J. Walter Thompson: building trust in troubled times

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Abstract
Purpose – The purpose of this paper is to understand how J. Walter Thompson (JWT) utilized its private forums for its executives over the period 1936-1938 to build trust both within its own organization as well as with the public in the 1930s. This was a time when the advertising industry was under public scrutiny resulting from using what consumers considered emotional and irrational appeals in their advertising practices.

Design/methodology/approach – This archival research examines the meeting minutes of these forums to discover what topics were most important to the leaders of JWT at this time. The archives are located at the Hartman Center at Duke University.

Findings – This paper highlights the importance of these forums that were led by the top management team and attended by the creative staff of JWT. These forums played an important role in strengthening the culture of JWT, by building organizational trust and fostering organizational communication with a new generation of JWT leadership.

Originality/value – This paper utilized primary data sources – the meeting minutes from 1936 to 1938 – to uncover the values of JWT and how those values were disseminated to their employees, as well as how it impacted their work with their clients and ultimately the public.

Keywords Advertising agencies, Trust, Leadership, Organizational culture, United States of America

Paper type Research paper

Introduction
The 1930s were a tough time for the advertising industry: struggling with the on-going effects of the great depression, consumers were more cost-conscious (Jacobs, 2005, p. 135), and as a result, companies were more stringent with their advertising budgets (Peterson, 1964, p. 29). Total advertising spending peaked at $2,850,000,000 in 1929 (Galbi, 2007) and hit a low of $1,325,000,000 in 1933, equivalent to $22 billion in 2008 dollars. This represented a 54 percent decline in spending from 1929 to 1933. Magazine advertising also hit its high of $196,266,000 in 1929 and its low of $97,357,000 in 1933 (Peterson, 1964, p. 26), a 50 percent decline. Magazine advertising spending would not reach 1929 levels again until 1943 (Peterson, 1964, p. 26). In addition, advertising executives were concerned about consumers’ reaction to manipulative advertising claims and how this might result in regulatory action impacting the advertising industry. Advertisers wanted to maintain self-regulation of the industry (Marchand, 1985) and sought to reinforce the...
professionalism and legitimacy of the advertising industry and corporate America (Marchand, 2000, p. 201).

As part of its regular management practice, J. Walter Thompson (JWT) conducted top management team meetings or forums to discuss clients, review best practices, and prepare for potential government intervention. The concept of management control emerged from Taylorism, the scientific management principles that measured and quantified an employee’s contribution to the firm (Jacoby, 1991). In the early 1900s, managers were encouraged to “more or less continuously exchange ideas and comparative data” (Gowin, 1919, p. 423). Among a manager’s duties was that he “develops and trains men constantly” (Gowin, 1919, p. 426). In addition, “there needs to be first of all hearty, constant change of ideas, a pooling of intelligence and experiences” (Gowin, 1919, p. 440) in order to develop the character of its employees. The concept of modern management included the “improvement of internal information flows” (Baughman, 1969, p. vi). These forums that were held between 1936 and 1938, allowed for such an internal information flow and exchange of ideas, and were part of an ongoing effort to open communication within JWT’s top management ranks. These forums succeeded other such internal top management meetings that were previously held from 1927 to 1934.

In the early 1930s, psychologist Henry Link reported survey results which indicated that only 4-5 percent of the public believed certain advertising assertions (Marchand, 1985, p. 314). Along with this consumer skepticism, the consumer movement gained momentum at this time, which threatened to pursue its interests through government intervention (Marchand, 1985, p. 314). Consequently, the federal government was considering more strict controls over product labeling, as well as on what was perceived as deceptive advertising practices (Marchand, 1985, p. 315). The advertising industry felt threatened by this scrutiny, yet was determined to defend itself against what they perceived as unfair blame from irrational consumers (Witkowski, 1991, p. 402). As JWT Sales Executive Mr Palmer said at the second forum on January 21, 1936:

I think advertising is honest and people need to stop lumping in the old patent-medicine advertising with modern day advertising. Advertising does not increase the cost of things we buy – it provides a way to let people know about products they would not otherwise know about.

