

“Now You Are in Business for Yourself”: The Independent Contractors of the California Perfume Company, 1886–1938

Katina L. Manko¹

Department of History

University of Delaware

Every one remembers the Avon Lady and the Fuller Brush Man: they're American icons. They came to your house, they opened fantastic display cases filled with every imaginable size brush, and they gave you lipstick samples shaped like bullets. Few business historians think about independent contractors, like Avon Ladies and Fuller Brush Men, as business owners. But every Avon Lady actually owns her business – tiny in scale, no capital outlay, and operated with occasional labor. Avon Ladies and Fuller Brush Men occupy a unique economic and entrepreneurial niche; they embody corporate identity, but work within individual household units. The direct selling industry doesn't fit the standard model of business as manufacturing and distribution enterprises. The history of the California Perfume Company invites us to question our conventional wisdom about how business is organized, and it contributes to business history by describing an alternative strategy for managing distribution.

This analysis of the California Perfume Company, which became Avon Products in 1939, explores the unique business relationship that developed between company managers and door-to-door representatives, from the founding of the company in 1886 to the death of its first president, D.H. McConnell in 1938. I will focus on McConnell's methods for organizing his sales force and his significant marketing strategies. The California Perfume Company/Avon is an ideal case study of the multiple ways that corporate culture and social culture overlap because it illuminates how the two were combined in a unique economic venture. The history incorporates social history and business history. The unusual strategy and structure of the California Perfume Company incorporated many unusual components that illustrate the power of the consumer, the market, and gender in determining the shape of the industry.

¹ This paper is drawn from a chapter of my dissertation, “Avon Ladies and Fuller Brush Men: The Gendered Construction of Door-to-Door Selling, 1886–1970.” I would like to thank my advisor, Arwen Mohun, for her patient assistance, guidance, and support, and Laura Castellano at Avon Products, Incorporated for allowing me access to the Avon archive. The Hagley Museum and Library, especially Michael Nash, deserves special recognition for acquiring the Avon manuscript collection earlier this year. Thank you, what a gift!

FIGURE 1



1931 Instruction Manual for representatives. Photo courtesy of the Hagley Museum and Library.

Gender, in the context of the direct selling industry, is more complicated than it might initially seem. The sales system that I am about to describe is remarkably similar to that of other direct selling companies that relied on men to sell their products. My research there is still in its preliminary stages, and I won't speculate about the overall relationship between gender and business organization based on the California Perfume Company model. Still, gender is clearly a pervasive and powerful factor in company literature.

Direct selling has attracted very little attention from business historians, in part because it carries a bizarre reputation and an emotional energy that can make rational investigators nervous. Sociologist Nicole Biggart's book, *Charismatic Capitalism: Direct Selling Organizations in America* (1989), is the only analysis of the direct selling industry. Her study is about the growth and character of multi-level marketing organizations, such as Shaklee vitamins, Amway, A.L. Williams life insurance, and Mary Kay Cosmetics from the 1970s to the present. Although she studies different companies and a different era, her observations about the unusual, and in her words illogical, organization of direct selling and its appeal to women are important.

Other historians have studied salesmen and agency selling systems; most, however, condemn salesmen to what historian Timothy Spears calls the historian's version of the "death of the salesman." His book, *100 Years on the Road: The Traveling Salesman in American Culture* (1995), and Susan Strasser's article "The Smile that Pays" (1993) both analyze the culture of traveling salesmen from the 1830s to 1920s. Spears traces how commercial travelers – a group of flashy, over-dressed, bawdy city schemers, selling everything from lightning rods to crackers – contributed to their own demise by shepherding in the new methods of print advertising. These men, and the great majority were men, developed techniques informed by a new "science" of "salesology" that reduced the art of salesmanship to a controllable and logical method of approaching customers and improving sales.²

In *The Visible Hand*, Alfred Chandler also describes a number of firms, including DuPont, Singer, and the Pears soap company, that initially used independent agents or drummers to distribute products. But the agency system was uneven and cut into corporate profits; independent agents had a hard time maintaining inventories, could not extend credit to customers, and were often late returning payments to the central office. So when these companies embraced mass production, Chandler says, they also took control of their independent agents and replaced them with salaried salesmen, and uniform sales, accounting, and credit policies. Corporate profits improved when the "live wires," the independent salesmen, the sources of uncertain and uncontrollable activity, were eliminated. The lesson, Chandler [1977, p. 308] concluded, was that companies that relied on mass-produced machinery and goods "could sell in volume only if they created a massive, multi-unit marketing organization." In a nutshell, mass production begot mass distribution.

Obviously, not all companies took the scientific, integrated distribution route. In 1900 there were over 2,000 small manufacturers who had opted to "tinker" with the agency system rather than go bankrupt trying to develop expensive and intricate distribution networks and marketing schemes. Selling primarily in rural sections of the country, they relied on door-to-door representatives to absorb the function of advertising and distribution on a community level. Direct selling was a way to distribute product without having to compete directly on the shelf with brand name products.

The California Perfume Company (CPC) was one such enterprise, and its history is rooted in the business folkways of itinerant peddlers and commercial drummers. Its founder, David H. McConnell (1858-1938), a farm boy from Ithaca, New York, began working for a small firm in Manhattan called the Union Publishing Company in 1877 when he was nineteen years old, selling magazines, greeting cards, and book sets door-to-door. He then worked

² Dicke (1994) investigates the relationships between companies such as the Ford Motor Company, Sunoco Oil, and Domino's Pizza and their franchise store owners. But franchise owners, unlike door-to-door representatives, were required to invest large sums of money in real estate, equipment, and a workforce. Door-to-door sales distributors cannot be compared with traveling commercial salesmen or Domino's Pizza store owners.

as a general agent, recruiting representatives to sell Union Publishing products in their hometowns. McConnell worked for nine years on the road, selling product and recruiting representatives. He earned \$40 per month plus commission and expenses while traveling and managing sales offices in Maine, Chicago, New York, and Atlanta, where he was responsible for tracking 30 to 40 traveling agents, routing them through towns, monitoring individual sales records, and writing letters of inquiry, motivation, and product updates. Nine years later, in 1886, McConnell purchased half of Union Publishing for \$500 when one of its owners moved south.

