

LARKIN CO.: A LABORATORY OF MARKETING GENIUS

The Larkin Soap Company (LSC), founded in 1875 by John D. Larkin, initially manufactured and sold only one product, Sweet Home Soap, a laundry soap. Its market was individual households, but, according to Lester Rickard, a ceramic engineer and officer at Buffalo Pottery (a subsidiary of LSC founded in 1901), who also developed a timeline of the two companies covering 1870 till 1943), the company expanded its market by forming another corporation, People's Manufacturing Co., to handle wholesale accounts. Larkin marketing ingenuity had been launched.

In 1881, LSC added another laundry soap, Boraxine, and included a prize with each box of soap. The next year they enclosed a Chromo Card with each

box. In addition to trading cards, gifts of pocket watches, silver-plated table ware or Japanese silk

handkerchiefs were given. Toilet soaps (at that time, manufactured elsewhere) and bath towels became premiums in 1883. By 1885, LSC was importing china from Europe and Japan, to be used as premiums, which led to, in 1900, LSC's creation of a subsidiary company, Buffalo Pottery. (What started as the manufacturing of china premiums quickly grew into a major producer of china for retail and wholesale marketing.)

By 1885 LSC had embraced a marketing concept which it labeled "Factory to Family." Its motto was to eliminate all cost that added no value." The LSC's innovative

use of "Larkin Clubs", comprised of women who met in the home of the "Secretary" to pore over the latest Larkin catalog from which they made orders, is credited as being a major factor in the success of the company. And indeed it was. I have written about it previously, noting that it started in 1890 when a customer wrote to LSC to tell them of how she had been inviting people to her home to make a group Order, thereby increasing the value of their collective purchase and earning that much more in coupons which could then be traded for premiums , usually household furniture and furnishings.

John D. Larkin loved the idea, promoting the creation of such clubs with ads in the catalogs as well as in ladies' magazines. A publication directed specifically to the Secretaries, known as the Larkin Idea, kept the secretaries up-to-date about new products and created a



camaraderie among the women. They served a social purpose for the participants as well as a practical medium of education about the function of the clubs and the products and premiums available to them. The number of clubs grew to as many as 90,000 by 1920 scattered throughout the country, according to Shane Stephenson ("Images of America: The Larkin Company.") They were known as The Clubs of Ten, (or five, or twenty, as the case might be). Their enthusiasm became magnified by LSC rewarding good performers with trips to Buffalo to visit the Plant as well as be entertained with dinners and trips to Niagara Falls. They were made part of the

LARKIN
Factory-to-Family Dealing Saves Money

DURING the last thirty years Larkin Factory-to-Family dealing has saved money for several million families—it can for you. It isn't necessary to pay a dealer's profits and expenses. Every few weeks you can use \$10.00 worth of Larkin Laundry and Toilet Soaps, Toilet Articles, Coffee, Teas, Spices, Extracts, Baking Powder, any selection from over 100 home needs. You get, in addition, a Premium that alone costs \$10.00 in any store. Or you may have \$20.00 worth of Products for \$10.00, just twice what any storekeeper can afford to give. Direct dealing makes our offers possible, and our customers realize the increased buying value that \$10.00 has when wisely used in our unique and perfect organization.



A 57-Piece Breakfast Service FREE with \$10.00 worth of Larkin Products. The first Old Willow Ware made in America—an exact reproduction of the original Old Willow decoration in rich Dark Blue, under the glaze and very durable.

WE GUARANTEE SATISFACTION—THIRTY DAYS' TRIAL
Your money will be promptly returned if any Product or Premium is unsatisfactory after 30 Days' Trial. Larkin Premiums give comfort and pleasure everywhere. Larkin Products are recognized as of highest quality. Each Food Product meets the requirements of the strictest Pure Food Laws. We are the world's largest manufacturers of Soaps, Toilet Articles and Perfumes.

Mail coupon today, and learn to save money by the Larkin Idea and furnish your home without cost. Over 900 Premiums to choose from.

Larkin Co.
ESTABLISHED, 1875.
BUFFALO, N. Y.

