to-dateness,” the Grocers’ Magazine commented three years later, remarking that they would “answer many questions that otherwise the busy clerk would have to stop work and answer.”

Both the 1910 and the 1920 editions of Butler Brothers’ Success in Retailing strongly recommended marked prices, but only one of its photographs of actual variety stores displayed more than one price placard. The book lambasted the secret price mark. Customers might not know the code, but they understood the system. “The wool is not pulled over anyone’s eyes. Even the old Polish woman, with a shawl over her head, suspects that it is there for a purpose, and she does not buy for fear she may pay the long-price.” “A thing despised, discredited, almost universally discarded,” the secret mark “still hinders the progress of an unthinking few, who keep it from its proper place, on the bottom of the scrap heap.” Apparently unwilling to alienate the “unthinking few” among the firm’s customers, the book went on, “Of course, there are good men who still use it—because they don’t begin to realize how much it costs or what it means.”

Writers took even greater pains to describe the meaning and significance of stock turn, a more complicated mass-merchandising concept. “Why do not more merchants get rich?” asked Butler Brothers in its 1916 Butler Way System Book. “The answer can be told in just three words: LACK OF TURNOVER.” Retailers who remained in the dark about stock turn would overbuy when salesmen offered them quantity prices. They would tie up their money and storage space, owe extra interest to wholesalers and manufacturers, and risk losing money on merchandise that went out of style or got damaged in the back room. “The man who started in business with $5,000 and buried half of it in the ground, was better off than the man who buries half his capital in dead stock which doesn’t move,” the makers of Buster Brown shoes instructed salesmen to tell retailers in 1917: at least, buried money did not incur rent or other costs of doing business. Manufacturers of branded products that offered little profit to the retailer were especially concerned with turnover lessons. Because Life Savers, for example, cost storekeepers more than the many other brands of nickel candy, they had to sell more. A company representative told investigators that the trade had been “diligently educated to the wisdom of concentrating on the leader of the line” (that is, to the wisdom of pushing Life Savers) and “the greater profits due to turnover” from the more actively advertised product.

Keeping track of stock turn required keeping track of stock, and to do so, modern merchandising demanded record-keeping. By 1915, the average grocery store carried between 750 and 1,000 different brands of merchandise, while large fancy groceries might sell 5,000 different items. With so many stockkeeping units and so many small sales, appropriate systems were difficult to devise. Still, commercial manuals for storekeepers detailed complicated procedures that would keep the careful merchant apprised of his needs when the salesmen showed up and relieve the even greater difficulties of physically taking stock.

More realistic retail reformers understood that many small merchants kept no records at all, and urged storekeepers to
begin at the most elementary level, making some kind of notation about every transaction. In a 1917 manual for the “countless” stores too small to hire bookkeepers, accountant Eugene Herz insisted on “making a sales slip for every sale—cash or charge,” but acknowledged that most of his readers kept records only of charges “and some may desire to continue to do so.” Sales slips protected against disputes, a speaker named W. T. Abell told the Philadelphia Retail Grocers’ Association at an evening meeting in 1912. Customers would no longer come back “to make claims for articles they think they bought and which you cannot prove they didn’t.” Nor could clerks be trusted; they faced temptation “every hour,—yes every few minutes—of the day in the general grocery store.” The good employer had a moral obligation to provide a system that would keep his clerks’ fingers out of the till and spare them both from conflict. Writing everything down “is no doubt a habit hard to form. . . . Some of you may not be able to write,” Abell told the most organized group of retail grocers in the country. “Well, you are not too old to learn and it would pay you.”