Palmer was reflecting a view held by many advertising executives that they were becoming an important intermediary between advertisers and consumers (Laird, 1998, p. 254). Thus, advertisers could be more influential if their messages were trusted by the public.

This time period from 1936 to 1938 is important to study because the advertising industry was moving from exhorting messages of “modernity,” to conveying messages of emotion (Pollay, 1985, p. 25), and finally to messages of consumer duty (Marchand, 1985). The message of modernity sought to persuade consumers that what was new was desirable (Marchand, 1985, p. 9). The messages were thought to appeal to female consumers who were said to have made 85 percent of household purchases at that time (Marchand, 1985, p. 60). Because women were thought to be “emotional” by advertisers, emotional advertisements were thought to be more effective. Finally, with the limited resources consumers had after the depression, advertising industry executives felt that consumers needed assistance identifying the best choice among the many product alternatives available to them (Marchand, 1985, p. 342). As a result, competitive copy emerged to help consumers see the benefits of one product versus another (Marchand,
The consumer emphasis was also on the “typical American” as opposed to the previous focus on the consumer elite (McGovern, 2006, p. 279). This also reinforced a message of duty, the notion that the American way of consumerism was better than others (McGovern, 2006, p. 300), because it “made the nation prosper” (Laird, 1998, p. 375). At the same time, the National Association of Manufacturers mounted a campaign to “sell the ‘American way of life’ to the American people” (Marchand, 2000).

Ultimately, this hard sell approach backfired, making consumers more distrustful of advertising, which contributed to the formation of a consumer movement (Marchand, 1985, p. 314). In response, advertisers used the momentum of the consumer movement to encourage consumers to show their strength by utilizing their purchasing power (Jacobs, 2005, p. 122). Ultimately, advertisers worked to change their status from patent medicine “hawkers” to social therapists (Marchand, 1985, p. 360). Advertisers felt like they were important intermediaries between advertisers and consumers, helping consumers to identify which products were best. Thus, advertising messages changed in part because advertising industry executives realized that they needed to be effective in their messages, but not misleading. They also thought it was important to use simple words in their messages (Marchand, 2000, p. 212) in order to be better understood. It is important to understand the mindset of these industry executives and how they made message decisions.

Executive leadership is critical in sending the right message – both internally to its employees and externally to the public – that advertising inherently has the best interests of its audience at heart (Pacanowsky and O’Donnell-Trujillo, 1983). The JWT forums can offer an outlook on building trust with both internal and external constituents at a tumultuous time, as well as suggest ways to integrate communication efforts, as is also critical today.

This paper examines the organizational culture and communication secrets within one of the largest advertising agencies at the time, the JWT advertising agency, and how they were attempting to build a culture of trusting relationships within their firm so that they could extend those trusting relationships with important clients and the public, as well as craft a strategy of tactics and defenses during a time that their industry was under attack from both the public and the government.

**Background of the JWT agency**

The JWT agency grew through such practices as creating the role of account executive and the creative use of the testimonial (Fox, 1997, p. 31). Helen Resor, JWT Executive, was instrumental in the improvement of the use of testimonials in advertising, particularly using celebrities, such as the campaign for Pond’s cold cream and the endorsement of Mrs O.H.P. Belmont, the doyenne of New York society, in exchange for a donation to charity. Pollay (1985, p. 30) confirmed that testimonials were at their peak in the 1930s. In addition, JWT is credited with promoting the growth of magazine advertising (Peterson, 1964, p. 21). From the 1920s to the 1950s, JWT was considered the largest advertising agency in the world (Merron, 1999, p. 465).

The JWT Company archives were formally established in the Company’s New York Office in 1979. In 1987, CEO Burt Manning authorized the gift of the intact collection to Duke University, along with two years’ worth of funding from the JWT Company Fund. The Hartman Center for Sales, Advertising, and Marketing History at Duke University is the home of the JWT Company archives collection in its Rare Book,
JWT's rich history can be understood more completely by examining the unscripted actions and words of its founding managers, who helped create the fabric of its enduring culture through its rituals of meetings and storytelling. These primary data are an excellent complement to the existing resources available for this time period. By examining the unfiltered thoughts and discussions of its top management and its creative staff, the purpose of this paper was to discover how JWT was able to maintain a reputable culture, trusted by its clients, as well as its peers, at a time when advertising professionals were threatened by negative public opinion based in part on the industry’s history of deceptive patent medicine ads (Marchand, 1985).