LARKIN CO.: Please mail, postage paid, Premium List No. 4
CUT HERE—MAIL TODAY
Name _____
Street _____
P. O. _____
State _____



example, according to Rickard, LSC ordered, to be given as premiums, 40,000 piano lamps, 80,000 Morris chairs (we have one in the Gallery) and 125,000 solid oak dining chairs. 1892 saw the addition of the Chautauqua desk as a premium. Stop by the Gallery to see a Chautauqua desk as well as a copycat desk made by a copycat company. (JDL was aware of other companies copying his business including the marketing programs. When he was asked why he did not sue those competitors, his response was that the LSC was doing fine and if the copycats needed to behave that way, they probably really needed the money.

"Larkin Family." LSC not only rewarded their sales efforts with products, premiums and cash, but instilled in them a loyalty and sense of belonging that was infectious. And needless to say, sales, along with profits, kept growing. (See the glass case in the Larkin Gallery which displays award medals, brochures about the Clubs and activities for visiting Secretaries who had won trips to reward their success and where they received such souvenirs as silver demitasse spoons.)

LSC had a real winner when it developed, in 1886, the "Combination Box." The box contained 100 bars of soap costing \$6.00. In 1899, according to Rickard, 94,000 boxes were sold. Such innovative packaging, as well as the attractiveness of wrappings were examples of creative marketing. (Check out the Larkin Gallery to see the beautiful packaging.)

The concept of providing premiums as an incentive to purchase products continued to grow ever more to enhance sales. The items given were, frankly, mind blowing. For

Another huge innovation in marketing was the creation in 1893 of its premium catalog, followed two years later by the catalog which also included products. (Check out the map drawers in the Gallery.) The development of the Rural Free Delivery system by the U.S. government opened the door to LSC issuing advertiser flyers. Also a major player in marketing was the publication by LSC of its periodical entitled "The Larkin Idea." It was primarily issued as a tool to update Larkin Secretaries about new products and to motivate them in their sales efforts, but customers enjoyed them as well.

The Pan-American Exposition, held in Buffalo in 1901 provided a huge opportunity to market the Company. JDL was on its board, but Darwin Martin was the major player in planning the LSC's role. The company was the only individual commercial business to have its own pavilion. With JDL's blessings (and probably it was his idea to begin with, given how much he loved building), an elaborate Italianate-styled exhibition hall was constructed. The ornately decorated dome crowned pavilion which featured a central area under the dome which housed a soap



folding machine to the delight of visitors who were given a bar of the wrapped soap. Additionally, there were four rooms extending from the central area, each furnished as an example of a living room, dining room, bedroom and kitchen. Of course, they were furnished solely with Larkin products and premiums. (The first case ahead of you as you enter the Gallery from the Seneca Street lobby contains items related to LSC at the Expo.)

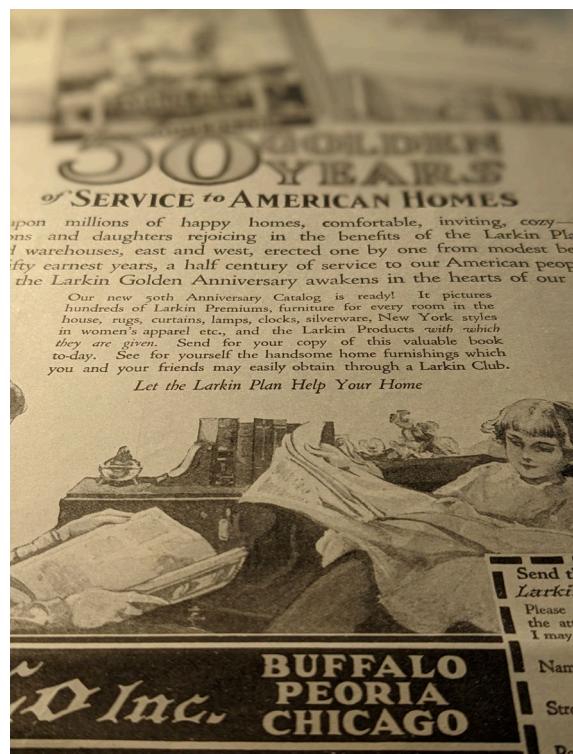
Thousands of visitors came from all over the country (8000 per day) with the primary purpose to see this tribute to the company that many felt was like family. Larkin secretaries in particular, were eager to see the entity for which they devoted a great deal of effort and had been rewarded with copious amounts of Larkin products and premiums. And to their great joy, awaiting their departure from the exhibit hall was a pass to ride the Larkin shuttle over to the

manufacturing complex (our building) where trained docents awaited them to take them on an hour long tour. Thousands of people visited the pavilion and took the tour of LSC. The good will created by the LSC's presence at the Pan-Am was immeasurable, and spilled over throughout the country because newspaper reporters were equally awed.

