

ALDERSON AND SESSIONS, INC.

Marketing and Management Counsel

A CONSULTING ORGANIZATION

with

COMPREHENSIVE RESEARCH FACILITIES

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FORWARD: WHY THIS BROCHURE?

In the critical months ahead, management's risks of judgment will increase in number and costliness. Most frequently, the issues will affect the strength of the company's position in the market. In broad terms, is further expansion indicated? More specifically, are sales goals now realistic? Are distributive costs in line? Are promotion and media advertising most productively employed?

In such situations the services of outside counsel and research can often be used to excellent advantage. Many fine organizations are set up to serve management in this general area. They differ substantially, however, as to experience, facilities, degree of specialization, and operating methods.

The selection of the firm best adapted to the requirements of a particular job is a decision of the first importance. This brochure is for reference use as such times and offers data as to our experience and the range of service we offer as a firm. At the same time we have staked out our special interests as a professional group and our approach to research from a management viewpoint.

1. ACCENT ON ACTION IN RESEARCH

It is commonplace to suggest that the value of research is in proportion to the size of its use as a bases for decision and action. For this precept to have meaning, however, much more is involved than technical competence. What is required is a sound grasp of the role of research as part of the managerial process.

In particular, this role involves a use of clean-cut and well-organized procedures by which the assignment can move with dispatch from the definition of the problem through successive stages leading to final recommendations. In the nature of the case research cannot be bought by specification in the sense that would apply, for instance, to industrial equipment. At the same time the responsible agency will make clear to the client *what he has coming for his money*. Through preparation of a dummy report and other devices, the client should be able to visual the end product near the beginning of the job, and progress should be reported while the assignment is under way.

Moreover, the commitment to a research assignment entails more than a contract to carry put a technical procedure; the limit of the responsibility is the solution of a problem. In this spirit the research agency must be competent and experienced in the selection and imaginative use of techniques drawn from a variety of fields. Beyond this, however, there must exist that kind of feeling for organization and human relationships through which cooperation within the client company can be invoked in a positive way and in terms of the common undertaking.

As indicated in a later section, we believe that good management makes good research. The reverse of this statement is equally true in that good research contributes to good management. In our own organization each job is subjected to a three-fold test before its completion in the final form for the client: Is it pertinent? Is it practical? Is it profitable to the client? The proper role of the research group, therefore, is discharged only by those assignments in which: the content is *pertinent* to the issues; the conclusions are *practical* in application; and the results are *profitable* in use.

2. CHARACTER AND RANGE OF SERVICE

Alderson and Sessions, Inc. is an independent professional organization engaged in providing counsel and research on problems of marketing and management. Production and plant processes as such are outside the sphere of our direct interest. In the field of marketing and the management of markets, however, we offer a well-rounded service based upon experience in virtually every aspect of sales, promotion, and distribution of industrial and consumer goods and services.

This section summarizes the several types of service we are prepared to offer. In reviewing the categories listed below, however, two precautions should be observed: any such list is necessarily incomplete and might fail to take account of other problem situations which could be solved by an adaptation of well-established methods; moreover, many problems require a solution which necessarily cuts across two or more of the types of services listed below.

Consumer Market Surveys

In surveying the consumer market, the analyst has at hand a substantial body of well-accepted methods for reliable answers to such questions as: the size of the market; the strength of the competition; the potential of new products; sales goals for new territories; brand penetration; new trends in consumer preference; acceptance of color, flavor, or design; resistance to price; responsiveness to media advertising and promotion; and many others.

For many assignments of this character we offer the Standard Survey, a study of unusual penetration covering national and regional markets, in which precise specifications assure the client of authoritative results at a moderate price. Two years in the process of design and demonstration, the Standard Survey adds greatly to the usual approach to marketing research by offering a set of techniques, each one of which is adapted to a specialized function of the research operation. In short, there now exists a tool kit for consumer survey work which contains among other items *the consumer clinic*, *contour sampling*, and a *standard grid* for market estimates. Each tool is a major advance in itself – but their real power is revealed only in combination.

Individual Market Surveys

In surveying the industrial market, substantially the same questions can be answered for management as those listed in the preceding section. Entirely different methods and techniques are required, however, in planning the assignment, in executing the field work, and in the analysis, interpretation, and presentation of survey results. Our successful experience in this field reflects a careful use of engineering consultants in preliminary exploration of the problem. Precise methods are applied to the definition of those segments of the market that need to be surveyed by specially prepared field investigators. Scientific sampling and estimating procedures assure reliability of results.

The value of an outside viewpoint is most apparent in the case of research on industrial products and problems, especially where the subject has been under protracted consideration by two or more departments within the client company. Our staff are experienced in the problems of communication among technicians; it often develops that the process of joint effort in the design of the survey project is almost as beneficial to the company as is the result of the research when finally completed.