Advertising in the 1930s
From the 1920s to the 1930s, the advertising industry refocused on modernity and the ailments that accompanied it (Marchand, 1985, p. 223), such as halitosis (the word was deemed to sound better than bad breath), athlete’s foot and body odor. While these ailments were not new, they were thought by many to prevent people from making a good first impression, and set the stage for advertisers to use fear appeals to scare people into buying products to make them both healthier and more successful (Pollay, 1985, p. 31; Witkowski, 1991, p. 398). As Wallace Boran observed in the first JWT forum of January 7, 1936:

> These (delicate issues) can only be handled with good taste in advertising if: a motive is established quickly; the advertising mentions things to oppose them; and the topic is handled delicately.

In other words, if the message was not delivered properly, he was worried that it could backfire with its intended audience and advertising’s credibility with the public could suffer.

The *Printers’ Ink* advertising index developed by L.D.H. Weld, Director of Research for McCann-Erickson, Inc., indicated that magazine advertising lineage had peaked at approximately 130 in 1929, and had sunk to its low of 57 in 1933. By 1934, it was finally on an upward trend at 80 where it stayed until 1936. The advertising index subsequently increased to 105 in 1937, but during the remainder of the 1930s, it never regained its peak of 1929 (Weld, 1939, p. 90). This economic impact changed the advertisers’ approach, forcing them to focus on the hard sell, rather than on creative copy. In addition, the concept of consumerism emerged, with vocal and critical consumers questioning the work of advertisers, as well as advertisers themselves critiquing their own industry (Fox, 1997, p. 121)[2].

By 1938, radio had surpassed magazines as a source of advertising revenue, with JWT bringing in $4.6 million just from radio (Fox, 1997, p. 162). JWT was one of the most active agencies in radio, and had a total of nine shows on NBC in 1933. Radio became more prominent during the 1930s and brought with it a greater audience for advertising by “creating a national consumer culture” (Lavin, 1995, p. 75). “Radio, probably more than any other medium, contributed to an increasingly universal working-class experience” (Cohen, 1990, p. 325). Radio was more national than local in
nature at that time and was considered a favorite pastime, edging out movies and reading (Cohen, 1990, p. 326).

Radio brought with it the potential for advertisers to build more personal communication with consumers, communication in which trust would be more salient than in print media. The American Association of University Women and the American Legion Auxiliary realized that “radio offers an opportunity to the manufacturer to visit every potential buyer’s home” (Lavin, 1995, p. 85). In fact, radio was able to create characters that became trusted friends with female consumers who listened from home (Lavin, 1995, p. 76). Irna Phillips, one of the pioneers of the radio soap opera, “closely tied the plots of her early serials to the sponsors’ products” (Lavin, 1995, p. 78). In addition, as the writer and star of her show, she “used the term ‘friends’ not ‘listeners’” to build a relationship with her audience (Lavin, 1995, p. 82).

During this time, the federal government was deeply concerned about whether or not the advertising industry was policing itself effectively and providing truthful information. This concern resulted in the passage of the Copeland Bill in 1938 (Fox, 1997, p. 168). This law gave the FDA policing powers over the manufacture and sale of drugs as a result of its concern over patent medicines. The law said nothing about advertising, but required that all drugs had to have specific labeling on them. Advertising was addressed by Congress which enacted the Wheeler-Lea Act in 1938, declaring “deceptive acts of commerce” unlawful, giving the Federal Trade Commission (FTC) injunctive powers to issue cease-and-desist orders. Not surprisingly, then, legal concerns always weighed heavily on the minds of JWT executives as evidenced by three of the forums formally addressing these issues, and several other forums which addressed the public criticism of the advertising industry in general.

