

# A History of Selling in America

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*Many have said some version of, “those who forget the past are doomed to repeat.” Much wiser people have noted that the past often repeats itself, so it’s just the mistakes that we ought to try to avoid repeating, right? Sales history may help us avoid future mistakes. Read on to learn about the “History of Selling.”*

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## During the Early 1800s

Historian Mark Bernstein described salespeople of the 1800s as “drummers, men who, at least in their own minds, lived by their wits, sold by their charm. . . Selling was a slap on the back, a fresh joke and a stale cigar when the deal was struck.” In fact, the word “salesmanship” had not even entered our language until the 1880s when it was added to The Oxford English Dictionary.

One important concept to recognize about selling in America prior to about 1850 is that it was truly less important to business success than it is now. This is because firms were usually quite small, customers were typically located in rural areas as most people worked on a family farm, very few people graduated from high school, communication was slow or lacking (the telephone was not even invented until 1876), roads were often unpaved or not yet built, and demand typically exceeded supply meaning there was little need for persuasion. In small to medium size enterprises, the owner or a family member usually performed the very limited selling role which was often no more than handling the exchange process. During the first half of the 1800s, most sales tasks were simply done by people who had another primary job responsibility. Selling was typically something done as the situation required it, not as a full time and primary pursuit. The percentage of the U.S. workforce classified as (nonretail) salespeople in the early 1800s was small fraction of what it is now.

For the small number of people whose primary job was in sales, the work was challenging to say the least. Movement from town to town was often necessary to sell goods and travel was extremely difficult in comparison to modern expectations. Accommodations were often hard to secure or simply not available. A common business practice during that era was to buy a stock of inventory, load it into a wagon, and travel from town to town selling it until the inventory was depleted.

## The Publishing Industry

You might be surprised to learn that publishing, more so than manufacturing, was an important industry in which these early salespeople worked. The publishing industry is particularly interesting because many of the early “traveling salesmen” were also preachers who sold books, too. The Methodists had an especially high level of such activity. By 1800, the Methodists had established a network of about 300 traveling

(circuit riding) evangelical preachers in the U. S. They developed selling practices which salespeople in other industries would later adopt. James Erwin stands out as one of the most influential early preaching salesmen, perhaps largely due to his book titled *Reminiscences of Early Circuit Life*, which was intended to guide young preachers. Erwin’s book vividly described how it was his strong belief that he had a sense of duty to supply people with religious literature. No doubt that belief led to better sales! More than a hundred years later, Steve Jobs echoed a similar sentiment about believing in the importance of the work done at Apple when he said “Being the richest man in the cemetery doesn’t matter to me. Going to bed at night saying we’ve done something wonderful . . . that’s what matters to me.”



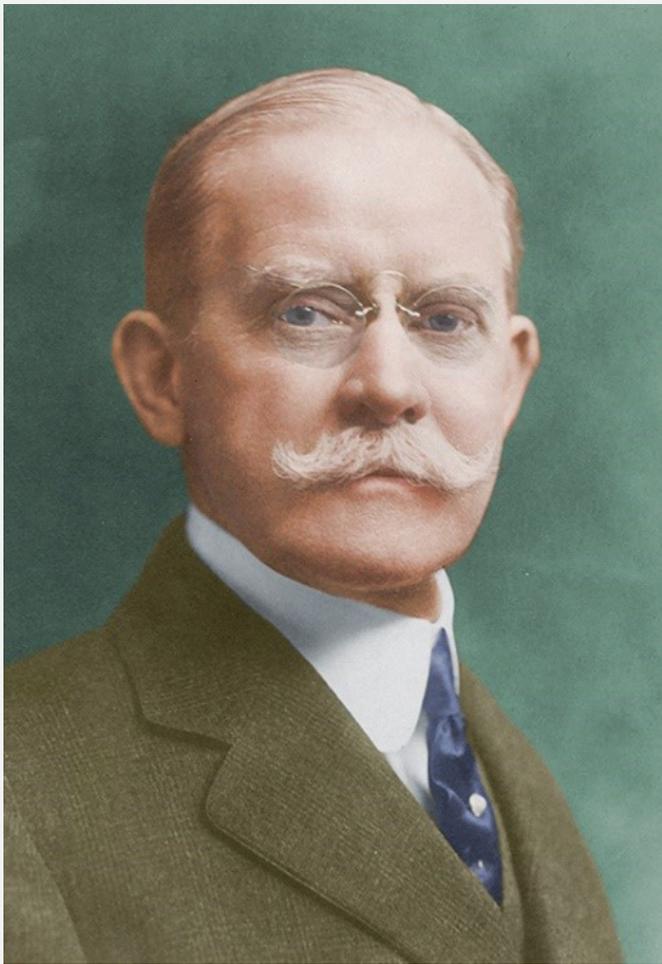
*“Being the richest man in the cemetery doesn’t matter to me. Going to bed at night saying we’ve done something wonderful . . . that’s what matters to me.”*