By 1918 LSC opened retail stores, the first one being located in our building, including the area where the Gallery is now located. That space in our building had previously been used as a showroom. Other stores opened around the country. Rickard tells us that this led to 1920 being the year of the greatest sales by LSC - :\$31,768,308.

JDL even ventured into broadcast media. Deep in the vaults of the Buffalo History Museum I came across a typewritten document entitled "Speech Over Radio by JDL in 1925." It does not indicate the station nor the exact date. JDL begins by explaining how ideally situated Buffalo is for a mail order business. He cites its proximity to states of large population, Pennsylvania being the very best. Orders can quickly be filled and delivered, he noted. The 15 railroads serving Buffalo contribute to the success of the LSC mail order service, he noted. He cited the index card system of retaining names and addresses of customers as essential to the mail order business. This, of course, was the system designed for that purpose by Darwin Martin, and with file drawers built into the walls of the Frank Lloyd Wright -designed Larkin Administration Building., opened in 1906.

The purpose of the speech seemed to be to inform the community of the financial benefit of his company soliciting customers outside of Buffalo, and, indeed, throughout the U.S., thereby bringing in large sums of money to Buffalo. He also noted that a great deal of that money was paid to local manufacturers of premiums, further contributing to the economic health of Buffalo. Several of the businesses JDL cited in his speech were the Barcolo Mfg. Co., F.N. Burt Co. and Buffalo Pottery.



Because of the large volume of products purchased by the LSC, JDL pointed out, they were able to acquire them at favorable prices, passing the savings along to their customers.

JDL summarized, "The mail order business advertises the home city as no other business does. Millions of letters, catalogs, circulars and packages of merchandise are sent out over the whole U.S. Every one of these bears the sender's address: Buffalo, NY. Buffalo is advertised and broadcasted throughout the land to millions of people. This turns their favorable attention to our city, excites their interest, and thousands of visitors are attracted to Buffalo each year. We have a saying that to come to Buffalo and not see the Larkin plant is like going to

Niagara Falls and not seeing the Falls. For 50 years the LSC has been advertising Buffalo."

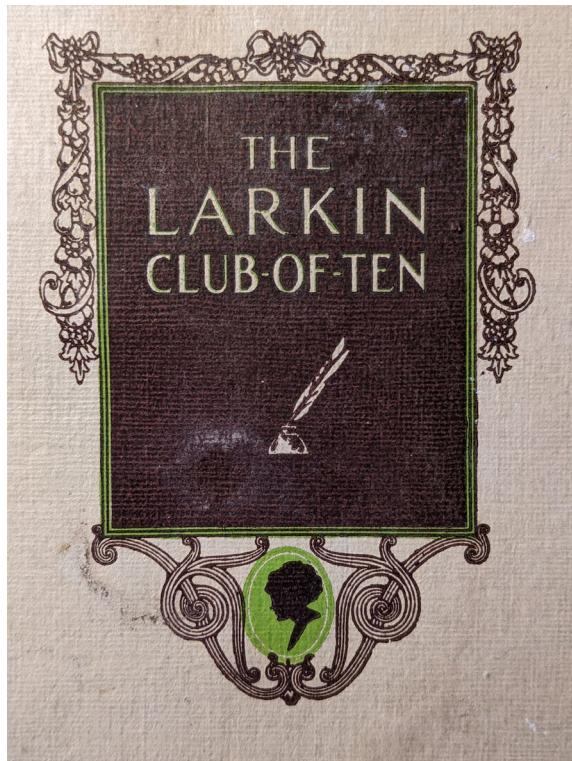
Where the Gallery is located now, and all the way down to Van Renssalaer Street, LSC had maintained a showroom of products and premiums, which morphed into a department store in 1918. Peoria followed suit and in 1919, a Chicago store opened. But in 1929 that space became a food market. Over the next several years household shops, craft shops and/or pantries had been opened by LSC. Many closed by the end of the 1920's. These stores, however, provided another marketing opportunity for Larkin products. An analysis by LSC dated 7/29/30 provides some information about these companies and particularly, about the Buffalo store in "our" building. It had not intended to be anything other than a "cash and carry" store, but probably so many of the employees knew clerks in the store, that they quickly developed a habit of calling their 'friend,' who got the product ready to be picked up and paid for. Customers liked the service and it quickly became institutionalized at the Buffalo store. Index cards were maintained for each customer, and the name of the clerk who usually took care of that customer. LSC had simply yielded to the initiative of the customer.

