

HOW TO MAKE MORE MONEY

Part Two

By Louis Guenther
with comments by Ken McCarthy

CHAPTER III

A Chapter Devoted to a Few Specific Principles Involved in Every Mail Order Enterprise. The Advertisement – Where It Should Be Inserted – Why a Key is Important

The preceding chapters describe in a general manner, the circumstances and events causing the spread among merchants of a broader comprehension and a deeper insight into the advantages of getting business through the mails, as well as a fuller realization of the additional profits accruing from a mail order system successfully evolved.

The mail order idea is not longer regarded as an experiment. For two-thirds, if not seven-eighths, of all the advertising now done, specifically requests the public to engage in direct correspondence with the advertisers, thus showing how generally this idea has been embraced by businessmen throughout the country. And it has spread even to all Europe, and taken a specially strong hold upon England.

This great popularity, however, did not spring into life at one jump. Confidence in this method of doing business has been a plant of slow growth, even as confidence in momentous innovations usually is, depending, as it does, upon time to determine the permanency or deposition of any new idea.

Time has watched the progress of the mail order idea; has seen what it has done for the pioneers, and witnessed how quickly men, by this method, have been able to build up a business of national importance – and, at that, with much lesser outlay of capital than is involved in doing a retail business – until, now, nothing pertaining to the mail order business fails to receive proper consideration. Just so, at length, has time, through which we finally form our definite estimate of things, set its approval upon this new method of trading, and with such emphasis that it is now enthusiastically adopted by all shrewd businessmen.

What the Mail Order Idea Has Proved

It has proved its utility, economy and far-reaching scope. The many great successes for which it is noted, in comparison with other plans of doing business, have shown how much cheaper is the cost of maintenance; how more far-reaching are its arms for getting orders; and, finally, how much more satisfactory is this way of doing business.

With such evidence as the above to support it, it is no wonder that this new method of doing business has become a subject of the deepest and most serious thought among aggressive businessmen.

Twenty years ago the mail order plan traveled devious and uncertain paths. It was despised and looked down upon by conservative and dignified merchants, who, regarding it as a new fangle and angle to business, left it to schemers, and to those who sold trinkets which they thought were not worth while trying to sell to consumers over their own counters.

Now it pursues its way in the open, and is looked upon with favor by all. In fact, the mail order idea has gradually won over to itself the confidence of every branch and character of business, until it is now considered one of the two principal outlets of commerce – the other one of which is retail merchandising.

There Are No Secrets About It

Before I proceed further let me shatter a false impression which clings so tenaciously to the mail order business. I refer to the *supposed* secrets connected with it. This impression is not only fallacious, but is the purest Tommy rot, and its existence is, primarily, due to the selfish motives of some promoters who make a business of starting people in the mail order business. **These promoters evidently believe that the best bait for drawing on beginners is an atmosphere of mystery by the solution of which alone, success crowns their efforts.**

The only secrets to the mail order business are the common, every day secrets such as are known to every successful businessman – the secrets of knowing how to conduct an enterprise so as to make money out of it. This secret is “business ability.”

Of course, to a person who does not number among his capabilities the one of being able to conduct a business, the mail order business, as well as any other business, offers very little prospects of success.

And here again we find exemplified the inscrutable wisdom of Providence, which divides mankind into two classes – the one which directs, and the one which executes the former’s directions. Were we all masters, who would there be to do the work?

The mail order business requires no apologies. It only needs to be treated by the truth, and it is my purpose to handle it *solely* with the truth.

There have been failures, very many failures, in the mail order business, but all of them, if properly and exhaustively inquired into, will be found to have failed because of “the man behind the gun” and his methods – deficiencies for which the mail order business is in no way responsible.

This may seem a broad statement to make, yet it is a stern fact, for the mail order business’s only difference from ordinary businesses is that instead of by a personal, face to face talk, efforts to sell are made by correspondence.

Where it is possible to sell a person something through direct contact it can be done through the mails also, with the added advantage that you can make more sales and at lesser expense, because of the larger ground covered.

This is the mail order business reduced to its simplest explanation. Between it and any other form of merchandising there is but this difference: that it is the written instead of the oral language of business.