Illiterate shopkeepers could hardly be expected to master double-entry bookkeeping, but for those who could aspire to it, writers presented elementary record-keeping as the first step towards full-fledged accounting, which retailers could learn from a wide range of self-study publications. The Ingersoll watch company offered System and Cost Accounting for the Retail Jeweler in 1914; many other manufacturers addressed such booklets to specific kinds of retailers. Two years later the Federal Trade Commission issued a nineteen-page brochure, outlining (although hardly teaching) a system of accounts appropriate for the small retailer. This pamphlet was one of many that it published on standard cost-accounting procedures in various fields of business. At the other end of the scale, the A. W. Shaw Company offered a nine-month, eighteen-lesson correspondence course in retail merchandising. “This Course is not for John Wanamaker and his rivals,” its authors assured purchasers. “This Course is for the average retail business.” Each lesson consisted of a “lecture” that might run over fifty pages and a workbook establishing some piece of the books for the hypothetical Miller Merchandise Company. The publishers provided examination questions, sample forms for record-keeping and various types of correspondence, and even imitation money, and they encouraged students with questions to write to Robert B. Schreffler, the chief editor of the course. Lest the system seem too grand for the small retailer who thought he was getting along without it, its authors flattered his ambition and assured him that it offered “a concrete method of training for mental vigor.”

Record-keeping at the level of detail taught in the Shaw course was well beyond any actual requirements for conducting a successful small business before 1920. Although small shopkeepers did fail by the thousands, other thousands existed and even prospered without sales slips, let alone double-entry books. Along with illiterate merchants and sloppy storekeeping, the retail advisers encountered a tradition of seat-of-the-pants skill that had as much to do with human relationships as with numbers. For merchants who had the aptitude for bargaining with traveling salesmen and shrewd customers, for dealing with people who asked for credit but could not or would not pay, and for picking merchandise that would sell, written records represented a burden.

Eventually most storekeepers learned to keep records, not for “mental vigor,” but because larger firms expected and demanded that they do so. “Banks are paying more and more attention to the accounting methods used by the merchant to whom they extend credit,” the FTC warned. “Even if he is successful but can not show it because of his bookkeeping methods the bank will not consider him a desirable credit risk.” Retailers who kept inventory records would be able to get insurance, which would contribute to their standing with creditors, and they could inform insurance companies about losses in case of fire, still a common hazard, especially in country general stores heated with wood stoves. By 1916, Butler Brothers ex-
THE Grocer who tries to keep his business in his head can’t keep ahead in his business.

His brain can’t stand the strain—it’s built to remember facts—not figures.
The human mind is never completely accurate.
The National Cash Register thinks with a brain of steel.

It keeps track of every detail of every sale—stops leaks and checks losses.
A store using a National Cash Register is run on system—it’s bound to yield profit to its owner.

Over One Million have been sold

“Get a Receipt” The National Cash Register Company Dayton, Ohio

National Cash Register advertisement from Grocers’ Magazine, 1912.

THE NEW RETAILING expected its customers to have the information necessary to report to Dun’s or Bradstreet’s, the two agencies that gave small business credit ratings. “A sentimental sense of pride or a feeling of independence” might deter old-fashioned merchants from making such reports, but “outside or hearsay information” was rarely sufficient for a credit rating. “A BLANK RATING IS A DANGER SIGNAL TO THE CREDIT MAN,” the Butler Way System Book warned.

Often the first and most persuasive missionary to confront the retailer in the interests of record-keeping was the cash-register salesman, usually an agent for the National Cash Register Company. Butler Brothers recommended the machines only for large stores, and suggested buying them second-hand. “Just as soon as you start into business,” its Success in Retailing cautioned, “you will probably be solicited—and cleverly solicited—to buy one. . . . You may be almost hypnotized into buying.” These “sharks,” as one disaffected NCR salesman called his former colleagues, owed their abilities to the company’s pioneering training systems, sales management methods, and sales principles. The company discarded the concept of market saturation: no group of merchants could ever have enough new cash registers. When new prospects became difficult to find, salesmen were to convince current cash-register owners that they should trade up to better machines.