Media Analysis

For magazines, newspapers, radio, and billboards, our methods have been tested in many applications. The size, character, composition, and economic status of the individual are established in terms of the market goals to be achieved. All accredited techniques from sound sampling to interviewing procedures are utilized and new methods are developed where necessary for purposes of the particular assignment.

Product Testing

Progressive managements have long been aware of the economy and good sense of testing the market for a new product before its full scale introduction. The selection of method for a systematic analysis of market possibilities depends upon the nature of the product and the stage of its development within the company.

The practical requirements of the company in this field often cover a wide range from a preliminary canvass of the prospects for an entire group or field of products to a precise forecast of the potential for a specific product otherwise ready to be launched in the market. The proper use of such research (as in other cases as well) is *not a substitute for judgment*, but to provide a basis upon which informed executive decision and action can take place in an orderly way. Standard statistical tests of significance for evaluating the apparent differences between products is an essential part of the research tool kit in the field of product testing.

Location Studies

In terms of traffic flow, population trends, economic developments, and convenience factors of special interest to the client – what is best location and why? In our own experience this question has been studied and successfully answered from the viewpoint of a brand bank, a department store, a real estate development, a television station, and a regional sales office.

Existing statistical materials, while useful, are rarely sufficient as a basis for location study and analysis. Original, on-the-site research is essential to tailor the analysis to the unique requirements of the client's problem.

Distribution Cost Analysis

How can profits be increased in the face of declining sales? This question will become increasingly urgent with the return to a buyers' market for various types of products.

In this important field our firm has completed many studies which have helped management to determine which *product lines* are most profitable, which *departments* are dispensable, and which *territories* should be reorganized or dropped. In some cases it is necessary to probe still more deeply in order to discover new opportunities for increased efficiency. In such an instance it become necessary to make an intensive study and analysis of the *elements of cost* – i.e., such operations as sales effort, materials handling, procurement methods, space lay-outs and utilization.

Merchandising Research

From the standpoint of the customer our studies have revealed preference e and attitudes as to price, quality, style, and service in particular markets; shopping habits for various products; and traffic patterns and buying habits within the store.

The other phase of merchandising research concerns sales effort and the effectiveness of *the personal selling process*. Studies of sales effort have disclosed the relative effectiveness of salesmen, the comparative efficiency of selling methods, and measurements of the value of various promotional activities and techniques.

Trade Practice and Public Policy

Trademark litigation, legislative proposals, and administrative investigations and processes are becoming increasingly important to business management. The courts, committees of Congress, and federal agencies are directly concerned with issues affecting the national market. Such public bodies will continue to question and review many of the methods of competition and cooperation through which business achieves and maintains a position in the national market.

As an independent research organization, Alderson and Sessions, Inc. has discharged many important assignments arising from such developments, bringing to each job a knowledge of marketing theory and trade practice gained from wide experience in many fields. The status of an outside organization assures an objective approach to the problem and its setting. As a professional group the entire organization is prepared by training and method to respect the privileged and confidential character of such relationships as are involved in studies of this kind.

Sales Estimates and Forecasts

This phase of research technique has now achieved the stage of a useful and reliable tool for management. The direction of policy and important commitments of every kind *depend upon the assumption management makes as to the trend of the company's sales*.

The use of forecasting is especially important in view of the soft spots now appearing at a number of points in an otherwise vigorous economy. As this stage post-war, progressive companies will avoid the hazards of basing important decisions upon predictions of general business conditions. Properly conceived, the forecast must be focused on the individual company. It must take fully into account the detailed records of the company's own sales experience. Original research is found necessary in order to determine trends both as to the number and economic conditions of customers and with respect to the strength of the competition.

Our experience includes estimates and forecasts for a wide range of industrial and consumer products. This service is usually offered in conjunction with a complete study of the market for a particular product or of the market position of the client company. It is, however, also valuable as a systematic method for organizing and projecting the sales experience of the company – without extensive field work.

Research Organization and Management

This service has been developed and offered in the belief that good management makes good research, and is called an Audit of the Research Function. By means of such an Audit, all aspects of the program, organization, and operating procedures of the company's commercial research operation are studied in relation to the needs of other departments and of General Management as well.

Recommendations are submitted covering functions and responsibilities of the department and key staff, personnel requirements in terms of work-load, and revised operating procedures for assignment and review of work, routing and processing of inquiries, and records and reporting of progress.

Our methods are derived from accepted principles of administrative analysis backed up by first-hand knowledge and experience in all parts of the research fields being investigated.