The First Principle

The first principle of successful mail order merchandising is to establish confidence, which must be thoroughly inculcated in the minds of persons living at a distance, before they will part with their money.

And as a means of establishing this necessary favorable impression, allow me, here, to suggest to my readers, that no other factor can be so safely relied upon as a perfect frankness in describing what you have to sell.

Confidence – this is the keynote of success. **Also aim to secure, after the initial order, by every transaction, each customer’s good-will, as this not only secures more and larger orders, but leads one customer to communicate his satisfaction to another thereby constantly spreading the mail order merchant’s patronage to wider fields.** This affects each and every customer, for poor indeed is the man who cannot claim a few friends.

With a general outline of the spread of the mail order idea now impressed upon the reader’s mind, I am brought to the point where I can deal with my subject more specifically.

As is the case in every avenue of endeavor, there are certain basic principles governing the mail order business, to which careful thought should be devoted so that each individual going into such an enterprise will make no error in erecting his business structure, but get it upon the right foundation.

The basic principles of the mail order business are: properly getting before the public; having some effective means, after securing persons interests, of developing it into patronage; and then, a way to hold their trade.

Two Ways of Getting Orders

There are two ways of getting before the public. One is by advertising, and the other is through circularizing. The latter, though, except in rare instances, has never proved very profitable.

There is a good reason for circularizing failing so often in its object. Coming as a perfect stranger to a person by means of advertising matter sent through the mails – especially where, as now, so much advertising literature is passing through the mails – a mail order dealer’s literature is apt to be thrown aside without even securing attention. For circulars enclosed in an envelope are received with indifference, anyway.

I don’t desire to convey the impression that I wish to discourage circularizing when it is properly done, but that can be only where a merchant has through advertising, secured for himself a large list of names of people, or has been so long before the public with his advertising that this publicity in itself, in a general way, has made him widely known. Then when a circular reaches a person who has never answered his advertising, he stands a chance of getting an audience.

But where one is just beginning he should, at first, depend upon advertising.

An effective ad will accomplish more in bringing a merchant in direct contact with a possible customer than will any other method as yet originated.

A Problem Worked Out

Figure this out for yourself. To send ten thousand letters containing printed matter through the mails at the cost of only one cent, which is the lowest possible rate of postage for letters, would cost \$100 for postage alone. If two cents is required, postage would be \$200. This does not include the cost of labor, stationery, or printed matter, which, in themselves, on such a large quantity as ten thousand, form quite a large item.

A fifty-line ad measuring over three lineal inches, in a periodical such as the Woman’s Home Companion of Springfield that reaches over 450,000 homes every issue, costs only \$125, or only \$25 more than the bare postage on 10,000 circular letters sent with a green stamp – and \$75 less where a red stamp is employed – to say nothing of the other items of expense, labor and printed matter.

And besides, the mail order merchant reaches 440,000 more people this way than he can by circularizing. What is more, he reaches them in a more permanent form, for it cannot be gainsaid that a paper like Woman’s Home Companion will be retained for months and possibly years, where circular matter, no matter how attractive, will be soon thrown aside.

So long as the preponderance of economy in getting before the public leans so emphatically towards advertising in the newspapers and magazines, it is essential that a merchant or a beginner, irrespective of his proposition, tie his faith to advertising.

And I want to say also, that advertising has very seldom disappointed anyone where it has been judiciously done.

As each person starting in this business usually sells something different, the specific advice in this chapter can be depended upon to give only in a general way, ideas that will come handy in formulating plans based on the underlying basic principles which govern the business.

Fortified, then, in this regard and in possession of good business ability and initiative talents, the reader should at least have sufficient knowledge of the groundwork to work out in detail what it would be best form him to do with his particular proposition.

But he will have to hold aloof from a great deal of the trash which has been written about this business – particularly that kind of trash which foolishly asserts that it is a snap requiring no work, capital or brains.

Brains – Capital – Patience

I say to you, quite frankly, that you can put your money to much more advantageous use *outside* of this business, where brains, money, ambition and lots of patience are absent. These talents and virtues will all be needed until that time when conditions change from where money is all going out and nothing coming in, to a condition wherein the business commences to be profitable, the work easy and thing sin general more encouraging. Even at this, the turning point, shrewd businessmen don't stop but keep reaching out constantly for more and more business.