Expensive models could cost as much as a small retailer’s stock, and effective salesmen emphasized that end of the line. E. C. McCann, an Indiana NCR salesman, won third prize in the Beech-Nut Packing Company’s national essay contest for salesmen’s success stories. “Meeting the Price Argument” described his interactions with Mr. D., “a grocer who had eight children to care for and no one but the family working in the small store.” Six weeks after purchasing a $200 register, D. had tried to return it because he was having trouble meeting the payments and was not convinced of its benefits. McCann induced him instead to exchange it for a $400 machine. Thanking Beech-Nut for “the seventy-five good U.S. dollars” he won for his essay, the salesman claimed it made him “more ambitious to do more of that
sort of selling that ‘benefits both parties to the sale.’"

"Don’t try to sell a systematizer without a system," NCR president John H. Patterson wrote in a list of "Don’ts" that he published for his sales force. Expensive technology would not sell itself to old-fashioned retailers in small stores. NCR salesmen introduced themselves as representatives of the company’s "system department," and taught business methods with a variety of company materials. Before 1891, the firm introduced the Hustler, a house organ addressed to retailers with a circulation that reached 1.5 million. At various times, the company published the magazine in seven languages and in separate editions for groceries, drug stores, meat markets, and other retail lines.

Pushing business systems and window-display ideas replaced the earliest selling strategy for cash registers. They had first been marketed as "thief-catchers" that would enable employers to apprehend clerks who had their hands in the till. In response, retail clerks and saloon bartenders organized protective associa-

The bottom and the top of the line from National Cash Register, 1911. In between, the company offered eighteen other models.

NCR had softened the "thief-catcher" motif by 1909, but used the argument of the storekeeper’s moral responsibility to his clerks in The Storekeeper’s Dream, an expensively produced book of color paintings on glossy paper.

tions, destroyed NCR advertising, and taught each other how to make the machines perform incorrectly. For a time, NCR hired Pinkerton detectives—a corps then conspicuous for violent activity against organized labor—to catch the "thieves" who outwitted the "thief-catchers." The Hustler’s “Clerk’s Corner” column, begun during the height of the clerks’ rebellion, represented an attempt to court the clerks instead, appealing to their ambition by offering them retailing lessons that might help them get ahead with their employers or open their own stores.

Other manufacturers of business technologies provided instructions and rationales for their use. The American Sales Book Company mailed out 175,000 copies of Where Have My Profits Gone?, arguing for the place of the receipt and the sales record in modern business. The Burroughs Adding Machine Com-
pany's System Service Bureau provided model bookkeeping plans for all kinds and sizes of businesses; finding retailing “an almost virgin field” in 1913, the bureau prepared materials for small merchants, as it had for large industrial firms. Burroughs offered retailers a thirty-six-page booklet, *How to Figure the Cost of Doing Business*, along with pamphlets and tables on figuring selling prices and net profits. The pocket-sized “Burroughs Blue Book” contained blanks for every conceivable transaction. *Stopping Store Leaks* described a complete bookkeeping system that depended on dividing stores into departments, keeping separate records of sales by different clerks, keeping stock records, and making both daily and monthly calculations. The resulting figures could hardly be arrived at without an adding machine, but the small retailer may well have wondered whether he really needed to assign a precise proportion of his clerk’s wages to every pair of suspenders or can of soup. Burroughs assured him that he did. With an adding machine, “even the smallest stores can afford to have as accurate information as the largest stores.”

Retail advisers were less unanimous in recommending that small stores imitate mass merchandisers by doing away with services than they were about adopting record-keeping systems. Large stores publicized their services. “In Olden Times the Customer Came to the Store,” the Joseph R. Peebles’ Sons Company, a major Cincinnati wholesale and retail grocer, wrote in a 1901 headline for its delivery schedule. “Now we Come to the Customer, either in Person or by Telephone.” The store delivered up to three times a day in the city, and had regular routes to surrounding Ohio and Kentucky towns. “Your wishes, as given over the Telephone, will receive just as careful and considerate attention as if you ‘pick’ the articles out,” Peebles promised. “Our efforts are to please you and to hold your business.” One 1913 text warned, however, that delivery service could be a small retailer’s undoing, especially with customers who had telephones and might pick up the phone two or three times a day to order one cake of soap or can of beans. Other advisers maintained instead that excellent delivery services would help distinguish stores from their competitors; one such article described a druggist who replaced his delivery bicycles with motorcycles.