McConnell sought a more profitable line than the book trade. "My ambition," he wrote, "was to manufacture a line of goods that would be consumed, used up, and to sell it through canvassing agents, direct from the factory to the consumer." As a book agent, McConnell had offered perfume samples to prospective customers as a gift if they would listen to his selling spiel. The samples were often more popular than the books, so he learned to mix his own perfumes – violet, white rose, heliotrope, lily-of-the-valley, and hyacinth. He soon added flavoring extracts to the line, which were produced with the same chemical process used to make perfumes. All extracts and perfumes were manufactured, packaged, and shipped from his office on Chambers Street in New York City. Among the flavors were favorite standbys, such as vanilla, peppermint, and almond, as well as more exotic tastes of pineapple, garlic, and onion. Limiting the product line to alcohol-based products like perfumes and extracts that McConnell could manufacture cheaply himself was a sound business decision, and by creating a highly successful sales strategy, and economizing on design and production, his company quickly earned greater profits. In 1892 McConnell changed the company name when his business partner, who was living in California when he launched into the perfume business, suggested that "I call [it] California Perfume Company, because of the great profusion of flowers in California..."³

McConnell already had a sizable sales force peddling books, so he asked them to help introduce his new scheme for selling extracts and perfumes. "Dear Friends:" he wrote in 1892, "We have decided to place these goods on the market after *our own peculiar method*, and will necessarily have to make *confidants* of a large number of *worthy and enterprising people* in order that we may carry out this system perfectly."⁴ All new representatives were asked to pay 75 cents for a sample box, which barely covered the cost of the materials and postage, to "insure your good faith in this undertaking."⁵ McConnell's "peculiar method" was a variation on peddling: rather than travel from town to town, he

³ Quotes from an interview with David McConnell, Sr., April 15, 1936. Interviewer unidentified. Avon Archives, IE7, 1936. (The Avon manuscript collection, now at the Hagley Museum and Library, is closed to the public while it is being cataloged. Box numbers, file folders, and shelf designations are not available, so I have used the Avon archival code wherever possible to designate documents.)

⁴ McConnell's Scrapbook, New York "California Perfume Company" November 5, 1892. Emphasis added.

⁵ McConnell's Scrapbook, New York "California Perfume Company" November 5, 1892.

wanted agents who lived in the community. His “confidants,” the “worthy and enterprising people” he hoped to enlist in the trade, became the pioneers of the “vast army” of Avon Ladies.

FIGURE 2



Mrs. Persus Foster Eames Albee. McConnell called her “The Mother of the California Perfume Company.” Photo courtesy of the Hagley Museum and Library.

McConnell made a conscious effort to distinguish his company and its representatives from commercial drummers because he needed to appeal both to rural consumers and potential recruits who remained suspicious of salesmen. His selling techniques aimed to correct the image problems associated with older traditions established by free-wheeling, suspect schemers, itinerant peddlers, and commercial salesmen. McConnell’s all-female sales force assured their customers that they were not like other peddlers. First, as women, they *didn’t* look like most peddlers. Second, McConnell recruited representatives to work and sell in their own community offering stability and continual service, which itinerant peddlers could not offer. And third, McConnell backed all of his products with a money-back guarantee if the customer was dissatisfied. “One thing we want you to bear in mind distinctly,” he wrote in the Traveling Agent’s manual, “that this is not peddling or anything of that kind... The samples you carry with you are not goods put up for samples, but are goods

taken direct from our stock; therefore, the goods you deliver will in every instance be exactly like the sample carried with you.”⁶

Distinguishing his direct-to-the-home selling methods from commercial peddlers was important in recruiting women to sell the line. Mrs. Persus Foster Eames Albee (1836-1914), the president of the Winchester, Vermont Literary Guild who worked as one of McConnell’s book agents, was the very first agent McConnell employed to sell and recruit for the perfume trade.⁷ Her stature in the community added an element of middle class respectability to a culturally suspect selling system. McConnell believed that women from small towns, like Mrs. Albee, could gain entry to their neighbors’ households more easily and for longer periods of time than out-of-town peddlers. The direct selling approach, a face-to-face strategy devoid of common retail props like print advertising and flashy displays, relied instead on the social skills of the representative, her community reputation, and the quality and desirability of the sample products she carried.

Besides being a more respectable occupation than peddling, direct selling was a better alternative for women who wanted to enter retail trade. According to historian Susan Strasser, female drummers working for large wholesalers had a particularly hard time, both adjusting to life on the road and maintaining their reputation. Women who traveled the railroads and engaged hotel rooms “could never be one of ‘the boys,’” nor could they take part “in the culture that assisted adaptation to life on the road and provided keys to commercial success” [Strasser, 1993, p. 158]. Female door-to-door sellers, on the other hand, could justify their forays into the retail trade because direct selling offered an economic opportunity that required contractors to combine work and home life.

McConnell believed that he was offering each woman a business opportunity, a chance to control a trade, much like a store owner. “You get the same profit that the owner of a store receives from the things he sells. And you don’t have to pay out a cent for rent, light, heat, clerk hire and other expenses.”⁸ “Take a sample box of the goods at once and go right to work in an active canvass,” he advised his agents. “Once you get the people in your territory accustomed to using California Perfume Extracts you will control their trade wholly...”⁹

Women worked for the California Perfume Company as one of two types of agents: traveling agents and door-to-door sales representatives. The traveling agents were the elites; they did not sell products, but instead sold the

⁶ “Manual of Instruction,” California Perfume Company, 1899, p. 5.