The principal thought to be borne in mind by a person just starting is the necessity for the intelligent and economical disposition of the capital involved.

The capital should be divided so that it will cover advertising, printed matter, postage and office expenses, as well as the cost of goods. This will be necessary at first to swing the venture, until out of the business itself, the profits provide the additional capital necessary.

Failure to originally dispose the capital shrewdly has been responsible for a great many disappointments over the outcome of a mail order business, and many men have been compelled to drop all further efforts by running out of funds just when they were within reach of success.

It is not always men of limited means, however, who overlook the importance of the proper distribution of capital, for that fault is not infrequently found in the case of men who start in this business with a thousand dollars in the belief that because they have a large sum at their command success is a natural consequence.

Either a Sinkhole or a Mint

Advertising is a big sinkhole large enough to swallow any amount of capital if it is not properly spent; on the other hand, it is a mint to those who know how to use it. To the extent that success arrives more quickly where there is more capital, is a superabundance of money.

But in comparison with other kinds of business one fact does stand out prominently as a great incentive to embarking in the mail order business, and this fact is that there is less capital required to make it go than in anything else.

The history of the mail order business is replete with incidents where men have gone into this business with a capital of less than \$50 as a nucleus, from which their business gradually grew into a large fortune.

One Young Man's Experience

I know of a young man in Cincinnati, Ohio, who practically began on a shoestring and is now taking in over fifty dollars a day profit from his business; but it must not be lost sight of that all such instances had behind them men of exceptional business ability, having supreme confidence in the merit of what they had to sell.

And, therefore, because of such remarkable successes, the impression should not prevail that such is to be the outcome of every venture; rather should so successful an outcome be considered an incident of good fortune, due mainly to unique ability.

When a person has other employment, deriving from it a regular income, this employment should never be abandoned until the new venture has reached the point where it provides enough profit to give up all other work. And even when he is able to devote all his time and efforts towards the development of this venture, his former employment would enable him to figure on additional capital for his business every month.

There is no disadvantage to a mail order business just started, in sticking to a situation; for, in its infancy, it can be conducted during the evenings and spare times. And where the capital is not sufficient to rent an office, as a location until an office is possible the home is as good, for all transactions are done anyway with people living at a distance.

Some of the largest mail order businesses of today began amidst humble surroundings and furthermore the same humble places will witness the birth of many future successes.

The First Step – Advertising

Now the first step is advertising. How shall it be done? So that the necessity of proper advertising may be impressed upon the reader, attention is called to the great distinction there is between mail order advertising and general publicity. Mail order advertising is so worded as to bring a direct response to the ads. General publicity is just the opposite – calling readers' attention to an article and saying it can be found at any grocer's, druggist's, etc., as for instance the mere announcement of *Wilson Whiskey – That's All*, which advertisement undoubtedly you have seen in the newspapers or on billboards.

To secure direct inquiries, a mail order advertiser hangs to his advertisement a handle which offers to send either a sample or a catalogue. From his inquiries he begins his system of correspondence upon which he depends to get orders from those who write him.

A person endowed with a faculty for reading human nature is at a great advantage in this business in which there is a constant interchange of correspondence, for, often, the ability to detect between the lines of a letter the moods and fancies of a writer will land increased business where an order might be lost entirely had that been overlooked.

A study of the correspondence received will cultivate this talent, while time will develop it in keenness. Whatever is written, whether in the shape of letters or printed matters, let it be at all times natural. The average beginner gets what the actors call stage fright, and instead of trying to be himself, as would be the case were he attempting to affect a sale by a personal talk, he assumes a different character entirely through fear that possibly his diction or style might invite criticism. This tends to stultify every natural ability of salesmanship. Never forget you are in business to sell goods.

Be Your Natural Self Always

Talk to possible customers through the mails as forcibly as you would if you were meeting them face to face. They don't expect, when reading your letters, catalogue or circulars, to find the genius of an author or a poet, but are looking to find what you have to offer. Hence a straightforward and frank expression on every point of merit of the article offered for sale will bring an order as quickly as if a Shakespeare had written the description or carried on the correspondence.