Delivery drivers did not handle money, so stores that delivered necessarily gave credit, another service about which retail advisers disagreed. Although cash business was undoubtedly attractive to small retailers and conducive to their success, credit
distinguished their service from that of the mail-order houses and consolidated their position in their communities. Trade journals and other sources of retail guidance sometimes attacked credit as unbusinesslike and old-fashioned, like bargaining an indication of a failure to treat customers uniformly or to take money seriously enough. Many put imprudent credit at the top of their list of subjects about which retailers were ignorant. In small towns and urban neighborhoods, however, retailers granted credit to people with whom they had many daily interactions and complex relationships. Their financial well-being depended not on abolishing credit but on granting it judiciously.

Butler Brothers, with a clear financial interest in its retail customers’ survival, told them unambiguously not to give credit. “One of the great advantages of a Variety business is that it is a cash business,” the wholesaler claimed. This was true in cities, where chains dominated variety-store trade practices, but it could hardly be said of the rural general stores that patronized Butler Brothers for their variety merchandise. Even here, the company took a firm stand: “In spite of the current belief, it is not necessary to do a credit business in a farming community.” Other services, such as hitching rails or rest rooms for the “women folks,” would suffice to keep the farmer’s business. Butler Brothers even argued that the mail-order houses owed their success to rural retail credit because the farmer “would send his ready cash to Chicago rather than meet his creditor.”

Retail advisers less directly dependent on their readers’ financial success more often acknowledged the importance of credit. The American Sales Book Company’s *Where Have My Profits Gone?* listed eight arguments in favor of charge business, even suggesting that credit was a moneymaker because it would create customer tolerance. “Charge customers will put up with more of your shortcomings (if you have any) than will a cash customer,” a speaker pointed out at a meeting of the Philadelphia Retail Grocers’ Association, extolling the “feeling of friendliness that cannot be had from a floating cash trade.” Credit offered retail proprietors the opportunity to establish good reputations and
"to grow into the esteem of the community."

For retailers ready to risk giving up credit, a new kind of business emerged that would sell them bait to lure customers into their stores: trading stamps and other premium systems. Retail premiums themselves were not new. The A & P had offered them almost from its beginnings in the 1860s, and many other retailers gave small gifts or additional merchandise in return for customers’ coupons, cash-register receipts, or cards that were punched with each purchase. In 1896, Sperry and Hutchinson began operations in Bridgeport, Connecticut; it was the first trading-stamp company to operate as an independent business, offering its product to a limited number of retailers who would give the stamps to customers buying with cash. Its success, Thomas Sperry’s widow recalled at the company’s silver anniversary party in 1921, “immediately justified the employment of more men and the opening of additional branches. To specify city by city and town by town would be to infringe upon the functions of a geography. It is sufficient to say that the plan spread like a prairie fire.”

Within eight years, the country had stamp fever. Other companies competed with S & H, issuing stamps in all colors. Large retailers offered their own trading stamps and sold them to smaller stores interested in converting their trade to cash. Montgomery Ward issued its own stamps, and Sears tried a premium plan. Manufacturers announced that they would redeem packages fronts for stamps. Consumers responded enthusiastically to nearly all of the plans, which apparently did offer something for nothing more than the time expended in pasting the stamps into the books. In 1905, when the Benedict and MacFarlane Company, makers of “Blue Trading Stamps,” closed its offices in New York after a financial collapse, women hoping to cash in their blue stamps rioted, damaging the store and each other’s clothing, and bringing on the police. Artemas Ward’s magazine Fame saw the incident as the “beginning of the end” for “the trading stamp craze.”