⁷ McConnell may have recruited Albee into Union Publishing while he was working at the Maine office. In his 1903 history of the California Perfume Company, “The Great Oak,” McConnell credits Albee with developing the sales system used to recruit and train women to sell his perfumes, and called her “the Mother of the California Perfume Company.” Mrs. Albee’s tenure at CPC was probably quite short. She is not mentioned in any surviving memoirs, including Anna Figsbee’s (*My Company and Me*) who joined the company in 1901.

⁸ “Now You Are in Business For Yourself,” Avon Archives, IVC2, 1927.

⁹ McConnell’s Scrapbook, New York “California Perfume Company” November 5, 1892.

CPC “business opportunity.” They were recruited from the ranks of the successful door-to-door sales representatives who had shown that they knew the product and had a talent for selling. If they were able and willing to spend several months on the road, traveling agents, like Mrs. Albee, rode the trains, lived out of suitcases in hotels and boarding houses, and stopped in every tiny town to recruit other women to sell CPC products door-to-door. McConnell taught them how to find prospects in towns, how to interview them, and encourage them to sign contracts to sell. A traveling agent would spend about one or two hours training her recruit before moving on to the next town on the list. Depending on her schedule, she could sign up four to five representatives a week. A few men do appear as traveling agents and sales managers. “While we have mentioned throughout this [manual] that it is women whom you inquire for, and instruct, nevertheless, *men* are just as eligible for Sales Managers as women,” McConnell wrote. “In fact some of our best Representatives...are men. Now men may be a little backward about being drilled by a woman...but instruct them just the same...”¹⁰

The women who agreed to sell door-to-door were called “Depot Agents,” because they often lived in towns with a railroad depot. They sold only in restricted territories, usually their own home towns, and did not travel. Once a new representative paid her deposit for the sample case and had received her initial stock of order forms and catalogs, she could sell for several years before she saw another company representative. If the representative was from a very small town, with less than 1,000 inhabitants (as about 80% of representatives were) she was expected to submit an order once every three or four months; representatives from towns with more than 2,000 inhabitants were to submit an order every four to six weeks.

“You have been recommended to me as a young woman of ability and willing to work...”¹¹

In an age in which only 5% of all commercial travelers were female, it is surprising that McConnell chose to hire women exclusively. It is not clear why. Were perfumes more marketable through a female sales force? Were women more likely to listen to a business opportunity presented by a woman? McConnell’s letters and philosophy are embedded with assumptions about the existence of middle-class women’s networks. He encouraged representatives to make business an integral part of their personal lives by incorporating their families, friends, and even their churches, into their selling activities, in short to make their social networks serve their business [Biggart, 1989, p. 8].

Who were these women? Most of the women who volunteered the information printed in company newsletters and pamphlets indicated that they were married or widowed (less than 15% of the women names printed in CPC literature are listed as “Miss”), that their children were grown, and that they

¹⁰ “Instructions for General Agents,” (1915) p. 10. Avon Archives, IE5.

¹¹ From “Instructions for General Agents,” (1915) No.2 “Sources of Information and how to Approach prospects,” p. 6. Avon Archives, IE5.

needed short-term, flexible earning opportunities.¹² Typically, the Traveling Agent was either unmarried or widowed and had the time and resources to spend six or eight months of the year away from home. The Depot Agents were similar demographically. Many of the women who are pictured in representative newsletters appear to be past their 50s. McConnell's advice to Agents suggests that he knew the women he sought to recruit had few other viable work options. "Inquire for widow ladies," he wrote. "Or ambitious married ladies, or ladies with sickly (or lazy) husbands, for maiden ladies,...teachers who are not teaching, stenographers, clerks or nurses who are out of employment."¹³ He also needed women who were available to handle the trade four to six hours a day. "Arrange your home affairs so as to give as much of your time as you possibly can to this work. You cannot expect to succeed at anything unless you give it thought and give it energy."¹⁴

Except for the occasional visit from a Traveling Agent, representatives were free to operate their businesses according to their own schedule. Given the independent nature of CPC work there was a wide variety of ways women could use the economic and social opportunities the company made available to them. The CPC business opportunity was attractive to women because of the low financial risk involved in taking up the work, and the support she received from the company in maintaining her business. The deposit on the sample case was \$4.50, and she earned that back once she submitted \$200 in wholesale orders. In exchange she was relieved of enormous tasks, such as manufacturing product and maintaining an inventory, but she also received free advertising, product literature, premiums, and business tools such as sales slips, order forms, and package labels.

McConnell, meanwhile, eliminated substantial expenses for salaries and office space. He paid sales representatives a straight 40% commission. The representative created the retail space and provided the selling function. While on the one hand it cost the CPC very little to maintain a distributor's contract beyond the cost of the paper and stamps to communicate with them, on the other hand, this approach did not ensure that the CPC would profit, either. There was no way to regulate the quality or frequency of work.

The CPC bumped along through its first few decades, celebrating small victories, like their first \$500 day in 1897, and their first advertisement in *Good Housekeeping* in 1906.¹⁵ The product line gradually increased, along with the number of representatives, and soon every state in the union was home to

¹² For more information on the work culture of Traveling Agents and Sales Managers, see Chapter Two of my dissertation.

¹³ From "Instructions for General Agents," (1915) "Information", p. 4. Avon Archives IE5.

¹⁴ McConnell's Scrapbook, New York "California Perfume Company" May 1, 1899.

¹⁵ The CPC did not develop a continuous advertising campaign with *Good Housekeeping* until 1936, adding campaigns with the *Christian Science Monitor* in 1937. In 1906, the most important benefit of the *Good Housekeeping* advertisement was attaining their "Seal of Approval," which confirmed their good standing with the 1906 Pure Food and Drug Act. Individual products were approved until 1932 when *Good Housekeeping* extended the "Seal of Approval" to the entire line of Avon and Perfection products.

agents selling CPC perfumes, extracts, vegetable colorings, tooth tablets, shampoo creams, witch hazel and almond balm creams, baking powder, olive oil, silver polish, furniture polish, and a variety of other household products. By 1900, 48 Traveling Agents recruited and trained over 6,500 door-to-door Sales Managers.