Where, of course, one is so illiterate that he cannot construct sentences properly, but has business ability, it is best for him to secure the help of someone else.

Where to Advertise

The selection of papers in which it is best to advertise must depend upon the article handled. If it is one which appeals mostly to women, publications read exclusively by them should be used, and vice-versa with men; publications with mixed circulation for articles of interest to both sexes; juvenile papers to reach the young folks; class papers, such as the *Bookkeeper* and *Scientific American*, for articles appealing to readers of those papers.

For those who know nothing about the values of different papers, the best and most honest advice possible to give them is that they consult some advertising agency upon whose experience they may rely, instead of trying to find out for themselves which are the best papers, as this is quite often a very costly and fruitless experiment.

Every advertisement appearing in a public print should have attached to it a key, so that the advertiser can tell as nearly as possible the number of inquiries the advertisement in each paper has brought for each issue, and later the actual cash business which followed. By means of this key he will at all times have a tab on what his advertising is doing, dropping those papers that fail to produce results and retaining all the profitable publications.

The key in an ad is actually an insurance for the mail order advertiser against carrying dead waste.

Any Number Different Keys

It is worth while for the reader to pick up a copy of some periodical and carefully peruse the ads, as this will give him a clear idea of the many different ways adopted by advertisers to key their announcements. Some use a different street number in each ad, and the number when written on an envelope then gives a clue as to what paper the letter comes from. Others select the word "Dept.," adding to it a number, and requesting the reader of the ad to address this dept. as for example, Dept. 2. Suppose an ad with this key appeared in the *Star Monthly*, Oak Park, Ill. Then all letters addressed to the firm or advertisers bearing on the envelope this key would be known to come from readers of this paper. Space prevents illustrating all the different forms of keys, but the reading of the ads in any paper will help anyone in determining what keys it would be best to adopt.

A complete record should be kept of all inquiries, and for this purpose a card system or a loose leaf ledger system is recommended as this simplifies office work. Say for instance you were running an inch ad in *Comfort*, Augusta, Me. To give those who have no idea how a follow-up system is worked in connection with a mail order business, I shall suppose the key in this ad was 322 Main St.

How the Key System Works

All envelopes addressed to 322 Main St. are credited to *Comfort*. At the end of each month figure up how many inquiries *Comfort* brought, divide the cost of the advertising by the total number to ascertain what each inquiry cost, as some time or other as the business evolves itself it will determine for each advertiser about what he can pay for each inquiry and make money from his advertising, then afterwards where papers don't come within these prescribed limits it will be safe to drop them. A separate card should be made out for each correspondent, and an idea as to its form can be secured from this example.

322 Main St.

William Kenton, Bucyrus, Ohio,
9-5-03 – inquired about.....
9-12-03 – Rec. \$12 for Silk Skirt
9-12-03 – Akn. Order – Expressed Skirt.
.....
.....

A card like this gives you a complete record of transactions with every correspondent from the time of his inquiry to the day a sale is made, without having to hunt through a lot of correspondence – which, however, sometimes becomes necessary. The number always tells to what paper all business done should be credited. The name and address is on the first line, so that the card can be alphabetically filed either by state or by name, making it readily accessible. The three lines which follow show when this party first inquired; the day an order was received; and when it was acknowledged and filed, after which come blank lines for further entries as they become necessary.

From these cards and the dates on them, when the last letter has been sent, advertisers determine when to address a circular follow-up letter, or make a special bid for business, or write a special letter, or send some special printed matter.

Time is a great factor when dealing with so many people every day, and to the need of saving time, is owing the evolution of the card systems and other labor saving devices. These have greatly simplified the handling of the extensive details attached to a mail order business, particularly where it has assumed large proportions.

Had such firms as *Montgomery Ward & Co.* or the *National Cloak Co.* of New York to do without a simple system of handling their enormous daily correspondence, it would be impossible to handle one-tenth of the business they take care of now in a day's time.

