

# **The Business Of Progress: The Transformation of American Advertising, 1870-1920**

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Early shifts in advertising's content and practices provide evocative manifestations of the evolution of American business between 1870 and 1920. Images with factories and billowing clouds of smoke and owners' portraits presiding over their wares flourished before 1900 and then faded almost entirely from evidence, going the way of crowded and heavily typeset newspaper and magazine advertisements. Consumer-oriented messages replaced these and other promotional styles common to the nineteenth century as advertising specialists began to wrest control of creative processes from the advertisers themselves, that is, from the business people who advertised. These changes in advertisements and their creation are readily observed, but they have not previously been explained for lack of adequately linking them to changes in business practices, needs, and personnel.

Why did these changes occur? In brief, the explanations lie in the combined effects of: 1) the shift from owner-operation to corporate management in leading manufacturing and merchandising firms; 2) the growing recognition of the importance of controlling marketing channels by promoting trademarks directly to consumers; 3) the development of a national marketplace mediated by magazines and newspapers; and 4) the responses by advertising specialists to these changes with new perspectives on the functions of advertisements and their own functions as professionals.

Within the owner-manager system that dominated United States business before 1890, the inclinations, abilities, and interests of individual entrepreneurs determined their firms' advertising policies and messages. They worked directly with job printers to create lithographed and typeset advertisements in the non-commissionable media such as posters, trade cards, calendars, and packaging. They also created their own messages for

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newspapers and magazines, whether or not agents assisted them in placing those messages.

Competition for consumers' expenditures and the lack of easy access to consumers' attention dominated marketing problems between 1870 and 1890. A fierce, personalized competitiveness characterized business people's activities and thoughts, fueled by realistic fears for their firms and the personal finances and commitments tied up in them. Within this environment, the offerings of those entrepreneurs who possessed the greatest intuitive showmanship received the most public attention and success, given a rough equivalency in their products' qualities and other business factors.

While nineteenth-century advertisers initiated and justified their advertising expenditures because of marketing needs, their messages sprang from their intuitive senses of what was appropriate to tell their audiences. Therefore, the advertisements of that era projected both the business interests and the social and cultural concerns of the people who created and paid for them. Indeed, advertisers' concerns outside of the marketplace had a major impact on the content of their messages. Their era was marked by an intense competition for cultural authority to determine whose ideas and whose values would direct the course of that volatile period. Because American industrialists were important actors in controversial changes, they were often uneasy about their status and identity. Advertisers therefore used the media they were buying to promote their products and services also to legitimize and fortify their cultural and political positions. They communicated their own views of the world and their places in it, promoting their accomplishments in keeping with the prevailing faith in material and cultural progress through technological development. Therefore, manufacturers' surnames and portraits, factories, trains, and comparisons of their products with old-fashioned alternatives dominated the advertisements they created.

As the end of the nineteenth century approached, manufacturers increasingly sought to profit from continuous-process machinery through high-volume sales. Because the new productivity could glut markets, however, it caused new marketing problems. Manufacturers initially competed for sales volume and market share by cutting costs and prices. In this context, the Crash of 1893 exacerbated competition, precipitated a decade of mergers, and accelerated the growth of the national marketplace as industrialists tried to counteract the reductions in their regional markets. Manufacturers using the new production technologies also sought to expand demand through marketing innovations. Patent medicine purveyors had long since learned not to assume that market size was fixed. As other manufacturers sought to generate high-volume sales, they too began to explore ways to expand markets, especially if they made soap, tobacco, beer, grains, matches, or canned foods. National debates on the politics of aggressively pursuing and protecting both national and international markets emphasized the primacy of outlets for industrial productivity.

Within this contentious environment, manufacturers also began to turn against the middlemen who operated the distribution channels through which their goods flowed to consumers. Well into the 1880s, they had generally depended on the drummers, wholesalers, jobbers, and retailers, who "pushed"

their goods through channels to consumers. Steadily, however, manufacturers began to challenge the practices by which middlemen intervened between them and consumers, adding costs and uncertainty, and threatening product substitution.