The California Perfume Company was like a firm without walls. It relied on people who drifted in and out of company supervision and control. A woman who sold CPC products for just 10 hours a week claimed an association with the firm, and for all intents and purposes, she *was* the CPC in her territory. Representatives had an extraordinary amount of freedom to shape the public perception of their company, its values, and its mission. Managing this sales force presented many unique challenges to CPC managers, isolated in Manhattan: they needed to inculcate a company spirit and identity in a scattered sales force, ensure that they adhered to company policy, and most importantly, that representatives actually worked. They did this by developing two things: motivation and marketing.

Motivation

McConnell's appeal to representatives was based on very powerful social values. His business philosophy was attractive because there were elements that most everyone found appealing and empowering. He maintained that direct selling was based on ideals about the potential of economic opportunity, on paying individuals according to their production, and abiding by the business principles he believed were important to achieving success – fair rewards, motivation, and a respect for business partnership whether it was with men or women.

More than any other type of business, direct selling companies historically have been concerned – even obsessed – with developing their representatives' mental outlook and work ethic. Rather than overcompensating for his absentee management system by investing in direct supervision, McConnell chose to bombard his representatives with positive thinking, appeals to their social conscience, and invocations of the Protestant work ethic. The knowledge and skill of saleseology could be taught; but the desire to succeed and the discipline to persevere were character issues.

McConnell's management system mimicked the one he worked under as a sales agent. He wrote letters to representatives about once a month, offering instruction and encouragement, and emphasizing the loyalty of the company and the quality of products they sold. His style was intensely personal, and even his "form" letters appear tailored to individuals. McConnell's letters all included a direct appeal to the representatives to start work immediately, and to write back to tell him their plan and their sales goals.

Although each representative was free to operate her business according to her own needs, the CPC retained the right to revoke her selling privileges if her sales performance was not up to par. "We want to say right here, that every day we receive applications for additional territory from Agents who have

pretty well covered their own and want to increase their field," McConnell wrote. "To preserve your territory, let us hear from you promptly."¹⁶ And he expected representatives to comply with his requests. "On looking over our contracts," one form letter begins, "we notice you did not answer our last communication. This we regret as we especially asked you to do so and let us know if you could start in at this time... If we do not hear from you in reply to this, we will feel at liberty to place the territory on our General Agent's list and put another worker there."¹⁷

There were practical reasons why McConnell needed to know each representative's situation. McConnell took the number of working sales representatives into account when he calculated his inventory. CPC manufacturing facilities, located in Suffern, New York since 1895, were not big enough to hold large supplies of product, and there was a strict policy that all orders were to be filled and shipped the same day they were received. When the mail arrived in the morning at the Chambers Street office in Manhattan, orders went first to the billing department, then supplies were brought by train from Suffern, and the products were packed and shipped that day; it was a policy that demanded cooperation from the office staff, the manufacturing facility, and the representative. "[P]lease bear this in mind and write us promptly [about your selling plans]," McConnell wrote.

Even if a representative did not send in regular orders, McConnell offered many opportunities to explain their lack of activity. He wrote gentle inquiries, asking if the representative had become ill, or if something had prevented her from starting. Bad weather, rain, heat, and cold, were always acceptable explanations for why someone was not out selling, as were family emergencies. "In case you feel that you cannot continue the work at the present time, if you want the territory reserved for you, drop us a line promptly."¹⁸ But giving representatives the benefit of the doubt could quickly turn sour, and McConnell was not afraid to use good old-fashioned guilt trips to scold his saleswomen. McConnell reminded each delinquent representative of the privilege of being entrusted with "protected territory" and their promise to work that territory.

Then how about the responsibility that goes with this privilege? Does it not obligate you to take care of our interests in your territory? Is it not fair for us to ask you to be sure you are not losing a single order in the field over which you have been selected to reign? If we keep faith by removing and keeping out competition of every description, do you not owe it to us to see that we do not lose a penny's worth of business that can possibly be secured? Surely this is no more than fair... [I]t doesn't seem possible that anyone would be so neglectful of their

¹⁶ McConnell's Scrapbook, New York "California Perfume Company" April 7, 1897.

¹⁷ McConnell's Scrapbook, New York "California Perfume Company" March, 1899.

¹⁸ Ibid.

responsibility, especially when we pay them so generously for their work.¹⁹

Ultimately, McConnell told his sales staff, the success of the representative and of the CPC were mutually dependent. The emotional appeal worked. McConnell created a relationship where representatives would feel morally, if not legally, bound to the company.²⁰

Stern words, however, were often used as a last resort, for McConnell also believed that people responded better to positive reinforcement. McConnell used successful representatives' sales reports to motive his sales force. The *CPC Outlook*, a monthly newsletter which replaced McConnell's wordy letters to representatives in 1905, featured columns listing representatives' names, home states, and orders from across the United States. Typically, the *Outlook* featured reports from 30 to 50 women who worked about 20 hours per week, made about three sales calls per hour, received orders from about 75% of the homes visited, and averaged \$1.00 to \$2.00 per order. In order to head off the claim that a territory was not large enough to support a strong sales report, the *Outlook* invariably featured an outstanding order from a representative working a particularly isolated territory of only 300 people. Mrs. William Guest of Brownsville Junction, Maine, (population 500) was appointed as a Sales Representative in September, 1924. Her total business through April 1926 amounted to \$1,133.77 retail. "This is particularly noteworthy," sales manager Mark Taylor wrote, "in view of the northern location of her field. Conditions apparently don't mean a thing to Mrs. Guest. We have no reason to suppose that the field is any different in business possibilities than hundreds of other districts of its type, and better... It isn't the territory that's different – it's the Representative."²¹

Weekly sales reports were printed in representative newsletters, flanked with maxims about work, self-discipline, enthusiasm, and success. "The work habit is the sieve that separates the dreamer from the doer... Far and away the best prize that life offers is the chance to work hard at work worth doing."²² Most sales reports featured in the *Outlook* were for wholesale orders over \$30, since that is what the CPC encouraged representatives to sell every month. It is impossible to know just how unusual the published sales figures were; most likely they represented the high-end producers, for there is ample evidence which suggests that many representatives sent in orders for much less. But since representatives worked independently and did not have an opportunity to correspond with each other or share experiences personally, it would have been

¹⁹ "Privilege Includes Responsibility." Christmas Bulletin, no. 121 December, 1921. Avon Archives, IIB5a4.