It is said that the first named concern has over 2,000,000 live customers' names on its cards, alphabetically filed, and any one of these cards can be picked out of this file at a moment's notice. This illustrates how a simple system will adapt itself to any business, large or small, and reduce the work of handling it to a minimum.

CHAPTER IV

Why Names and Addresses Are An Asset – To What Uses They Can Be Put – Business From Unknown Sources – Attractive Printed Matter – Direct and Indirect Advertising

A name and address brought by an advertisement is always an asset in the mail order business, and for that reason should never be thrown away, even if the correspondence and printed matter failed to create an order.

This is because it must be reasoned that the person was induced to answer the ad by being interested in the offer, and while this interest reached no further, an acquaintance has been established between the advertiser and the party inquiring.

The advertiser, in the evolution of his business, may add other articles, or he may engage in some other enterprise. Then all the names acquired through former advertising become of great value to him, for he is no stranger to all these parties and to secure orders from them is a much easier matter than would be the case if a new start were made.

In the sale of a mail order business, too, a list of names secured direct from the advertising or through customers referring their friends and acquaintances, has a pronounced effect upon the price it brings.

Keen business men prefer to purchase an established mail order business, where it is possible, realizing it to be much safer than to try to establish one for themselves from the very ground up; and as the mail order business is rapidly growing in popularity the value of a successful business of this kind to the owner of it, increases in proportion.

Keep All Names and Addresses

For that reason, no matter how old a name gets to be, keep it on your books or cards; consider it always as of some value – for value it always does possess.

If we were in a position to know what thoughts were running through our correspondents' minds, at all times, we would be prone to place a greater value on having their names on our books instead of gauging this value on the quickness with which they responded to our efforts with orders.

Consideration should be given to the fact that a proposition often does not appeal to a person with the force necessary to induce him to buy. There may be competitors to whom he has written at the same time he has answered your advertisement, and among these competitors there may be one who secured his business, and until he's again in the market for the same article there is no chance to do business with him except possibly for some other articles.

And there are other obstacles to our obtaining an order, such as a passive interest, no immediate need of the article, lack of cash or a more pressing need of the money in other directions – things we have no means of knowing about at the time, and for which due allowance should be made.

But the usefulness of a name is never dead. Every man and woman has his or her circle of friends and a mere word or suggestion, if any one of them is in need of your article, may bring an order.

Age Increases Business From Unknown Sources

It is noticeable in every mail order business which has been established for any number of years, that with age the volume of orders received from unknown sources increases. This can be accounted for only by a force of advertising known to exist, but so intangible it cannot be appraised; the force known as oral advertising – one friend telling another, who, acting on the suggestion, writes and orders goods from an advertiser.

For that reason, if for no other, a letter or some form of printed matter, ought to be sent to every name acquired by advertising at stated periods during the year, with the object of keeping the business fresh in the memory of each correspondent – aside from the other intention of obtaining immediate orders.

How often it happens, when all thought of ever getting an order from a person has passed out of an advertiser's mind, that it will suddenly materialize, coming as a surprise. But it shows that no effort made to secure business is ever wanted.

We are too prone to measure our results in the mail order business too quickly. We should allow ample time for other factors which contribute to bringing orders, to have their effect before attempting to gauge what progress we have made.

Advertising and correspondence are not alone in themselves responsible for success, although the greatest share falls to them. For, while dependence for immediate effect rests upon them, a great deal of business materializes from sources the origin of which it is impossible to trace, but in the course of time we come to know that it is due to the advertising on the correspondence.

The Safe Manner to Measure Results

The only intelligent and safe method by which to measure what has been accomplished is to figure out results in the aggregate after allowing a reasonable length of time to elapse to permit all elements of publicity – direct advertising, correspondence, printed matter and mouth to mouth advertising – to contribute their effect.

It happens often that a business is abandoned at a period when a little more patience, had it been exercised, would have carried it along until the scale was turned.

The soundest advice I can offer to those who contemplate engaging in the mail order business is: Figure that it will take at least a year for a mail order venture to make money. Then if you succeed in reaching this point earlier in the life of your enterprise, so much the better; whereas, should it take that long be not disappointed.