Manufacturers' attempts to resolve this array of new marketing problems increasingly led them towards innovations in marketing and advertising. In particular, they focused on trademarks as keys to controlling the market dynamics of consumer products. An "intense, anxious interest in both advertising and the consumer" initiated "a golden age in trade-marks," according to *Printers' Ink* in 1905. Everywhere manufacturers saw "opportunities to take the lead in advertising--to replace dozens of mongrel, unknown, unacknowledged makes. . . with a standard trademarked brand, backed by the national advertising that in itself has come to be a guarantee of worth with the public" [6, pp. 444-45].

National advertisers understood first the trademark's use as a memory hook, preferably evocative, for advertising appeals. Patent medicine producers and, later, other manufacturers, then learned that advertising a trademark well could replace the traditional push of sales forces and middlemen with the modern pull of consumer demand. By this dynamic, consumers pulled goods through the distribution channels by asking their retailers for them. Retailers then turned to jobbers and wholesalers for the desired goods, potentially reducing all levels of middlemen to agents of the manufacturer. A well-advertised trademark could also make demand less elastic and minimize the impact of the business cycle. Finally, manufacturers could prevent retailers and wholesalers from substituting cheaper products for advertised, trademarked products by developing loyal consumers who "accept no substitute."

Insights into these new marketing dynamics were first developed within manufacturing firms, usually without external advertising specialists, as industrialists learned that better, cheaper mousetraps, advertised traditionally, would not alone ensure their success. Yet, after 1890 businessmen increasingly sought professional assistance for what they correctly interpreted as a more difficult market than before. Advertising agencies gradually recognized an opportunity in the manufacturers' needs to control markets. In 1905, a partner in the N. W. Ayer Agency declared that

the most dissatisfied man today is the manufacturer. . . and our great business is to show the manufacturer that he ought to own his own trade by making the demand direct from the consumer. To make that advertising pay we have got to think down below the surface [5].

All these developments in the market coincided with changes in both the personnel and the organization of leading American businesses. Owners increasingly became stockholders removed from day-to-day business decisions, and managers began to operate through bureaucratic divisions of labor. The names of many major firms no longer reflected their founders' identities; "American" and "National" became common labels instead. Similarly, advertisements decreasingly reflected owners' perspectives as managerial

specialization delegated advertising decisions to professionals with very different notions of what advertisements should communicate.

In general, successful businesses have had to combine technological and marketing innovations in order to achieve successes. In the initial phases of new industries, grand successes have generally resulted from the propitious convergence of both types of abilities in one or two ambitious persons. In contrast, the corporate structure has facilitated, and increasingly required, teams of people bringing together their various experiences and expertise. Production specialists and marketing specialists took up very different assignments in these new, departmentalized bureaucracies. Advertising decisions, devolving either to in-house specialists or outside advertising professionals, were therefore only a portion of the managerial functions that moved away from top levels of management. In 1895, the Lord & Thomas Agency advised:

Every employee should be better skilled in his particular branch of your business than you are. You expect it of him. Division of labor--every man to his specialty--that brings success. If you employ us to prepare and place your advertising you will find it more profitable than taking up your own time with the details [4].

Owners and top management retained the prerogative to veto advertising campaigns, but as the years passed most deferred to experts in pursuit of efficiency and effectiveness.

As manufacturers placed increasing importance on controlling distribution channels through marketing strategies, their willingness to spend on popular but expensive media supported the growth of the new high-circulation magazines. The same concerns focused attention on the effectiveness of advertising content, driving advertisers towards expert assistance. Manufacturers had many options because their increasing expenditures attracted printers, publishers, business publications, free-lance and in-house copywriters and artists, as well as advertising agencies. Some major advertisers even held public contests for advertising ideas.