²⁰ As sociologist Nicole Biggart [1989, p. 8] has noted, the direct selling industry did not develop this "alternative form of enterprise as a principled attack on over-rationalized capitalist work arrangements. Rather, [they] pursue[d] these arrangements in order to better control workers."

²¹ "Our Daily Chat," April 28, 1926, bound volume.

²² CPC Special Bulletin, November 1910. Avon Archives, IIB5a4.

easy for them to assume that most representatives were that productive. But regardless of how skewed the published figures might have been, printing the sales reports ultimately was intended to inspire and empower representatives: "Having determined what can be done, enter upon your work joyously, without fear, and push for the result desired. Give no place to 'I can't' but plenty of room to 'I CAN.' Think it, be it, live it, and you not only can but WILL succeed."²³

FIGURE 3



Effie Miller of Stayton, Oregon won this Brush Runabout in 1911. Photo courtesy of the Hagley Museum and Library.

The CPC also invested in an ever-larger array of material incentives to encourage higher sales. Most prizes were awarded to every representative who met a certain sales quota, such as a Rochester Coffee percolator for selling 75 packages of furniture polish and carpet renovator, or an Alca vacuum cleaner for a wholesale order of \$60. Prizes, like table linens, silverware sets, aluminum cookware, watches, jewelry, and cleaning equipment, were luxury items that many representatives would not have normally purchased for themselves. Other prizes were useful for business: such as traveling bags, pens for writing orders, umbrellas, and rain coats. McConnell also gave \$15 in gold to the highest order each month. In July 1911 the CPC offered up a Brush Runabout to the representative who had the highest six-month sales record. To level the playing field between representatives from small territories and large territories, they based their calculations on every 1,000 of white population. "In this contest it isn't the size of the district, but the 'size' of the Representative

²³ Ibid.

that will count most.”²⁴ Predating Mary Kay’s first pink Cadillac driver by over 60 years, Effie Miller of Stayton, Oregon sold \$1,088.43 of CPC goods, and sat proudly in her machine.²⁵

Marketing

Increasing sales, however, required more than motivated sales representatives, and the CPC also invested in more sophisticated marketing techniques. McConnell recognized very early on that his original scheme to distribute quality products in plain, economical packaging was overly cautious. Women were very willing to pay more for products in pretty packages. William Scheele, CPC’s general manager, designed a new Color Plate Catalog in 1915, which he believed had “made scientific salesmanship possible.”²⁶ The production costs for the Color Plate Catalog ran over \$10,000, a very large sum for a small company. As the number of products increased, it had become impossible for representatives to carry full-size samples in their sales outfits, which also reduced their pool of potential recruits. The new Color Plate Catalog, a 1915 instruction manual explained to Traveling Agents, “enables you to appoint frail, delicate people, even those who are semi-invalids.”²⁷ Sales Representatives supplemented the images on the pages by carrying one full-size sample of whatever product the Company suggested as a “product leader,” such as talcum powders in the summer, hand creams in the winter, and perfumes during the holiday seasons. In 1915, the CPC won the Gold Medal at the Panama-Pacific International Exposition in San Francisco for the quality of their goods and package design; the CPC featured this award in company literature and product brochures for the next 15 years.

²⁴ I have not found any evidence about the types of prizes other direct selling companies offered in this time period. It is not unusual to find prizes that representatives could use as gifts for friends and family members.

²⁵ See July 1911 *Outlook*, for contest announcement, and photos in Selling Method, (IIIB5b1) incentives/recognition, auto program. Effie Miller’s sales would have earned her a total of \$435 in commissions and \$25 in bonus plan money – or about \$75/month – and several other prizes. The number of hours she worked during the six months is unknown. The September 1916 *Outlook* features the second auto contest announcement; it was won by Mrs. Amy Linnell of Bisbee, Arizona (March 1917 *Outlook*). McConnell’s letters and business manuals are fairly up front about recruiting and selling for a white audience. In the 1924 “Handbook for District Supervisors,” under sections titled “Who Not to Appoint” and “A Delicate Question” the CPC advised; “As a general proposition, we do not approve of the appointment of a colored Representative... When working in a large city or town, there is sometimes a good colored section in that town where a nice business could be done, if a reliable colored Representative could be appointed.” In these cases, the CPC required cash advances with their orders. A deeper analysis of race is provided in my dissertation.

²⁶ Quote from the Instructions for General Agents handbook (1915), No. 10 “The Advantages of the Color Plate Catalog” p. 4-6.

²⁷ Ibid.

FIGURE 4

Plate from the 1915 Color Plate Catalog displayed products in full size and exact packaging. Author's collection.

The second most important marketing idea was implemented in 1928 when the CPC introduced its first “Avon” brand products: a toothbrush, powdered cleanser, vanity set, and talcum powder. By 1929 CPC had created a complete Avon line, with a uniform blue and silver packaging design that called attention to a “family” of household and cosmetic products. As the number of products increased, CPC sales managers included many brochures with “selling talks” in monthly newsletters, encouraging representatives to follow a “proven and successful” method for introducing new products and explaining their use. Irene Nunemaker, the first woman to hold a California Perfume Company executive office, offered instructions for applying color cosmetics, limited at this time to lipsticks, face powders, and rouges.²⁸ Quality sales tools helped representatives move products and helped the CPC ensure better service for consumers.