And with this idea in mind the beginner should then appropriate his capital so that it will last at least a year. Furthermore, his capital ought always to be considered an investment, not warranted to return to him the principal and a nice profit beside, in too short a time.

One would hardly expect to buy a retail business and draw out of it, before a year is over, what money was put into it and a profit in addition. Yet a great many approach the mail order business with this idea in mind.

Other Uses for Names

In another way, too, can a live list of names be used to a good advantage: By trying out a new scheme or finding out very cheaply if some other article will sell well. To ascertain this by advertising is costly, while by circularizing these names – which are all of people who either have done business with you or who through evincing enough interest in your advertising to take the trouble to write, know of you – it can be proven almost immediately what the prospects are for the new venture.

Then advertising in the newspapers can be safely taken up or dispensed with – according to the results of such circularizing. The advantage of this is apparent. For the problem as to the prospects of a new venture has been solved at the cost of pennies, in comparison with what it would cost in advertising, to arrive at the same conclusion.

In cases where seasonable articles are handled – such as clothing and household effects – a list of names acquired through advertising is never dead; likewise for articles that are quickly consumed and for which a frequent need arises during the course of the year.

Although this is far from necessary to be successful, there is a decided advantage in it.

A Few Words About Literature

In this business, where one is doing business with strangers living at a distance, it is indispensable that all the literature be neat and convincing. What is written ought to be very forcible, for it is only from such matter that your correspondents can decide whether it is to their advantage to trade with you.

More failures and disappointments are recorded against poor judgment in respect to the printed matter than we are commonly aware of. But if you place yourself in the position of a prospective buyer who has written to a number of concerns offering similar articles, you will confess, if you follow the natural bent of your mind, that you would send the order to the concern whose printed matter made the best impression.

To economize on the printed matter or stationery is a penny wise and pound foolish principle, and only helps competitors to secure business at your expense. Always use good paper and have all printed matter attractive.

And us a typewriter, for the day of writing letters by hand has passed. Handwritten letters in this age of progress in business arouses the impression of smallness, and certainly does not inspire confidence, upon which so much in the mail order business depends.

An entirely separate industry was created by the mail order business: the printing of imitation typewritten letters to match any type written letter, so that the names could be filled in so perfectly the true nature of the letter could not be detected, and it would be taken for a letter which had been personally dictated.

There are concerns which print these letters by the millions every week, and the bulk of their business is with the mail order houses. But, as in everything else, there are good and bad ones, so be careful to have what letters you get turned out for you by a concern which has a reputation for doing splendid work.

Direct and Indirect Remittance Advertising

The advertising that is done to secure mail orders may be divided into two branches: one of which calls for a remittance direct from the ad; and the other of which is so prepared as to bring inquiries, which are then followed up by letter and printed matter until an order is secured.

The ad which calls for money, and which, for sake of illustration, I shall style the “direct remittance” ad, is not so profitable as the ad whose purpose is to bring the inquiry and work it up afterwards.

This is for the following reasons: Unless the amount asked for is a trivial amount, the public, not knowing the advertiser, hesitates to send money, as it is only natural for a person to want to be satisfied about an advertiser’s reliability.

No matter how adequately an article or a scheme is described in an advertisement, it is a human trait to write for further details.

Bear in mind, after allowing for this trait, that unless a perfect description can be given in an ad, every merit portrayed and uses clearly defined, the insertion of the price will not eliminate “inquiries without remittances.”

Space in newspapers and periodicals is one of the costliest items of expense of a mail order business, and the advertiser should therefore exercise the greatest caution in selection of the proper publications and then endeavor to use just enough space to tell his story well enough to place him in correspondence with enough people – upon whom he can work to get business.

If he can secure ten inquiries for following up with his correspondence and printed matter, to every one with a remittance direct, the indirect advertising will prove the more profitable in the end, as the chance of his securing business from a majority of his inquiries is more desirable than the procuring of a few “cash with inquiry” orders.

It is all right for a concern with a national reputation to insert a price in an ad, for its reputation is known and the confidence exists to make it pay – but even with the majority of such concerns it is noticeable that their advertising tends towards securing inquiries first.