**Literature review**

**Culture and communication**

By examining the patterns of communication, or discourse, during the JWT forums over the period 1936-1938, it may be possible to assess whether JWT was able to build a trusting culture with its employees and its clients, at a time when the public was skeptical about the sincerity of advertising. Schein (1996, p. 236) defines culture as “the set of shared, taken-for-granted implicit assumptions that a group holds and that determines how it perceives, thinks about, and reacts to its various environments.” He asserts that as the environment changes (due to any stresses or technological changes), it requires tremendous learning on the part of the organization’s membership, which in turn requires greater trust among organizational members and more openness in communications. Culture has a major impact on corporate strategy (Lorsch, 1986), meaning that culture influences how key decisions are made by top executives about both the organization and its environment. In this study of the JWT forums, a textual analysis of the meeting minutes will show how the depressed and antagonistic economic environment weighed heavily on the thoughts and practices of the JWT executives as evidenced by their internal communications.

Pacanowsky and O’Donnell-Trujillo (1983) have noted the best way to study organizational communication is to see it as cultural “performances.” These “performances” allow cultural insiders to play certain roles, but without relying on a specific script. In addition, they reveal the culture to themselves and to each other
through their actions in these “performances.” Thus, the bi-weekly forums were cultural “performances” that provided the top executives opportunities to share insights with the creative staff and junior executives in order to mentor and socialize them through personal, task, and organizational rituals (Pacanowsky and O’Donnell-Trujillo, 1983, p. 135). While these “performances” were rituals, they nevertheless represent an excellent written record of the actual thoughts and perspectives held by the JWT executives at that time.

These forums were thus an opportunity for the junior executives to grasp a better understanding of the JWT culture, by learning “how things are done” (Kilmann et al., 1986) from their mentors. Allaire (1984) argues that organizational culture is shaped by both society and the organization’s history and leadership, through its actions in the course of making sense of organizational events. In these forums, then, top management transmitted the norms of the organization, which Kilmann et al. (1986, p. 90) argue are not written down, but are passed down from one generation to another through “stories, rites, and rituals.” This “sense-making” (Weick, 1995, p. 15) allowed the JWT team to “make retrospective sense of the situations in which they [found] themselves and their creations.” In the forums, the top executives chose the topics which they deemed most important to share with their employees. By their selection of topics, they planted the “seeds from which people develop a larger sense of what may be occurring” (Weick, 1995, p. 50) within their organization and their occupation.

Discourse analysis is a study of how organizational members use language to create “reality.” Discourse is also a lens or a point of entry for seeing, learning, and understanding ongoing events (Putnam and Fairhurst, 2001). By analyzing the JWT meeting minutes, it will be possible to have a lens for understanding the events that were taking place between 1936 and 1938, a time of economic and societal upheaval, as well as for evaluating those meetings between top management and the creative staff, and how the organization made sense of those events.

Trust

Lewis and Weigert (1985) define trust as the undertaking of a risky course of action and the expectation that the other person will act dutifully. Luhmann (1979) described trust as composed of both thinking and feeling (cognitive and affective dimensions). He described the benefit of trust is that it builds social capital and civic engagement. In addition, trust reduces transaction costs by reducing uncertainty as to motives or ability (Luhmann, 1979). This would be important for advertisers as they were helping their clients become household names.

For the purposes of this paper, trust is defined as the willingness to making oneself vulnerable to another (Mayer et al., 1995) based on the belief that the other party is reliable, open, competent, and concerned (Mishra and Mishra, 1994). Several scholars have identified these as key dimensions of trustworthiness in both conceptual and empirical research (Mishra and Spreitzer, 1998; Spreitzer and Mishra, 2002; Brockner et al., 2004). Reliability is defined as expectations about consistent or reliable behavior (Mishra, 1996). Openness is defined in terms of perceptions of openness and honesty, where “leaders who are more trusted are more effective in acquiring skills, retaining and attracting followers, and promoting change and innovation” (Kirkpatrick and Locke, 1991, p. 58). Competent leaders are “characterized by how much their followers trust them to make competent decisions” (Kirkpatrick and Locke, 1991).
Finally, demonstrating concern “means that self-interest is balanced by interest in the welfare of others” (Mishra, 1996). Open and honest communication, then, can be a vehicle for building those trusting relationships within the agency. Mayer and Gavin (2005) found that organizational communication is critical for building trusting relationships between employees and the organization that are open and honest. Through open communication, trust is built by reducing uncertainty (Schein, 1996). Deetz (1992) contends that communication between a company and its employees is not effective unless it is interactive and it achieves understanding between the parties. He also suggests that there be opportunity for both parties to express themselves to each other in an authentic manner. For instance, interactive communication, such as a forum, would provide an opportunity for each party to contribute to the exchange, as opposed to an employee newsletter, which does not allow room for two-way communication and feedback.

