

Distribution of Time	
Classification	Per Cent of Total Business Time (Except Overtime)
Sales Conversation	
Taking Stock	3
Other Sales Conversation	17
Total Sales Conversation	20
Other Conversation	5
Traveling	
Between Customers	5
Between Towns (reg. time)	20
Between Towns (overtime)	15
Total Traveling	40
Waiting	
For Transportation	5
Before Calling	9
After Calling	7
Total Waiting	21
Other Time	
Care of Samples	7
Catalog, Sales Letters	5
Letter Writing	2
Total	14
GRAND TOTAL	100

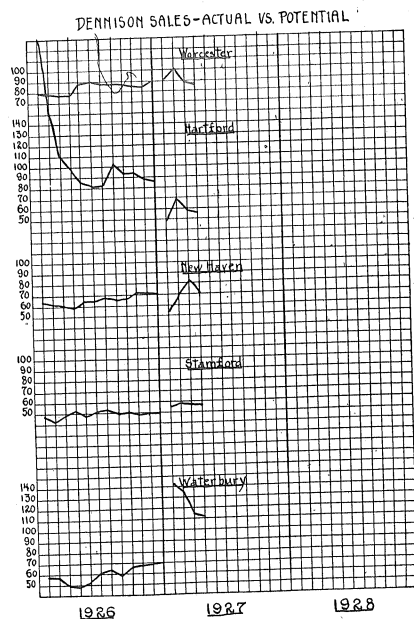
no end of information exchanged about it, but no scientific evaluation of this information has ever been attempted.³ Time rates, piece rates, and incentive rates are all being used and all have distinct limitations. No one of course ever expects to find the one standard method of wage payment, but it is possible to look for solid bases upon which to build whatever compensation methods are used.

3. Trading Areas

Another major field for research and analysis is a study of trading areas. Through researches made by the Federal Government trading areas are being defined and certain major facts about them are

³For the past three years twenty-six major articles have appeared in our leading magazines dealing with this subject—an average of one every two weeks. In addition to this there have been a host of conferences of sales executives to go over this problem. If the records of these conferences were added to the articles mentioned above, we would have a volume of literature running into thousands of pages.

being established.⁴ There remains the problem of working out indexes of the purchasing power within these areas and checking sales against these indexes. An index which the Dennison company is using is that of bank debits. The results for several cities in New England are shown on the following charts. A more elaborate index by state lines and by particular lines of merchandise is also being used as a piece of experimentation.



A MEASURE OF SALES BY TOWNS

The tables shown below and the accompanying charts are illustrative of a new measure of Dennison sales as compared with general business in the

⁴The U. S. Department of Commerce has finished a study of the Philadelphia marketing area and has issued its findings in a report entitled "A Commercial Survey of the Philadelphia Marketing Area." Similar studies of the Baltimore, Maryland, and Providence, R. I., marketing areas are well under way or completed. A wider study of New England as a whole has also been completed in its preliminary stages.

principal towns of the country. This has been worked out by applying an index of bank debits for each town (as compiled by the Standard Security Service) against a five year base comparing this with Dennison sales applied to a similar base, both of these cumulative through the months of each year. The apparent advantages of this method are: (1) The fact that all towns throughout the country are on a comparable basis; (2) That the source of the figures is well known and they are easily obtainable; (3) That they are obtainable within two weeks after the close of the month; (4) That the indexes arrived at for each town show the condition not only for one town to another but of one period of time with another and at the same time show also the trend.

As an example of how the figures are obtained, Boston is cited.

	1 Month	2 Months	3 Months	4 Months	
Dennison Sales.....	Base.....	\$61,000	\$113,300	\$168,300	\$214,600
	1927 Sales.....	76,600	151,000	211,000	267,000
	% to base.....	125%	133%	125%	125%
General Business ⁵	Base.....	110	200	304	406
	1927 Business.....	145	267	414	552
	% to base.....	132%	133%	136%	136%

This shows that both general business and Dennison sales in Boston have been higher than the base for each period so far this year. However, our sales did not show as large an increase above the base as "general business." Therefore, in theory at least, we are not doing quite as much as we should do. This is shown as follows:

	1 Month	2 Months	3 Months	4 Months
Dennison Sales %.....	125%	133%	125%	125%
General Business %.....	132	133	136	136
% which we are obtaining of.....	95	100	92	92
what we should be obtaining				

For four months then we are getting eight per cent less than we should. We must assume that during the years 1920 to 1924 we were doing an average business—in other words, that we are using a fair base. While we have to be arbitrary in the selection of a base, we have used the base that

⁵5 years, 1920-24 inclusive.
⁶Standard index of bank debits.

is most usually selected for comparisons of this nature.

A sample map indicating the studies of one line of merchandise is given here.⁶ As a further refinement, these indexes may be broken down by specific trades or by types of customers, although it should always be remembered that too great refinement leads to greater cost than any return from it could justify.

One outgrowth of this kind of study is that almost certainly it leads to some kind of modification of the regional sales organization. Usually regions are set up quite arbitrarily and new facts are bound to make for changes.

4. Sales Figures

A careful examination of the figures covering past sales yields valuable information. One type

of thing it is worth while to study is the place of origin of the sale. This place of origin has two aspects, (1) the type of population area, that is, city, country or suburban and (2) the type of trade or customer. This kind of study combined with corresponding sales expense figures shows in a general way at least where the greatest sales effort

should be thrown. It also is a guide in determining which type of selling method may be used most effectively in particular sections. A recent study in our company, for example, showed that over half of our total sales came from twenty-six

⁶The index used in this map to measure the purchasing power by states is made up of such things as automobile registrations, income per capita, number of retail outlets, income tax returns and total population.