The Audit of the Research Function is conceived as a service both to the *executive* utilizing *research* results and to those who are directly responsible for the conduct of research activities.

Appraisal and Review of Market Programs

With the return of normally competitive conditions, the most critical question facing management is the strength of the company's position in the market. This issue cuts across every consideration of production, finance, and the strategy of sales. A balance must somehow be struck between marketing expenditures of time, energy, and money on one hand and on the other, the opportunity that may exist for a more favorable position in the market.

Progressive management is continuously engaged in appraisal of market position as part of the process of determining the direction of company policy. There are distinct advantages administratively, however, in staging such a review periodically and with full opportunity for direct participation by the key staff of all departments most directly concerned.

Alderson and Sessions, Inc. has participated as a firm in this type of fundamental review. Are the company's customers increasing in number and economic strength? Is the product or product line acceptable in the light of competition as to price and quality? Are distributive costs realistic in terms of the outlay required to secure additional volume? Are limited funds better invested in design improvement and new products or in a more intensive cultivation of the existing market? Is the structure of the sales organization adequate for the demands of a buyers' market? Are communication procedures within the company sufficiently fast, flexible, and precise? If decisions during the past two years have proved advantageous at short range, can these be adapted to long term objectives of company policy?

In the conduct of such a review of marketing program and policy Alderson and Sessions, Inc. is prepared to take part in one of three ways: by consultation to advise in setting up the standards and procedures for the operation; by participating as an advisory group to a company committee, on call for specific issues arising in connection with the review; or by taking charge of the appraisal with responsibility for the entire assignment, working in collaboration with an advisory committee established within the company.

3. ORGANIZATION AND STAFF

Size

Alderson and Sessions, Inc. consists of a total staff of forty-five including fifteen people of professional status and a balanced complement of clerical, stenographic, and general office workers. Experience has shown this to be a workable unit enabling both principals to participate in the planning and review of all assignments.

In addition, the firm maintains under contract a panel of six consultants to serve in their fields of special competence which include engineering, economics, industrial marketing, consumer credit, and product testing. A field staff of nine hundred interviewers in all parts of the country insures adequate coverage of regional, local, and national markets.

Supervision and Direction

Every assignment is subjected to a weekly review by the Plans Committee which consists of the principals and all members of the major staff. Detailed execution of the workload is carried out by one or more of four divisions: Market Surveys; Estimates and Forecasts; Economic Analysis; and Merchandising Research. These divisions are headed and staffed with personnel having special qualifications of education and experience appropriate to the subject field. Dossiers on key staff are included in the appendix.

Operating Methods

We find that every research operation presents an intricate problem in administration. Operating methods have been designed to keep the job under tight control from the time of first commitment until delivery of a final report and recommendation. The design of the survey plan, the selection of methods, proper scheduling, assignments of personnel, and systematic coordination of work in progress—all must be considered as parts of a continuous process. Such attention to method and management is the best insurance of conclusive results and of minimizing confusion and lost motion.

4. CLIENT RELATIONS

Representative List of Clients

Alderson and Sessions, Inc. is fortunate in having served a wide range of clients representing a diversity of interests, products, and problem situations. A partial list of clients is set forth below and includes national corporations, small companies with growth ideas, banks, educational institutions, advertising agencies, law firms, and trade associations in all parts of the country. Specific names of reference will gladly be supplied upon request.

E. I. du Pont de Nemours & Co., Inc.
Standard Oil Company of New Jersey
The York Corporation
Bendix Aviation Corporation
The United States Rubber Company
Zellerbach Paper Company
Sharp and Dohme, Inc.

Smith, Kline & French Laboratories
National Dairy Products Corporation
Bigelow-Sanford Carpet Company, Inc.
The Publicker Industries
The National Association of Retail Grocers
The American National Retail Jewelers
Association

Paraffined Carton Association
Laminated Bakery Package Association
Farm Journal, Pathfinder, Inc.
Curtis Publishing Company
The Philadelphia Evening Bulletin
The Traffic Audit Bureau
The Advertising Research Foundation
J. Walter Thompson Co.
McKee and Albright, Inc.
Lamb, Smith and Keen, Inc.
The Rockefeller Foundation
Haverford College
The Western Saving Fund Society
The Real Estate Trust Company
John Wanamaker, Philadelphia
Bailey, Banks and Biddle Co.
Sixty-ninth Street Merchants Association
White and Case
Morgan, Lewis and Bockius
Blenko, Hoopes, Leonard & Glenn
Carl Seiler & Co.
Joseph E. Lewis & Co.
Scripto, Inc

Team-work in Problem Solving

The relationship between the consulting organization and client is essentially one of collaboration. We bring to the job the objectivity of an outside agency together with a specialized knowledge of research methods and experience in their application to varied problems. *These must be pooled with the client's detailed knowledge of his own business* and direct insight into the practical purposes that must be served.

