

Manufacturers' Marketing Survey

Reported and Discussed at a Meeting of the Taylor Society

New York, December 10th, 1927

This survey is not, and was not intended to be, a sample of American industry; it is a sample of that group of concerns which are by repute most progressive in marketing. Of the 275 questionnaires which were sent out, seventy-nine were returned in time for inclusion in the preliminary analysis which follows.

The analysis shows clearly that the distinction between merchandising and selling, in organization and in detail procedures, is becoming a dominant characteristic of marketing among most progressive concerns. In this connection it is interesting to note that the seven per cent giving negative replies to both questions A 1 and A 2 are manufacturers of machinery and other producers' goods as distinguished from consumers' goods.

A comparison of these returns with the returns to a questionnaire addressed to a similar though smaller group of firms in 1920 (BULLETIN OF THE TAYLOR SOCIETY, Vol. V, No. 6, December, 1920) is interesting, although the two are not comparable in detail. The earlier questionnaire made a distinction between Sales Administration, Sales Engineering and Sales Operating. At the earlier date about half of those replying stated that they were working towards co-ordination of sales, production and finance; a concept corresponding only roughly to Merchandising in the present questionnaire. With respect to Sales Planning, as distinguished from Selling, in the earlier questionnaire some eighty-five per cent recognized the principle, but only fifty-five per cent in more or less developed practice.

With respect to the present questionnaire it is evident that in seven years there has been a development in concepts such as Merchandising, as distinct from Selling, and in supporting practical procedures, that there is established a common basis for study and discussion of "whys" and "hows."
[Editor]

Definitions

Merchandising: A function which comprises co-ordination of the sale and the manufacture of goods to be sold; determination of varieties, qualities and quantities of items; determination of markets and trade channels; determination of list prices.

Selling: A function which comprises arrangement of territories; the selection, training, direction and supervision of salesmen; the arrangement and carrying out of sales campaigns.

Questionnaire

Organization	YES Per cent	NO Per cent
A 1. Do you in your organization structure recognize a distinction between merchandising and selling?.....	63	37

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	YES Per cent	NO Per cent
A 2. If you do not recognize such a distinction in your organization structure, do you recognize it in your practice?.....	80	20
This question applies to the thirty-seven per cent who answered "No" to question A 1. The proportion of those who recognize the distinction either in organization or practice to those who recognize it neither in organization nor practice is.....	93	7

Merchandising

B 1. Do you have in your organization a unit or an individual whose special function is to study merchandise relative to—		
a. Tendency towards obsolescence of standard items.....	61	39
b. New uses for standard items.....	57	43
c. Creation of new items.....	69	31
d. Determination of list price of items.....	63	27
Of those replying, forty-nine per cent answered "Yes" to all subdivisions; twenty-seven per cent answered "No" to all.		

B 2. If you do not have such a special unit or individual as is specified in the preceding question, does some unit or individual in your organization give a definite continuing amount of time to such studies?.....	89	11
Combining B 1 and B 2 the proportion of those who do to those who do not give attention to merchandising is.....	95	5

B 3. Do you have in your organization a unit or an individual whose special function is to study markets relative to—		
a. The amount of production of the several items necessary to meet the market requirements at different seasons and periods?.....	59	41
b. Control of inventories of finished product?.....	65	35
B 4. If you do not have such a special unit or individual as is specified in the above question, does some unit or individual give currently an appreciable amount of time to such studies?.....	88	12
The replies analyzed are the "No" replies to B 3		

B 5. Whether or not you make such studies as are indicated in the above questions, do you prepare periodic budgets or forecasted schedules of sales for definite periods in advance, as follows—		
a. General schedules?.....	94	6
b. By territorial divisions?.....	77	23
c. By items?.....	75	25
d. By classes of trade?.....	36	64
B 6. If you prepare such schedules, are they subject to continuing revision in the light of sales experience as a period develops?.....	82	18