Retailers’ organizations opposed the stamps. Consumers might get something for nothing, but storekeepers paid to participate in the plans, and if every merchant gave stamps of one color or another, none of them gained any advantage over competitors and only the stamp companies benefitted. Labor unions joined the near-unanimous protest of the retail organizations. Together they urged state legislatures to consider antistamp bills because, like other kinds of premiums, the plans were con-
hanced its position by consolidating the redemption of a variety of coupons, boxtops, and other stamps. Its 1910 stamp book listed hundreds of products whose labels and coupons the company would accept. In addition, S & H took the popular “Library Slips” issued with Armour products, H-O cereals, Prophylactic toothbrushes, and 3-in-1 oil, and the coupons of the United Cigar Stores. Protests, court cases, and legislative battles continued until the 1916 Supreme Court decision that upheld the right of the states to regulate premiums and stamps. In 1921, 25,000 stores offered S & H green stamps, which could be re-

Although this 1904 cartoon originally published in Puck censures the retailer, the Grocers’ Review reprinted it, with an editorial commenting that it would “bear close study. . . . Trading Stamps delude two classes; the consumer who expects something for nothing and the storekeeper who imagines that he secures trade at the expense of his competitor. The only person who is not deceived is the seller of the stamps who reaps a golden harvest of dollars.”

Front cover from an unused Blue Trading Stamp Book, Benedict and MacFarlane.

sistently victorious in the courts. But despite the almost unanimous opposition of their organizations, retailers joined the stamp plans in the belief that customers wanted stamps. The Philadelphia Retail Grocers’ Association, which had long opposed stamps and refused to admit stamp-users to membership, rescinded the rules in 1904 because it could not keep members in line, but it stayed on record as opposed.

By 1910, the craze was over but the stamp system was well established. “Laws have been passed, a constant fight carried on against their use and yet they are more generally used than ever before,” wrote the American Grocer. “The people want them. That settles that in spite of laws or prejudice.” The A & P gave S & H green stamps; department stores that bought stamps at quantity prices gave double stamps on certain days. S & H en-
deemed at 600 redemption centers. Retailers attempting to switch their customers to cash could also buy other premium systems from a number of firms.

Trading stamps provided retailers with a form of promotion that required little creativity. For storekeepers who wished to be more innovative, retailers' trade journals and books were full of ideas for stimulating sluggish trade. A collection of 333 sales plans reprinted from the Merchants' Record and Show Window in 1906 described successful promotions from all over the country: Cureme's shoe store in Richmond, Indiana, held a Cinderella slipper contest; Pettee's hardware store in Oklahoma City gave large amounts of free ice with every icebox it sold; a Kentucky grocer used his newspaper advertising space for a recipe contest. Two chapters record the genesis of Christmas as a retail holiday, one describing the "perfected advertising machinery running full blast" at the big department stores, the other offering adaptations for smaller establishments.

Most advisers recommended sprucing up the store. The "very first thing" to do when the "syndicate" five-and-ten moves into town, Butler Brothers told the proprietors of established variety and general stores, is to "modernize your store room, fixtures and front. Unless your store compares favorably in appearance with the syndicate's, you will be badly handicapped from the start." Chaotic stores increased sales costs because it took clerks more time to find and retrieve the goods, and slow service could alienate customers. The Harvard Bureau of Business Research lamented in 1919 that too few retail grocers had put any effort into systematizing store layout. Some even purposely devised inconvenient arrangements, on the theory that customers who passed by more merchandise would buy more.

