In this historical note we find a direct application of Frederick W. Taylor’s scientific management concepts to early sales management, scientific marketing management, and modern marketing management.

The authors of this article review the applications of scientific management to marketing during the period from approximately World War I to the depression of the early 1930s, and they show how the first large-scale application of management concepts came about.

Most businessmen, including marketing men, think of “marketing management” as associated with the decade of the 1950s. Certainly many of the books and articles of this period heralded a “new” marketing management responsibility, the purpose of which was to establish a well-organized and controlled program based on a comprehensive marketing plan.

But actually marketing management began much earlier than this. The original concept appeared in the early 1900s, when a mass-distribution system first became necessary to parallel a mass-production capability. Scientific marketing management as described in the early literature actually is a very close evolutionary forebear of modern marketing management.

Scientific Management

The early scientific-management movement embodied ideas of many men. But the movement is most often identified with Frederick W. Taylor. His writings express many of the concepts central to scientific management, such as:

1. Scientific study and analysis of work in order to discover the "one best way" and proper time to do a job.
2. Scientific selection and training of men to do each job.
3. Disciplined work performance by workers, coupled with scientific analysis and control by management.

Implicit in Taylor’s system of scientific management are several assumptions:

1. Industrial man is an individualist, reacting to his environment as an individual and without regard to any ties with other people.
2. Man is primarily, if not exclusively, motivated by money; therefore, maximum productivity comes if pay is based on the amount produced.
3. Increases in efficiency depend upon increasing the specialization of workers and managerial personnel.
4. There is a great belief in standardization; therefore, seek the “one best way” to do a job, design it, teach it, and see that it is followed.


5. Standardization and specialization require great managerial control to assure individual adherence to the engineering plan. This requires a logical and abstract structure of formal organization, relating job to job and placing all jobs in a structure of authority. These same concepts and assumptions may be seen in scientific marketing management and in modern marketing management literature.

Scientific-management ideas contributed to at least three distinct areas in the development of marketing thought: effective management of the sales force; substitution of a scientific approach in place of an intuitive approach to solving marketing problems; and recognition of the importance of marketing management in planning, coordinating, and controlling the total scope of marketing effort.

Scientific Sales Management

In 1910 the sales manager's position was somewhat analogous to the production manager's position. He selected, trained, and motivated men to produce sales rather than goods. He planned, organized, and controlled the activities of his workers. Since there were a large number of parallels in terms of job responsibility, it would seem to be a natural outgrowth of Taylor's system to bridge the gap between scientific production management and scientific sales management.

Charles W. Hoyt, a Yale engineering graduate ('94) who turned to sales after graduation, in 1912 attempted to apply Taylor's principles to sales management. Hoyt's major thesis was that there were two kinds of salesmen—the old, outmoded kind, and the new, more effective salesmen. The old salesman was the "star" salesman, all "personality" and contacts. The new salesman was one who was scientifically selected, trained, motivated, and directed. Furthermore, he held that the scientific sales manager could secure maximum results from average salesmen by applying Taylor's principles of scientific management.

Hoyt's book appears to be the first "typical" sales management book. Selection, training, expense accounts, contests, and such, were covered in 23 chapters. He emphasized the importance of being a scientific sales manager, and he related high selling productivity to effective management cooperation and control. Permeating the entire book is the philosophy that it is possible to get above-average performance from average men by scientifically managing their productivity.

In this connection, a 1914 textbook in marketing pointed out:

Sales management is distinctly a present day problem. Not so many years ago the principal business houses of the country ... sold goods for which there was an existing demand. ... The sales department was looked upon as sort of a necessary evil, and the members of the selling force were likely to be considered more or less irresponsible personages, unfitted for the other more serious departments of business. ... It remained for the sellers of specialties to show what could be done by an efficient and properly managed sales organization. Enthusiastic and properly trained selling forces, under the direction of men with a proper conception of the meaning and importance of sales management, have created markets for their products out of nothing.

Also in 1914, in the first Bulletin of the Taylor Society, H. W. Brown of the Tabor Manufacturing Company wrote an article entitled "Scientific Management in the Sales Department." He proposed a system in which management routed the salesmen rather than allowing salesmen to route themselves.

In another Bulletin of the Taylor Society in 1920, Henry S. Dennison of the Dennison Manufacturing Company posed the question: "Can we apply to the problem of selling much of the same method which has been so successfully applied to the production problems in the thousand different industries, and which is known as the Taylor System?" He concluded that Taylor's principles can be applied, particularly in the areas of planning and establishing sales quotas.

In that same year an abstract of a report by the "Committee on the Organization and Functions of the Sales Engineering Department" was presented in the Bulletin. Heavy emphasis was placed therein on the importance of planning, coordination, and

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control of the sales force in relation to the firm’s production requirements.\(^7\)

A few years later Leverett S. Lyon proposed a sales management organization chart. See Figure 1. This is interesting from two points of view.

First, it was an adoption to some extent of Taylor’s functional-foreman concept. Second, several current approaches to describing the proper method of implementing the marketing concept are quite similar to the Lyon point of view. There is a particularly close parallel between present-day ideas and Lyon’s description of the role played by advertising in the marketing process.\(^8\)

In 1929, Charles W. Hoyt published a book entitled Scientific Sales Management Today, in which he reviewed the progress made in introducing Taylor’s principles in sales management. He summarized the effects of scientific management as follows:\(^9\)

The salesman earns a maximum wage; the cost of distribution is reduced so that the consumer purchases his product for less; and finally, the manufacturer and the distributor, although selling the product at a lower price to the consumer, and although paying the salesman a fair price for selling it, are able to make a better profit themselves. All this is attained because the percentage of costs to sell has been lowered.

