

the intelligent handling of materials; in the intelligent handling of men; and in the intensive investigation of the One Best Way to do each operation of each process involved in every industry. This emphasis and insistence on scientific management must be

preached and followed unceasingly. If it is not, this country will lose leadership in scientific management. If it is, there is at least a chance that such leadership may be maintained here. But only if it is deserved!

### News of the Sections

THE New York Southern Tier Section is now holding regular meetings the second Monday of every month. At the May meeting C. E. Killinger, General Manager of the Willys-Morrow Company, presented a very interesting and able discussion of the subject "The Coordination of the Various Divisions of a Manufacturing Organization."

On June 9, Earl G. Brooks of the same company addressed the section on the subject of "Time Study."

The Central New York Section has invited the Southern Tier Section to a joint meeting in Syracuse June 20. Mr. Douglas S. Keogh, Manager of Operations in the Eastern States for Charles E. Bedaux & Co., will speak and the personnel and time study men of member firms will be special guests. This meeting will be the last until fall except for a get-together social afternoon and fish dinner sometime during the summer.

The New York Section, meeting at luncheon May 15 with local sections of the Management Division of the A. S. M. E. and of the S. I. E., was addressed by Dr. Ralph E. Rindfusz on "Interdependence of Production Engineering and Merchandising."

The April meeting of the Cleveland Section was a symposium on "Scientifically Set Sales Quotas." The following executives from some of Cleveland's largest manufacturing companies spoke: Paul Gremb, The American Multigraph Co.; W. R. Sieplein, The Sherwin Williams Company; E. M. Sutherland, The Willard Storage Battery Co.; Joseph Carlton, The White Motor Co.; Harry R. Canfield, The Empire Plow Company; and Loren Morlan, The Joseph & Feiss Co.

William R. Williamson, of Williamson, Tubbs & Co., Chicago, who happened to be in Cleveland that day, contributed to the discussion also and explained his charts for the management of a sales department.

The last meeting of the season for the Cleveland section, May 26, was one of the best both as to attendance and interest. H. S. Person, Managing Director of the Society, talked on "The Potential Growth of a Plant Using Scientific Methods."

"Locating an Office" was the subject of an address before the Chicago Section of the Taylor Society on April 24 at the City Club. The paper was presented by Warren D. Bruner, President, Bruner and Simmons, Inc., and discussed by Lewis B. Ermeling, executive secretary of the National Association of Building Owners and Managers, and by William D. Murphy, office controller of J. Walter Thompson Company, who pointed out how the factors outlined by Mr. Bruner applied to the space selected by his company for its new office in the Wrigley Building.

A special meeting of the section was held at the Old Colony Club, at noon, Saturday, May 19. H. S. Person, Managing Director of the Society, talked on "Recent Developments in Scientific Management" with particular emphasis on the influence on management of present industrial conditions.

The regular meeting, May 15, was addressed by Dr. J. M. Fitzgerald, who for the past thirty-five years has been active in vocational guidance work.

At the special meeting, discussion was opened relative to holding the Spring 1925 national meeting of the Taylor Society in Chicago. The favorable action of this meeting to the plan was ratified at the May 15 meeting and the following promotional committee was appointed: William R. Williamson, Chairman; Warren D. Bruner and Lynn W. Beman.

## An Example of Scientific Marketing Procedure<sup>1</sup>

A Yard Stick for Measuring the Buying Public  
and Advertising Circulation

By STUART COWAN

Cowan, Dempsey & Dengler, Inc., New York<sup>2</sup>

### I. Method of Analyzing Buying Groups and Circulation

ALTHOUGH publishers, advertisers and advertising agencies had made numerous test surveys dealing with buying power and magazine circulation, none of these organizations had treated the subject exhaustively, or definitely established the parallel between buying power and circulation. The present paper describes what is probably the initial attempt in that direction. Mr. Groom<sup>3</sup> chose as the basis of his investigation forty-four national magazines having a total circulation in the United States of 25,493,000, and in metropolitan Cincinnati of 154,421.

From the National Bureau of Economic Research exceedingly valuable statistics on income earners and incomes were obtained. Of the 106,000,000 individuals in the United States, representing about 25,000,000 families, 40,000,000 individuals receive incomes—an average of 1.6 earners per family. These 40,000,000 income earners were divided into three groups: Group I, those receiving \$2,000 per year or more, 14 per cent of the total number, 40 per cent of the total income; Group II, those receiving from \$1,000 to \$2,000 per year, 47 per cent of the earners, 42 per cent of the total income; Group III, those earning less than \$1,000 per year, 39 per cent of the income receivers, 18 per cent of the total money earned.

<sup>1</sup>Part II of a paper presented at a meeting of the Taylor Society, New York, January 25, 1924; Part I, "Tendencies in Sales Management," was published in *Bulletin of the Taylor Society*, Vol. IX, No. 2, April, 1924.

<sup>2</sup>At the time of the presentation of this paper, Mr. Cowan was a member of the J. Walter Thompson organization. The charts which illustrate the paper are used by courtesy of the J. Walter Thompson Company.

<sup>3</sup>The general survey of buying groups and circulations was planned and executed by Mr. William Groom, Manager, Cincinnati office, J. Walter Thompson Company. The application of this study to the automobile industry was conceived and carried out by Mr. Cowan.

Thus, the per capita income is \$567; the income per earner in Group I, \$4,285; in Group II, \$1,346; in Group III, \$328. Bear in mind, as previously mentioned, that these figures refer to the income of the individual. While there is an average of 1.6 income earners per family, the number of earners per family is undoubtedly greater in the second group than in the first, and larger in the third group than in the second.

### The Cincinnati Survey

Before this investigation was started, a careful study was made which showed that Cincinnati is as nearly typical of the United States as a whole as any metropolitan district. For example, the literate, native white population in the United States amounts to 76 per cent of the total population, and in Cincinnati, to 80 per cent. Moreover, Cincinnati with 185,000 gainfully employed individuals for 106,000 families (these figures refer to the city proper), shows an average of 1.7 earners per family as compared with 1.6 for the entire United States.

Since the income statistics compiled by the National Bureau of Economic Research apply to the United States as a whole and are not sub-divided by states, counties or cities, these income groups cannot be used in any selected territory to determine consumer buying groups or to judge advertising circulation. You can readily appreciate the difficulties which investigators would encounter were they to call at offices and homes and ask, "What is your income?" Presumably, the turnover of investigators would be rather high. Thus, it was necessary to translate income groups into some equivalent, some practical yard stick which could be used conveniently and successfully.

Accordingly, the occupations of the gainfully employed population of Cincinnati were taken as the starting point. The gainfully employed people were divided into three arbitrary groups.