*Steve Jobs, Founder, Apple*

Want to know how the canned sales call or what the sales textbooks now call “stimulus response” selling was invented? It appears to have developed in the publishing sector which sometimes taught their salespeople to use scripts. As early as the 1870s, the F. B. Dickinson Company used what they called a “sales talk” which they taught to their salespeople. Salespeople were required to attend a lecture on salesmanship and following that, each had to spend an hour in the home office practicing a “sales talk.” This was one of our earliest forms of sales training.

It is important to note that as the 1800s progressed, so did the role of selling as competition intensified. A publishing firm called the Charles L. Webster & Company (founded by Samuel Clemens) during the late 1800s provided a notable example which was responsible for an important development in sales history. In 1884, Mr. Webster’s company was selected to publish and market the memoir of former U. S. President Ulysses S. Grant. To that end, almost 10,000 sales agents were recruited to sell books “on subscription,” meaning money was collected prior to the delivery of the book.

For nearly the first time, there were also some women recruited for this sales team. Prior to this project, nearly all nonretail salespeople in the United States were men.



JOHN PATTERSON

SOURCE: [HTTPS://I.IMGUR.COM/ADLLDzX.PNG](https://i.imgur.com/ADLLDzX.png)

Census reports indicated that in the United States during 1880, there were 53,500 “hucksters and peddlers,” and that 51,000 were male while the remaining 2,500 were female. Most of those females worked as book agents and most of them worked on the sales team for Grant’s book project. Samuel Clemens allegedly wrote a sales manual to help them sell the book.

## ***Competitive Behavior during the Gilded Age & the Progressive Era***

Business became much more competitive during the late 1800s and early 1900s in comparison to the early 1800s or to current practices. Cut-throat competition, other highly aggressive sales practices, and the efforts of salespeople to support their employer’s efforts to monopolize an industry were not uncommon in late 1800s and early 1900s. For example, many people believed that patent rights should justifiably protect a

business from encroachment by competitors. Henry Ford, for example, initially was unable to legally sell his Model A car because the gasoline powered automobile had earlier been patented by George Selden. Licenses to produce cars powered by a gasoline engine were very selectively awarded and only to firms which paid hefty fees to the Association of Licensed Automobile Manufacturers due to patent protection.

## ***Patterson and NCR***

During the late 1800s and early 1900 there was widespread belief that patent protection should entitled those who invented something to reap what they had sown. That invention usually required creativity, hard work, and often the pioneering efforts of developing a market for a new technology. One of these early advocates for the stringent protection of patent rights was John H. Patterson, founder of National Cash Register Company (NCR), and no history of selling in the 1800s would be complete without mentioning his efforts. NCR is often heralded as the company which invented modern selling. In addition, Patterson is widely regarded as the Father of Modern Selling.

In 1884 Patterson bought the patent rights to the cash register along with the operation of National Cash Register. In addition, he created an Invention Department at NCR which was awarded hundreds of later patents and fought hard to guard them from encroachment by competitors. He was also responsible for many sales innovations which simply had not been done before he introduced them to the field. For example, he implemented guaranteed sales territories at NCR. For the first time in recorded history, salespeople were assigned to a specified geographical area and that salesperson earned a commission on any purchase made by a customer located within that territory. This was instrumental in moving sales mindsets toward a more long-term relationship orientation. Patterson also instituted strict dress codes and stringently enforced higher standards of cleanliness and personal hygiene which enabled NCR salespeople to distinguish themselves from others at the time. In fact, Patterson was known to often take salespeople to New York City and bought them new suits and other apparel products intended to motivate salespeople to enjoy the finer things in life. It also enhanced the appearance and professionalism of the NCR salesforce.