In 1932 a Univ. of Buffalo graduate student, Mildred Schlei wrote her Master's thesis about LSC. She did an amazingly thorough job, including interviewing John Larkin, Jr. (who had succeeded his father as president of LSC) as well as other company executives and employees. Her thesis continues to be an important source of information about the then present as well as the past workings of LSC. Her major interest was in marketing. She studied LSC, calling it an example of modern industry which incorporated two features in retail marketing: mail order and chain store.

Mail order was favored by scattered populations which otherwise had a difficult time procuring necessary products. Transportation had become well-developed and demand had increased because of the high literacy in the U.S., a high standard of living and development of the railroad and postal service. LSC became the fourth largest mail order company in the country. Montgomery Ward's start preceded LSC's in 1872 and Sears followed in 1895. Chain stores filled with LSC products were successful in more populated areas.

Schlei cited two particular innovations that propelled LSC to success: the giving of premiums and organization of Larkin Clubs. Also, she notes, the post-Civil War growth in industry and transportation resulted in a greater amount and variety of products in the market.

She also noted that, although LSC was still a high functioning business entity, after 1921 the mail order business had decreased. She cited good



roads, the universal use of the automobile, and the development of more efficiently managed individual enterprises. Even then in 1932 when Schlei wrote her thesis, mail order had passed its peak.

Interestingly, a year after Schlei's paper was written, the LSC initiated a sales program that it had for so long avoided --door to door sales. The Company produced a book, "The Larkin Route Manager's Sales Manual." It stressed, like the Larkin Clubs, a sense of family. The General Sales Manager welcomed new sales men with elation. "I want you to know that we are glad to have you with us. That every member of our big, happy family, from our beloved President (JDL, Jr.) right on down to our youngest office boy, will do everything possible to make your connection both pleasant and profitable."

The manual provides a brief history of the company, stressing its high moral ethos in all areas – quality of product, service to customers, for instance. It urged proper dress, manners and knowledge of the products. A gentle but persuasive approach to potential customers was required ("You can't climb the ladder of success with cold feet.") Explicit instructions were given re: how to demonstrate products ---- in detail! An example was how to demo soap with soap chips in a pan filled with cold water. "At this point, place your right hand, palm down, fingers spread wide apart in the water in the bottom of the pan... Now start agitating the water a loose wrist motion. Do not move your fingers straight back and forth thru the water. Use a loose turning wrist motion. A few moments of this will whip up a large quantity of suds...." pp.19=20. Literally every aspect of the plan was scripted, from how to lay out a route through a neighborhood, leaving calling cards announcing a visit the next day:

"Be businesslike in Giving Out Advance Cards: "In placing the cards, put the cards in your coat pocket, Do not carry your case. Have both hands free...Walk briskly up to the back door. Knock sharply 3 times...Then take one step backward and wait. When the housewife comes to the door, immediately smile and step forward and say: "Good evening. I have a card for you.:(p.15)

The Manual is 88 pages long!

I have never seen mentioned in several years of research, how well this marketing strategy succeeded. I think I can guess! I will bet that that was when JDL Sr. rolled over in his grave a Forest Lawn.

Shane Stephenson, bless his heart, blames the final demise of the company on women. He says that during World War I, when the men went to war, women went to work and demanded more equal rights. The Great Depression in 1929 also weakened the company. LSC tried to diversify its marketing by opening retail food markets, gasoline stations, home craft stores and a large department store. Stephenson says that by 1939 LSC had ceased making soap and stopped manufacturing premiums and products in 1941. It continued to try selling remaining product, and had so much product in warehouses (like the LCo. Building on Exchange Street) that it was able to continue to fill orders till 1962. The last remaining asset was sold in 1967 to Graphic Controls.

Given the diversity of marketing techniques utilized by LSC, it is difficult to understand what went so terribly wrong, (with the possible exception of the door to door sales plan!) but it appears that pure gravity brought it to its ultimate demise.