**Research method**

The JWT forum meeting minutes over the period 1936-1938 were chosen as a research subject in order to better understand the mindset of the advertising industry and, specifically, the JWT agency in the post-depression years. These business records were used as primary data and the text were qualitatively analyzed based on the four dimensions of trust identified by Mishra and Mishra (1994): reliability, openness, competence, and concern. There were transcripts available for 23 of the 26 forums – the other three were never transcribed by JWT – only the dates, titles and speakers are known. The 26 forums were the only ones mentioned during the time period of 1936-1938 in the material available in the Duke Archives. The Duke Archives show that these forums were preceded by the account representative meetings of 1927-1932[3] and by the creative organization meetings of 1932-1934[4] (Duke University, retrieved February 26, 2008).

The transcripts of these meetings indicated that the forums averaged a half hour in length. Because there is no transcript of the unscripted text, we have no way of knowing for sure if they in fact only lasted a half hour. We can only rely on what the transcript itself tells us. Each meeting transcript occupied up to 12-15 pages of typewritten text. The text was read by the author in the Hartman Center, one transcript at a time. The library discouraged making copies of these documents in order to preserve their integrity. Notes were taken on laptop (as only laptop and pencils were allowed in the viewing area). The notes were later coded by topic and by which dimension of trust was exemplified by the speaker. The forums are referred to by date, as page numbers are not always available. The photographic images were scanned by the Hartman Center. As Witkowski and Jones (2006, p. 73) note, business records and company writings are not always complete or authentic. We cannot understand precisely what the executives meant or thought, but we can attempt to understand them in the context of the time that they were spoken and transcribed. In addition, we can speculate that these forums were not held for the benefit of the public or for public relations purposes because they were private meetings whose minutes were given to the library much later, and were not available to the general public at that time.

**Results of textual analysis: JWT forums**

From January 7, 1936 until October 25, 1938, there were 26 JWT forums, as documented in the Duke Archives. These sessions involved the top management team of JWT as well
as its creative staff. At each session, one management team member would present a “talk” about his or her area of expertise. It is difficult to determine from the meeting minutes whether or not these remarks were prepared in advance. The introductory remarks do not appear to be prepared, but in fact, are unscripted or spontaneous remarks by either Mr Henderson or Mr Legler. Both women and men were present at this forum but just one woman, Ruth Waldo, was given the opportunity to give a formal talk, on comic book advertising at a forum on May 11, 1937 (unfortunately, the minutes of that particular forum were not recorded and saved). Miss Waldo, as she liked to be called, was given this honor because she was one of the highest ranking female copywriters at JWT, and ultimately, in 1944, one of its first female vice presidents, after Helen Resor (Fox, 1997, p. 292). The other 25 forums were conducted by the male members of JWT’s top management team and creative staff. Only two of those were not recorded or transcribed, that of Clement Watson who spoke on International Mercantile Marine advertising, and George Dibert who spoke of significant trends in newspapers and magazines (Plate 1).

Over a two-year span, the 26 forums covered a variety of topics and involved a great deal of the upper management of JWT (Table I). Based on a textual analysis of these transcripts, the topics centered on three primary themes:

(1) a review of the status of major clients;
(2) a review of the status of a particular advertising tactic (such as the use of premiums or outdoor advertising); and
(3) a response to the criticisms of the advertising industry.