Patterson also was the first to use sales quotas and salesperson “point systems” to not only track performance, but to report it in the company newsletter.

From this, came the first formal recognition program for highly successful salespeople in 1906 called the Century Point Club (CPC). The company newsletter (The N.C.R.) described that first group of honorees as follows: "the 70 charter members of the world's first CPC were sales professionals of the highest caliber, impeccably groomed, black shoes polished, white shirt starched, collars buttoned, were ready to face two weeks of systematic sales training, camaraderie and entertainment by the officers of the National Cash Register Company." Many companies (including IBM) soon initiated similar recognition programs which have significantly enhanced the development of the sales profession.

**PATTERSON ALSO HELD THE FIRST KNOWN SALES CONFERENCE, LATER EXPANDED THAT INTO ANNUAL CONVENTIONS. PERHAPS MOST IMPORTANTLY, THOUGH, JOHN H. PATTERSON FORMED THE FIRST SALES TRAINING SCHOOL IN 1894.**



The notion that selling could be taught had a huge impact in moving professional selling forward. Many of those who graduated soon doubled or tripled their incomes and salespeople at NCR began earning what was considered at the time huge incomes. That school, along with many other sales innovations led NCR to totally dominate the cash register industry for many years, often exceeding a market share of 90 percent.

Patterson strongly believed that holding the patents meant that he deserved full control of the cash register market and that led to some highly aggressive sales tactics at NCR in the late 1800s and early 1900s. As early as 1888, Patterson wrote in The N.C.R., "We have no serious competitors yet, and we do not propose to have any formidable ones if we can help it. But before any of the weak ones get strong, we must crush them out."

Patterson was ruthless in his litigation pursuits to protect his patents. NCR initiated many lawsuits charging would-be competitors with patent infringement. Patterson made no secret of its desire to drive all rivals from the market. Furthermore, NCR also engaged in a variety of what would today be considered "ugly" sales practices. To support these unscrupulous efforts, he created what was called the Competition Department in November of 1891.

Patterson staffed it with some of his most capable employees (including Thomas Watson, who he later fired – afterward, Watson did OK – he led a company

he later renamed IBM) and paid them lucrative salaries rather than commissions on sales. The group was responsible for a variety of actions, some reprehensible, taken to stifle the work of competitors, and their special duty was to interfere with the negotiations of sales contracts by competitors. Agents were directly hired by NCR to spy on the business of competitors, to secure any information they could, and report that to the Competition Department. Still other agents were charged with the duty to secure names of customers of competing cash register companies. Then, NCR employees visited these firms and tried to convince them to rescind those contracts.

When a new competitor emerged, Patterson invited their leaders to come to Dayton and see his plant – all expenses paid by NCR. He provided a tour of the facilities, showed them how well it was organized, demonstrated the high quality of his products, and toward the end of the tour brought them to the "Historical Room." Others nicknamed this area the "Gloom Room", or the "The Graveyard." This area was established when the first competitor to NCR emerged. Here, NCR had its own cash registers beautifully displayed – along with piles of junky-looking cash registers made by former competitors who had gone bankrupt. There was a display card on each former competitor's register showing the name of the company, date they went out of business and amount of money they lost. Patterson sometimes offered to buy the upstart competitor out and if they did not accept, he told them he would initiate legal action against them for patent infringement.



**SUCH BEHAVIOR SEEMS BIZARRE IN TODAY'S MODERN BUSINESS ENVIRONMENT, BUT THE LATE 1800'S AND EARLY 1900'S WAS A PERIOD OF EXTREME COMPETITION.**

John Patterson is certainly one of the most interesting people in sales history and there is much to be learned by examining Patterson's work. This is especially true because some of the firms which are today's technology leaders are now experiencing similarly high levels of market share. They are also engaging in some sales and marketing practices critics consider unfair. To be sure, we can study the past to try to avoid making the same (or similar) mistakes. That's one of the ways more learning leads to more earning! ▲