



Figure 7. Percentage Distribution of 2000 Automobile Purchasers in 12 Cities (Summer 1923) by Occupational Groups Compared with Percentage Distribution of Income Receivers in the United States.

Group I, with 14 per cent of the income earners, bought 66 per cent of the cars, and this may be further subdivided as follows:

Executives, 3 per cent of the earners, bought 26 per cent of the cars.

Professional men, 6 per cent of the earners, bought 9 per cent of the cars.

Retailers, 4 per cent of the earners, bought 12 per cent of the cars.

Salesmen, 1 per cent of the earners, bought 13 per cent of the cars.

Six per cent of the cars represented fleet sales to commercial and industrial buyers. These sales, of course, were made to business executives who belong in Group I.

Group II, with 43 per cent of the earners, bought 25 per cent of the cars.

Clerical workers, 20 per cent of the earners, bought 7 per cent of the cars.

Skilled workers, 23 per cent of the earners, bought 18 per cent of the cars.

The high purchasing power of the skilled workman is particularly interesting. It would seem that the "white collar" man must not only receive less money, but must also find it necessary to maintain a certain standard of living which makes it more difficult for him to purchase and operate an automobile. Presumably the wives of such men consider it necessary to dress up to a certain standard. Doubtless they feel the need of living in more favorable surroundings, and presumably there are other demands on their funds to maintain a certain prestige or atmosphere—all tending to limit their buying power for automobiles. The skilled workman on the other hand receives good pay and does not find it necessary to maintain the same social standards as the clerical worker. As a group, the skilled workmen, therefore, have almost two and a half times as much buying power for automobiles of this class as the men who wear white collars.

Group III, with 43 per cent of the earners, bought only 9 per cent of the cars.

You might be interested in the variation between the different cities as regards the percentage of sales made to each of the three groups.

| City | Percentage of Buyers in | | |
|--------------|-------------------------|----------|-----------|
| | Group I | Group II | Group III |
| Boston | 52 | 38 | 10 |
| Providence | 62 | 31 | 7 |
| New York | 87 | 10 | 3 |
| Philadelphia | 75 | 21 | 4 |
| Buffalo | 57 | 32 | 11 |
| Cleveland | 76 | 18 | 6 |
| Cincinnati | 70 | 24 | 6 |
| Chicago | 55 | 29 | 15 |
| Milwaukee | 70 | 20 | 10 |
| St. Louis | 81 | 14 | 5 |
| Kansas City | 73 | 25 | 2 |
| Omaha | 89 | 9 | 2 |

Thus you see an application of step one, the analysis of the buying public for a product in terms of occupational groups.

Appraisal of Magazine Coverage

Step two, the appraisal of magazine coverage, is of equal interest. The analysis of the combined circulation used for the advertising of this automobile showed occupational distribution as follows:

| | |
|----------------------------------|------------------|
| Group I | 4,167,852 (63%) |
| Executive | 1,907,750 (29%) |
| Professional | 1,032,325 (16%) |
| Trades people | 826,368 (12%) |
| Salesmen | 401,409 (6%) |
| Group II | 2,152,819 (33%) |
| Clerical | |
| Workers | 1,338,038 (20%) |
| Skilled workers | 814,781 (13%) |
| Group III | 285,011 (4%) |
| Total circulation to individuals | 6,605,682 (100%) |
| Institutions | 205,619 |
| Total circulation | 6,811,301 |

You will notice that Group I is well covered, with the possible exception of the salesmen. The coverage of Group II, on a percentage basis, is good as regards clerical workers but low as regards skilled workmen. Group III is obviously unimportant.

But it is a mistake to consider merely percentages. A manufacturer selling a product figures his profits on the number of units sold. Quantity is the thing which interests him. In Group I, we have, let us say, 3,500,000 families. The corresponding circulation totals over 4,000,000. With reasonable allowance for duplication, this would seem to show that

he is covering Group I quite effectively. Group II, on the other hand, represents almost 11,000,000 families and the total circulation to this group is only slightly in excess of 2,000,000. This condition is even more pronounced with respect to skilled workmen; there are about five and a half million families in this group, and yet the circulation to this group is less than a million.

Fitting Advertising to the Market

That case may be of value if it directs your attention to a study of the thoroughness with which your advertising covers the market for your product and leads to an analysis of the character of different advertising circulations, so that the sales story represented by your advertising copy may be carried before the audience you want to reach. A thorough discussion of all the factors involved would carry us into many technical aspects of markets and circulations and is obviously beyond the scope of a paper such as this.

While comparatively few manufacturers can afford to place their sales story before all their possible buyers, and while it would be a mistake to recommend that every manufacturer endeavor to do this, the fact remains that many business men, if they could only visualize clearly the conditions confronting them and the limitations of their efforts, would devise ways and means of using advertising or mass selling on a more adequate basis.

No sales manager would speak of national distribution if he had covered only parts of a dozen states scattered over the country. Yet business men sometimes speak of national advertising when their advertising is thinly scattered over the nation without approximating a thorough coverage of the prospective buyers.

The automobile case also raises the question of supporting magazine advertising with other mediums, such as newspapers, painted signs, billboards and direct mail and with intensive follow-up methods, such as the telephone and personal calls.

While magazine advertising has grown from about \$30,000,000 in 1914 to about \$120,000,000 at the present time, the use of newspaper space by general advertisers has grown at a rate which is fully as rapid. An enormous increase in outdoor advertising and direct mail advertising has also come about during the past few years. This indicates a trend toward a more thorough coverage of the prospective buyers.