Mass-merchandising principles and the new relationships they engendered mandated new designs. Stores divided into departments that corresponded with those described in bookkeeping systems could be inventoried more easily. Butler Brothers recommended that every store set up a bargain basement, the innovation that had brought "the laboring man's wife" into

Two pictures showing model store layouts in one of Richard F. Brune's stores in Sawville, California, published in Grocers' Magazine in 1912. The soda fountain was unusual. "The drug stores are grabbing our profitable tea, spice and extract business," Brune wrote. "Why should not we wake up and retaliate by getting our rightful share of the soda fountain trade?"
Marshall Field's and that provided a place for marked-down merchandise. The 1910 edition of *Success in Retailing* instructed readers in laying drain tile, cinders, cement, and wood over dirt cellar floors and installing stairs from the main part of the store. Department stores also contributed models for fixtures and display. "In the department store," writes historian Susan Porter Benson, explaining that they depended for their success on their expensive downtown locations, "space was money." After 1910, the big stores redesigned displays with special racks, holders, and hangers that enabled customers to see the array of goods and clerks to retrieve them easily.

"The ideal," wrote Marshall J. Bailey, who composed treatises on store fixtures for *System*, "is a fixture from which the customer can select goods without assistance, pay the cashier and leave the store." A few other early writers shared this goal; in recommending price marks in 1909, the *American Grocer* maintained that customers "like to be at liberty to inspect the goods, find the price and make a decision as to purchase without being interfered with by a clerk." Some Southern California grocery stores tried partial self-service in response to labor shortages during World War I, but the idea is generally credited to Clarence Saunders, who opened his first Piggly Wiggly store in Memphis, Tennessee, in 1916 and received a patent on the design the next year. Saunders, too, believed that customers who saw more would buy more, and arranged a maze of aisles that exposed them to all the merchandise. They walked through with baskets and exited at check-out stands. The Piggly Wiggly chain ultimately had 2,660 stores, and Saunders franchised his self-service design.

Self-service would eventually offer two important solutions to the problems that beset early-twentieth-century retail trade. It would cut costs by eliminating delivery and by using as few workers as possible. And it would mitigate the problem that for so long stood between manufacturers and retailers: with no clerk, there could be no substitution to the customer who wanted a particular brand. By 1926 each Piggly Wiggly sold merchandise worth well over twice that sold by the average A & P, but Saunders's stores never reached the size of the later supermarkets, which brought these advantages to fruition. Instituted during the 1930s by imaginative entrepreneurs who understood the new conditions of a population accustomed to branded goods, equipped with automobiles, and looking for low prices as the Depression deepened, supermarkets were built on cheap land outside major urban areas. In large spaces, manufacturers could mount the big displays that made self-service an effective selling technique for packaged goods. Supermarkets' large parking lots could serve customers from miles away. Supermarket shoppers, not constrained by the amount they could carry, could buy in great quantities, contributing to the high volume and fast turnover.

Few of the retail advisers during the first two decades of the twentieth century had urged stores to grow in so many words, but that idea had pervaded their lessons. Better methods alone would not save small businesses from mass-merchandising competition. Inventory control and complicated bookkeeping systems were not much help to the small retailer who chose to remain small. The trade journals and dealer helps consistently compared such men with the "wide-awake merchant" and the "progressive" storekeeper, whose striving for turnover made for larger businesses that could handle the output of mass production. Retail trade was not simply a community service; it was part of the capitalist system, interdependent with manufacturing firms whose managers sought new production technologies and marketing techniques because they understood that capitalism mandated growth.

By themselves, small retailers could in the long run do little to fight mass-retailer competition. They could rearrange their stores, set up bookkeeping systems, and give trading stamps, but they would still be undersold by the chains, department stores, and mail-order houses whose advantages lay in volume and turnover. They could attempt to respond to the mass merchandisers' low prices by substituting private brands or brands
with better margins. But more and more of their customers asked for Ivory soap and Baker’s cocoa; national advertisers were training them to “refuse all substitutes.” Against these brands—and against the systematic methods that gave the mass retailers so much power—-independent merchants stood little chance. As one Brooklyn retail tobacconist put it, “The cemetery of the independent tobacconists is as large as the country.”