**Scientific Marketing Management**

During the early 1920s the principles of scientific management formerly applied to sales management problems were broadened to apply to a wider range of marketing problems. These developments coincided with the broadening of the role of the sales manager into that of the marketing manager.

In 1921 the A. W. Shaw Company published a pamphlet entitled “Picking the ‘One Best’ Marketing Plan.”\(^10\) This consisted of a series of case studies in which a scientific approach was used to select the “one best” marketing plan, showing the rewards of being systematic and logical in market planning and development.

In 1924 Percival White and Walter M. Hayward wrote:\(^11\)

In general, remedies for marketing weaknesses may be found in a study of the way in which production managers have solved this (planning) problem. Organization and standardization are integral parts of the production program.

It is doubtful, however, whether marketing can be reduced to a routine so precise as that of production. But both production and marketing are most efficient when best coordinated.

In that same year an article describing a research technique used by the J. Walter Thompson Company appeared in the Bulletin of the Taylor Society. The technique focused primarily on a method for matching advertising to the target market through the concept of market segmentation.\(^12\) A similar article

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FIGURE 2. Elements of a scientific marketing system.

appeared the next year in the same publication, outlining a method for calculating market potential and matching sales effort to market potential.\(^\text{13}\)

In a paper presented at a meeting of the Taylor Society in New York in 1927, Henry S. Dennison argues that product development was required for vigorous corporate growth.\(^\text{14}\) He stated, "It is essential in a going concern that the new items of merchandise be added as young and vigorous members in the family of items." He also presented a strong case for the separation of what he termed merchandising (marketing) from selling.

Probably the most direct application of Taylor's principles to marketing management appeared in 1927 in Percival White's *Scientific Marketing Management*: "The thesis of this book is that the beginning and the end of all marketing problems is the consumer."\(^\text{15}\) He acknowledged the inspiration of Frederick W. Taylor's book on scientific management on his work.

In a section entitled, "Building a System of Scientific Marketing," White identified eight elements of a scientific marketing system, all of which were focused on service to the consumer.\(^\text{16}\) See Figure 2.

He also recognized that there were some problems of reorganization of the marketing function if scientific marketing management were to be implemented. His concept of the marketing manager was as the "chief executive of the Marketing Division." "It is he who is in the final analysis, responsible for the success of scientific marketing; he forms the pivot of the system. His duties are chiefly those of a line officer, whose duty it is to direct, coordinate, maintain, and measure."\(^\text{17}\) Apparently he conceived of the marketing manager's job as a line position rather than as a staff position.

The problem of "who should be marketing manager" was also considered:\(^\text{18}\)

In many ways, the old Sales Manager would seem the logical one in charge of sales activities and had the most intimate knowledge of the company's marketing affairs. Except in rare cases, however, the Sales Manager is not the best person to select for Marketing Manager. The ordinary sales manager is


\(^{14}\) Henry S. Dennison, "Scientific Management in Manufacturers' Marketing," paper presented before the Third International Management Congress, Rome, September, 1927; also presented at a meeting of the Taylor Society, New York, December 10, 1927.


\(^{16}\) Same reference as footnote 15, at p. 110.

\(^{17}\) Same reference as footnote 15, at pp. 126-127.

\(^{18}\) Same reference as footnote 15, at p. 128.
likely to be a good salesman or a good manager, but it is rare for him to be both. He is so occupied either with selling or with managing salesmen that he loses the true perspective essential to the administration of the broad marketing problems of a large company.

**Some Concluding Observations**

It would seem that the scientific management principles of Frederick W. Taylor had a significant formative influence on the early development of marketing management.

This influence was reflected in almost two decades of the literature in marketing, and included applications ranging from selection of salesmen and media to broad problems of coordinating marketing effort. Note also that most of the papers, articles, and books on the topic were written by businessmen actually engaged in the activity described in their writings.

Although literature of present-day marketing management is more sophisticated and has available a greater range of analytical tools than the published works of the 1920s, its conceptual foundations are found in the literature of that period.

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**MARKETING MEMO**

*Marketing in the World of Change—Is It Accelerating Or Slowing? ...*

Change, change, change, continual change. This is the watchword of modern life. We have not only adjusted to it, many of us have begun to revel in it. Conservative scientists have predicted the end of change at various times, but they have always been proved wrong. It seems it must go on forever. In the last two decades, the changes have been coming faster than ever before. Planes have passed the speed of sound, bombs have become incredible and then incredible squared, men are in orbit; and here below, new countries have proliferated, television has become universal, and every corner of the world is in a state of ferment. ...

I suggest that it is time to consider a different view, that we are not at the beginning of continually accelerating change, but that we are in the middle of a unique transitional crisis, like adolescence, as we make the jump from an undeveloped scientific and technological society to a fully developed one. Who knows?—We may be even beginning to be past the worst of the crisis, at least in countries like the United States. The slowing down of growth and the beginnings of our adjustment to it may become one of the major social phenomena of the next 30 years.