The Depression and Direct Selling

In 1920 CPC reached \$1,000,000 in sales, in 1929 it reached \$2,500,00. The number of sales representatives grew from 16,000 to 25,000 in the same period. The CPC’s business relationship with their “vast army” of representatives had changed little throughout the 1920s. The direct selling industry was fairly well organized when the depression hit, and most companies with estab-

²⁸ Nunemaker’s “expertise” came as a beauty editor for a Kansas City based bride’s magazine, where she wrote under the name Kaye Farrell.

lished sales forces, like the CPC, actually increased production and profits throughout the 1930s. New representatives were easily recruited, as the unemployed and underemployed looked to direct selling to supplement their income.

FIGURE 5



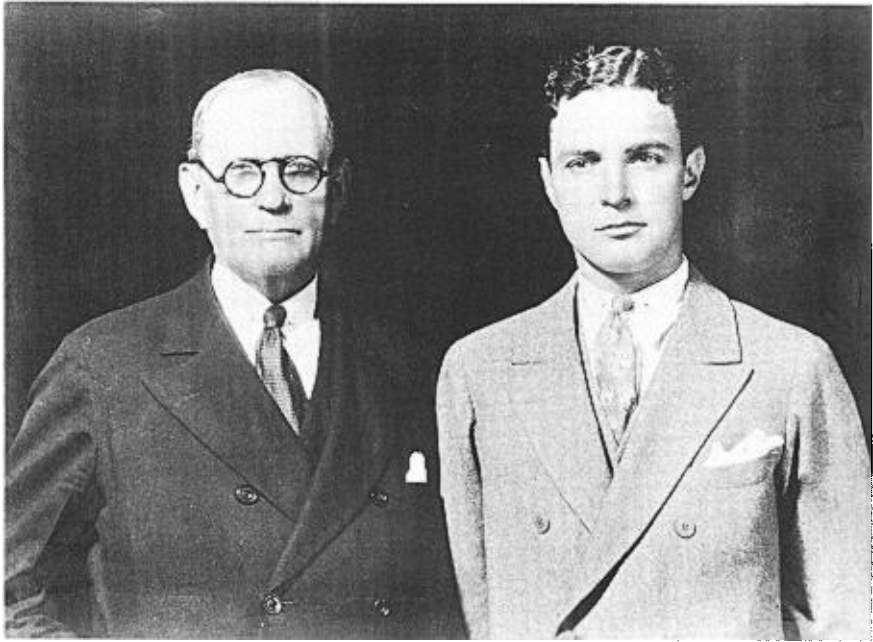
CPC sample case and product price list c.1905. Photo courtesy of the Hagley Museum and Library.

Despite a large influx of new representatives and subsequent increases in production, some CPC managers were disappointed with sluggish sales in 1930 and 1931. It was during the depression, when the California Perfume Company implemented important organizational changes in response to the

economic crisis, that it seemed like the direct selling industry might turn toward the integrated, mass distribution route – the Chandler path – but it didn't. In fact the company made some surprising decisions; three significant developments were the creation of structured marketing campaigns, the creation of permanent city and district sales office, and the legal sanction of "independent contractor status."

McConnell, 72 years of age in 1930, took a back seat in corporate decision making, allowing his son, David McConnell, Jr., to take over as Vice President after his graduation from Princeton; he was nineteen years old. He was one of a new generation of managers schooled in scientific business management techniques who shepherded in these changes. However, with representative turnover approaching 400% every year during the depression, few representatives would stick around long enough to notice the drastic transformation of her business that they would bring about.

FIGURE 6



David McConnell, Sr. and his son David McConnell, Jr. This photo was given to representatives who submitted wholesale orders of \$30 or more in May, 1928. Photo courtesy of the Hagley Museum and Library.

The new, young executives introduced new marketing programs, having finally convinced McConnell, Sr. that their ideas were worth trying. The CPC had been encouraging representatives to canvass their territory every month, but few complied. Twenty-two year old John Ewald, the General Manager at the Kansas City office, thought that representatives were taking too much time in canvassing their territory and believed that he could increase the number of

orders by shortening the selling cycle from four weeks to three weeks. His three-week campaigns featured a special sale price on selected products so exciting that representatives would want to go out and tell their customers about it.

The new plan was introduced matter of factly, with very little fanfare. "I am sure you will be mighty enthusiastic over the new 20 day sales campaign..." Kansas City Manager O.F. Blatter wrote to his Traveling Agents. "[W]e are expecting, because of this, that it will stimulate quicker interest in the minds of our Sales Representatives resulting in a greater volume of business for the period indicated."²⁹ In the Representative newsletter, *Avon Outlook*, John Ewald introduced the new format with a special "20-day sales campaign" to sell Avon Ariel and Vernafleur face powders, regularly 75 cents each, at two for \$1.00.³⁰ The three-week selling campaign and the new "two for a dollar sale" showed instant results as the number and size of representative's orders rose dramatically. In fact, CPC sales and profits continued to rise steadily throughout the Depression.

The phenomenal success of the shorter sales campaign taught the executives that representatives were very willing to follow instructions or "suggestions," which managers could use to control how a representative conducted her "business." The sheer size of the corporation, which had dictated a stronger control of resources, combined with a new management roster and the expansion of the consumer product line, all reduced the representative's freedom to operate her business, placing more control in the hands of corporate sales managers and product designers. On one hand, structured campaigns reduced the representative's freedom to take initiative; on the other hand, if she followed their suggestions, her sales, and her profits, would increase.