Such collaboration in no sense abridges the full responsibility we accept for the relevance and reliability of the action we recommend. It is, however, the best insurance that such recommendations will bear directly upon the problem and that they will *be presented in a form most likely to expedite decision and action.*

5. WHEN TO USE AN OUTSIDE ORGANIZATION

The decision to employ outside consultation and research is justified only *when it can clearly make a net addition* to the resources of the client company. This principle, if observed, will conserve much time, energy, and good will on both sides. The following are typical situations drawn from our own experience in which the use of outside assistance was clearly justified:

The *size* of the job would have over-taxed the company's own staff and reinforcements were needed.

The *novelty and difficulty* of the problem called for specialized skills not represented on the client's staff.

The problem *arose on short notice* and an outside group could be called in to meet an emergency.

The need for the assignment was *predicted well in advance* – and could be farmed out so as to leave the client's staff and facilities free for current work.

The company maintains no formal or rounded research organization and has been able to meet its occasional *requirements* by employing a fully equipped, professional firm.

In this section, as elsewhere in this brochure, we have sought to describe the role of outside consultation and research and to do so in positive terms. The relationship between client and counsel is *sound* only where it is mutually rewarding; and it is *profitable* only if standards of performance are set high enough to exact the best efforts of a competent and experienced research group.

6. REFERENCE DATA ON PRINCIPALS AND KEY STAFF

Wroe Alderson – Marketing Counsel

Graduated from George Washington University specializing in economics and statistics. Graduate work at the University of Pennsylvania. Co-author of college textbook on marketing and author of numerous articles in professional and trade journals. Is immediate past president of the American Marketing Association and directed the formulation of the Association's expansion program.

Previous experience includes service with the United States Department of Commerce, the Foreign Economic Administration, and other government agencies. Was for many years a member of the market analysis staff of the Curtis Publishing Company. In Marketing Research, has contributed to all of the principal developments in research technique including store panels, consumer panels, market forecasts, sales quotas, trade areas, measurement of advertising media, and the special problems of sampling and interviewing procedures in industrial marketing research. In Distribution Research, pioneered the now accepted methods of distribution cost analysis and other techniques in merchandising and distribution exemplified in the Louisville Grocery Survey, the National Drug Store Survey, and similar investigations in dry goods, paints, electrical goods, and other product lines.

Robert E. Sessions – Management Counsel

Graduated A.B. from the University of Alabama and LL.B. from the Yale Law School. Previous experience in law, management, and administration includes service as Assistant General Manager of the Tennessee Valley Authority; Deputy Director, Price Division, O.P.A.; consultant on organization and management to Foreign Economic Administration and Federal Bureau of the Budget; and attorney for various government agencies. Consulting experience includes assignments for major companies on research organization and procedures and in the design and execution of survey methods and controls.

Ernest H. Jurkat – Research Director and Chief, Estimates and Forecasts

Ph.D. from Kiel University. At that time was a member of the Institute of World Trade and Transportation. Trained in economics, sociology, and statistics. Was an associate at Princeton University in the school of Public and International Affairs specializing on population trends. Author and co-author of a number of basic studies in this field. Organized course in Sales Forecasting in the Graduate School of Business Administration, New York University. Has been Assistant to the President of an industrial concern and a manager of a trade association. Special fields of interest and experience in Market Research are industrial markets, regional markets, foreign markets, sales potentials, sales forecasts, and business location.

Landon G. Haynes – Chief, Market Surveys

Graduated from Swarthmore College specializing in psychology with further graduate work at Princeton University. Previous experience includes management of interviewing agency and research assistant and account executive on staff of Benson & Benson, Inc. Extensive experience in field studies on industrial plant morale, media research, product testing, and diary techniques as applied to radio audience research.

Albert A. Eisensrat – Chief, Economic Analysis

Graduated from Temple University B.Sc. Previous experience includes service as Chief, Industrial Census Staff, Bureau of the Census, and Chief, Industrial Statistics Branch, War Production Board. Also served as sales promotion manager of radio station WNEW and as research consultant to the Biow Co., Inc. in New York.

Sol E. Zubrow – Chief , Merchandising Research

Graduated B.S. University of Pennsylvania. Graduate study in economics, statistics, and industrial engineering at University of Pennsylvania and American University. Previous experience includes service as merchandise manager in retail sales and as sales promotion manager in advertising agency. Government experience includes service as economist for O.P.A. and as specialist on operating methods, Communications Branch, United States Navy. Formerly faculty member Wharton School of Finance and Commerce, University of Pennsylvania.