In 1890 no advertising agency could provide the assortment of services that were standard by 1910. Agencies that successfully competed for advertisers' patronage during the transition did so by hiring copywriters, artists, and campaign planners who provided specialized services. By centralizing advertising functions and absorbing the additional costs, successful agencies minimized advertisers' transaction costs and maximized overall efficiency, giving them an edge over more dispersed sources of the desired services. Moreover, the practitioners who set standards for the emerging profession deliberately sought advertisers' confidence by building client-centered relationships that emphasized service and honest dealings. They recognized that their long-range interests were best served by adhering to the maxim, "Make advertising pay the advertiser." Professional standards and client-centered services came to dominate advertising literature because these were the issues that troubled manufacturers.

By 1900, advertising practitioners had also begun to set aside their fears that trusts would eliminate advertising by destroying competition. With obvious relief, they discovered the manufacturers' concerns for generating demand, with or without competition. A few leaders began to seek out corporate accounts in the 1890s and to eliminate the plethora of small accounts that filled the typical portfolio. The shift in clientele was first motivated to increase overall billings, but later, agencies realized that reducing their total number of accounts enabled them to serve their major clients better. By 1900, leading agencies also began to turn away patent medicine and alcohol clients, trying to distance themselves from the targets of Progressive reformers.

As part of their field's transformation, advertising practitioners increasingly perceived themselves as communication specialists. Aggressively striving for effective and efficient copywriting and target marketing, they contributed to many impressive marketing successes, such as National Biscuit Company's Uneeda Biscuit. Innovators focused on audiences and developed consumer-oriented strategies such as market research and consumer-interest copy. They won accounts by identifying and attending to each product's unique marketing problems and studying each product and the people in its market.

Advertising specialists, now a new sort of middleman, soon engaged manufacturers in a new set of conflicts. As liaisons between advertisers and markets, they argued that their clients were served best by messages that pleased consumers and not advertisers. One expert admonished,

The buyer of a thing is not the maker of it; he is interested in the result, not in the steps to the result. He does not care how a thing was made. . . . The picture that appeals to him is the one that shows what he wants, doing what he wants it to do. . . [2, p. 654].

Earlier, in 1893, an adman had already noted that,

a change has been rapidly coming, within a very few years, calculated to make the style almost more important than the thing said. This may reverse, possibly, the order of nature, but it does not allow any more than the proper stress upon the prime value of making an impression [1].

Still, advertisers often challenged the specialists' rejection of traditional, owner-oriented messages emblazoned with owners' names, portraits, and factories. When advertising planners applied new "psychological" appeals, advertisers sometimes expressed their discomfort with copy that exploited "the personal" in a matter-of-fact way. Had innovative, consumer-oriented campaigns not marketed so well, they could not have upset traditional practices so quickly.

Progress has been a fundamental concept throughout America's history, and many of its themes have found expression in advertisements. Between 1870 and 1920, the ways in which American advertisements embodied

concepts of progress changed dramatically, reflecting the developments summarized in this dissertation. When American industrialists created their advertising messages, they glorified themselves as the entrepreneurial heroes of progress. They touted industrial production and new technologies, and often used their personal successes as evidence of their participation in progress.

During the first decade of the new century and thereafter, advocates of the advertising profession have ardently promoted its new claims to legitimacy by insisting on its contributions to national progress, both material and cultural. Their rhetoric, through professional organizations, public statements, and the advertisements they created, separated material and cultural progress from production. Instead they have portrayed progress as the result of the well-informed decisions of consumers, guided by advertising professionals, the new prophets of modernity. They justified their devaluation of industry and production because the productive capacities of industry and agriculture had fueled years of concerns about the growing necessity for markets. Some declared that production had become easy enough, but marketing was the great modern challenge. If industrialists had started progress, they now needed persuasive intermediaries to keep the factories running. In 1913, a leader of the advertising field proclaimed that,

Advertising is not the result of progress. It has made progress. Advertising is not the result of modern invention, because it has been the channel through which all improvement, betterment and achievement have been fostered and popularized. It occupies today a position equal in importance to that of any factor in modern civilization. . . [3, pp. 5-6].

While overstating the case for advertising as the key to modern progress, this and the many statements like it signalled advertising's new role in the developing consumer culture.

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