The next problem was tackling city markets. Ideally, McConnell's direct sales system could work in any type of market, but direct selling succeeded best in small towns where general stores had a slow turnover of goods, and where department store display windows and overflowing counters simply didn't exist. Throughout the Company's first 50 years, CPC agents stood outside of city territory. McConnell, Jr. believed direct selling hadn't worked in cities because of their impersonal atmosphere, and because of the opportunity for consumers to purchase similar products at retail markets. Cities also had higher turnover rates among the representatives. In 1935 he developed an organizational plan of permanent sales offices where representatives could go to learn sales strategy and maintain regular contact with a sales manager.

McConnell, Jr. opened his first test markets in Houston, San Antonio, and Wichita, Kansas, "because they were very much like country towns." As one CPC executive recalled later, "[i]n Texas the problem wasn't getting in [the door], it was getting [back] out[;] they wanted you to have cake and coffee."³¹

²⁹ "Our Daily Chats" July 25, 1932, bound volume.

³⁰ *Avon Outlook*, August 1 to August 23, 1932.

³¹ October 1965 Interview with Wayne Hicklin, President, of Avon Products. Avon Archives IIF1, 1964.

The city management plan was very successful, and soon Traveling Agents throughout the country were gradually pulled off their routes and installed in permanent District and City Sales offices. Eleven sales offices were opened in Texas, Kansas, Nebraska, Oklahoma, and Minnesota in 1936; twenty-three more were opened in 1937, all in states west of the Mississippi River.³²

The permanent offices built a strong and effective communication network between managers and their sales staff, and allowed better control of product distribution and production management. These managerial innovations, brought about as a means of maintaining and improving sales during a national economic crisis, had an enormous long-term impact on the way the CPC organized its workforce. As CPC managers applied the more-familiar features of modern corporations, they also re-developed the system through which they organized their sales force, controlling representative's activities even while they continued to use language that defined their representatives as "business owners." They invested in a supervisory staff who were trained to teach women to develop their own business. In return, the CPC built a stronger and more effective network for communicating with their sales staff, had better control of product distribution and production management, and built a sales staff that was more dedicated and more involved with the company on a regular basis. Sales meetings and development workshops were geared toward empowering women and feeding their belief in themselves to meet goals higher than they had envisioned on their own.

Seeking Legal Sanction – The Independent Contractor Status

The California Perfume Company was one of 10 founding members of the National Association of Direct Selling Companies (NADSC), organized in 1910, which acted as a lobbying group, protecting the interests of direct selling companies in interstate commerce regulations and in local legislation on issues such as business licensing, canvassing laws, and product warranties. The organization fought their most important battle during the depression when New Deal programs threatened to destroy companies that sold product door-to-door. Programs such as the Social Security Act and minimum wage legislation threatened devastating consequences for direct sales companies. Before the New Deal, the relationship between distributors and the firm was not a significant question. Use of the term "employee," "independent salesman," or "independent business owner" was a matter of company preference, not legal distinction. For the first time, the federal government and the direct selling industry began to understand the word "employee" to refer to a work relationship and to have social meaning [Biggart, 1989, pp. 35-36]. Minimum wage legislation, predicated on a system of bureaucratic organization where the

³² "Schedule of City Sales Offices, opened during the period December 15, 1935 to February 10, 1941." Undated, Avon Archives IIIB1b. Boston and Philadelphia were organized in 1938, but the CPC waited until 1940 to organize most of the northeast corridor. They did not even attempt to organize New York City until after World War II.

employer supervised, controlled, and monitored their employees in a discrete work setting, did not apply to direct selling systems. Logistically it would have been impossible to collect a payroll tax from remote representatives whose sole income derived from their sales. There was no way for companies to control the quality of a worker's performance, to regulate how much time a distributor spent selling product, or even to know for how many companies an individual distributor sold.³³

In order to evade New Deal policies, the NADSC employed semantic arguments and in 1935 introduced legislation that defined the status of their representatives as "independent contractors." Direct selling companies agreed to make it clear in their contracts that distributors were in business for themselves and would have to take on costs of maintaining that business. In exchange, companies agreed to refrain from dictating retail prices and selling methods, and would not require any reports from their independent contractors except their orders. Companies also agreed to never retain records regarding the number of calls a contractor made, hours worked, or sales interviews gained. Of course, many found ways to gather this information anyway, but requests were always couched in terms that made the information voluntary.

In terms of business and economic rationality, endorsing the "independent contractor" status made very little sense, because companies willingly gave up their right to hire and fire representatives as well as the right to monitor and control work performance. At a time when many American businesses were becoming more centralized and controlling, the direct selling industry chose to cut loose their lifeline to consumers. But new executives were already moving the California Perfume Company toward a more traditional, bureaucratic organization and philosophy, encouraging sales managers to rein in their representatives and control their behavior more directly. They had made themselves integral to a representative's business life by dictating her sales activities through the three-week campaigns, special product promotions and incentives, by limiting her movements with smaller territories, and by instituting more regular contact with salaried sales managers in the city and district sales offices. The need to legally define the representative's status had more to do with eliminating corporate responsibility for paying taxes and abiding by wage restrictions, and much less to do with changing the business relationship between firm and contractor.

³³ Biggart [1989, pp. 33-41] describes other attempts by the NADSC to head off a 1928 Federal Trade Commission investigation by submitting a code of ethics in hopes of heading off FTC efforts to regulate practices. If we "write a code of ethics which is to be followed by all members of this association and will then offer it...as a transmittal of the practices we follow in our business, it is a ten to one shot that the Commission will adopt our viewpoint. If we show them that we intend to keep our skirts clean...and do what we consider the right thing with our customers and salesmen and public generally, the Commission will quite likely...rule in our favor..." (p. 35, quoting from the NADSC Proceedings of the 1928 Convention (Winona, MN, 1928), pp. 13-14.)

Conclusion

Why did the California Perfume Company decide to maintain an independent sales force? It seems to me that the CPC was in a very good position to take full control of their sales staff and correct problems. The company was finally embracing mass-production technology at the same time as the three-week campaigns and city sales offices were developed – a situation that in the Chandler model was prime time to convert to mass distribution. I can think of three explanations why CPC did not.

First, when John Ewald petitioned McConnell, Sr. to begin the three-week selling campaigns in 1932, he also won a chance to open two test markets where representatives would be paid a guaranteed salary in addition to their sales commissions. It failed miserably. Representatives did not increase the number of hours they spent on their business, and the size of their orders actually decreased. Ewald was not given the chance to revamp his strategy, and the subject of a salaried sales force, 25,000 strong, was not brought up again. Second, by 1935 the CPC had accumulated nearly 50 years of experience in managing its sizable sales force. McConnell was a leader in the direct selling industry, and his company was looked to as the model for how to build a successful direct selling organization. And his system worked; the CPC clearly filled a need for customers and distributors alike. McConnell had perfected his motivational techniques, and even a lackadaisical sales representative could profit the company so long as overhead was kept low enough, whereas the costs to transform the sales force would have been overwhelming. But while the contractor legislation of 1935 is significant, it really made little impact on the organization and management style of the California Perfume Company. The CPC was committed to treating their distributors as independent business owners, and was as likely to use the phrase “Now you are in business for yourself” in 1920 as they were in 1940. Representatives were not even informed of their new status.³⁴

But economic rationality can only explain part of the story; rhetorical evidence provide some clues. McConnell had to seriously believe that he was selling a business opportunity as well as a product. He had to make a sincere effort to create an economic opportunity for women that met their needs, or else his system would not have worked. It meant accepting part-time, occasional labor, and looking the other way when women sent in orders that clearly did not come from their territory, but filled their own household needs.

³⁴ At least, not that I have seen thus far, but this does not mean the CPC did not make some announcement. According to Biggart [1989, p. 185 n.49], Federal attempts to challenge the “status laws” were modest during the 1940s. Not until 1968 did the IRS begin to vigorously challenge the law and propose to have distributors declared employees. They lost their bid, however, and the Tax Equity and Fiscal Responsibility Act of 1982 defined distributors as independent contractors for federal tax purposes. I am curious to know more about how the IRS defined “employee” and “business.” I am also looking for more evidence about when CPC/Avon told their representatives about the “status laws,” because eventually individuals qualified for tax-deductible business expenses, which became an attractive recruiting point.

I believe that we need to take seriously corporate rhetoric about selling a business opportunity. We are trained to view such altruistic sales talk suspiciously, especially when uttered by corporate America. It is not hard to read McConnell's missives about giving women an opportunity to improve their lives by selling CPC products and suspect that he was really seeking cheap, low-maintenance labor with a built-in selling audience. But I'm not sure about that. Yes, some women probably were fed a line about how much their lives would improve, and about the riches they could accumulate by selling lipstick and fragrance to their friends and neighbors. But, in the end, CPC did offer thousands of women a chance to participate in the marketplace, and were encouraged by others, both corporate managers and sister representatives, to believe in their ability to run with that opportunity.

We need to take the corporate rhetoric as seriously as it was by the people who joined the company – that providing a business opportunity was as important as making a profit, and in fact they were mutually dependent. I say this because I know where this account ends up. The overall story that I am tracing in the history of California Perfume Company/Avon and in the direct selling industry follows an interesting path. World War II became a distinct dividing line. Before the war, 90% of sales people in the direct selling industry were men; today, about 85% of direct sales people are women. Before the War, the dominant mode of selling was door-to-door; after the war, the home party system dominated. The rhetoric and techniques that were developed in the first 50 years of the California Perfume Company's history were manipulated and transformed by companies such as Tupperware and Mary Kay Cosmetics in the post-war era that took independent contractor status as a given. These new businesses took "being in business for yourself" more literally, and the consequences for business organization were much more radical. Further explorations of the CPC's blatant and forthright attempts to harness gendered values to recruit, motivate, and reward women workers can provide new insight into many historical business analyses.

References

- Biggart, Nicole Woolsey, *Charismatic Capitalism: Direct Selling Organizations in America* (Chicago, 1989).
- , "Rationality, Meaning and Self-Management: Success Manuals, 1950-80" *Social Problems* (1983).
- Chandler, Alfred D. Jr., *The Visible Hand: The Managerial Revolution in American Business* (Cambridge, 1977).
- Dellheim, Charles, "Business in Time: The Historian and Corporate Culture," *The Public Historian*, 8 (Spring 1986), 9-22.
- Dicke, Thomas, *Franchising in America: The Development of a Business Method, 1840 to 1980* (Chapel Hill, 1992).
- Douglas, Mary and Baron Isherwood, *World of Goods: Towards and Anthropology of Consumption* (New York, 1974).
- Leach, William, *Land of Desire: Merchants, Power, and the Rise of New American Culture* (New York, 1993).
- Fox, Richard and T.J. Jackson Lears, *Culture of Consumption* (New York, 1983).

- Fuller, Alfred, *A Foot in the Door: The Life Appraisal of the Original Fuller Brush Man as Told to Hartzell Spence* (New York, 1960).
- Lears, T.J. Jackson, *No Place of Grace: Antimodernism and the Transformation of American Culture* (New York, 1981).
- Lipartito, Kenneth, "Culture and the Practice of Business History," *Business and Economic History* (Winter 1995).
- McCracken, Grant, *Culture and Consumption: New Approaches to the Symbolic Character of Consumer Goods and Activities* (Indianapolis, 1988).
- Ries, Raymond, "The American Salesman: A Study of a Direct Sales Organization," unpublished Ph.D. Dissertation, University of Illinois, 1958.
- Spears, Timothy B., *100 Years on the Road: The Traveling Salesman in American Culture* (New Haven, 1995).
- Strasser, Susan, *Satisfaction Guaranteed: The Making of the American Mass Market* (New York, 1989).
- , "The Smile that Pays," in James Gilbert, Amy Gilman, Donald M. Scott, and Joan W. Scott, eds. *The Mythmaking Frame of Mind: Social Imagination and American Culture*, (Belmont, CA, 1993).