Plate 1.
Ruth Waldo
## Table of JWT forums topics and themes as listed in meeting minutes

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics (theme – client/tactic/criticism)</th>
<th>JWT presenter</th>
<th>JWT title</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 7, 1936</td>
<td>Bad taste in advertising (criticism)</td>
<td>Wallace Boren</td>
<td>New York office, Head of movies</td>
</tr>
<tr>
<td>January 21, 1936</td>
<td>Is advertising honest? (criticism)</td>
<td>William Palmer</td>
<td>Sales; 13 years with JWT</td>
</tr>
<tr>
<td>February 4, 1936</td>
<td>Is advertising copy in a period of decadence? (criticism)</td>
<td>Henry Legler</td>
<td>Group Head for 25 products</td>
</tr>
<tr>
<td>March 3, 1936</td>
<td>The natural-born salesman (tactic)</td>
<td>Henry C. Flower, Jr</td>
<td>Manager of Wall St Office since 1932</td>
</tr>
<tr>
<td>May 12, 1936</td>
<td>Premiums (tactic)</td>
<td>Russell Pierce</td>
<td>No introduction/title found</td>
</tr>
<tr>
<td>October 20, 1936</td>
<td>Regaining lost leadership (criticism)</td>
<td>William L. Day</td>
<td>JWT LHJ Account Executive</td>
</tr>
<tr>
<td>November 2, 1936</td>
<td>Ballentine (client)</td>
<td>William C. McKeehan</td>
<td>Ballentine Account Rep</td>
</tr>
<tr>
<td>November 18, 1936</td>
<td>Nobody reads the copy (tactic)</td>
<td>Henry Legler</td>
<td>Group Head for 25 products</td>
</tr>
<tr>
<td>December 1, 1936</td>
<td>Outdoor advertising (tactic)</td>
<td>George Dibert and Elwood Whitney</td>
<td>Dibert: six years w/JWT</td>
</tr>
<tr>
<td>December 15, 1936</td>
<td>Eastman Kodak Company (client)</td>
<td>Thayer Jaccaci</td>
<td>Whitney: nine years w/JWT</td>
</tr>
<tr>
<td>January 12, 1937</td>
<td>Bromo-Seltzer or Emerson Drug Company (client)</td>
<td>Philip Richardson</td>
<td>Asked for no introduction</td>
</tr>
<tr>
<td>February 9, 1937</td>
<td>International mercantile marine advertising (client)</td>
<td>Clement Watson</td>
<td>NY office, five years</td>
</tr>
<tr>
<td>February 23, 1937</td>
<td>Speaking for the company (criticism)</td>
<td>Lynn Baker</td>
<td>“Skipper” of this account</td>
</tr>
<tr>
<td>March 9, 1937</td>
<td>Getting the J.B. Williams Company Account of Glastonbury, CT (client)</td>
<td>William Resor</td>
<td>Mgr West Coast Div</td>
</tr>
<tr>
<td>March 23, 1937</td>
<td>Analysis of the urban versus the rural markets of the USA (tactic)</td>
<td>Arno Johnson</td>
<td>JB Williams Rep.</td>
</tr>
<tr>
<td>April 20, 1937</td>
<td>Robinson-Patman Act (criticism)</td>
<td>Russell Pierce</td>
<td>Research Department</td>
</tr>
<tr>
<td>May 11, 1937</td>
<td>Comics as an advertising medium (tactic)</td>
<td>Ruth Waldo</td>
<td>JWT rep at HBS on R-P Act</td>
</tr>
<tr>
<td>June 8, 1937</td>
<td>Shell’s 1937 Dealer Slide Film (client)</td>
<td>Steve Kenyon</td>
<td>Head of Women’s Copy</td>
</tr>
</tbody>
</table>

(continued)
<table>
<thead>
<tr>
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<th>JWT title</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 9, 1937</td>
<td>Developments on the Lever Brothers account: Lux (client)</td>
<td>William Palmer</td>
<td>13 years withJWT</td>
</tr>
<tr>
<td>November 23, 1937</td>
<td>Premiums (tactic)</td>
<td>John Hosch, Jr</td>
<td>Newcomer</td>
</tr>
<tr>
<td>December 7, 1937</td>
<td>Apology for today in advertising (criticism)</td>
<td>William L. Day</td>
<td>JWT LHJ account</td>
</tr>
<tr>
<td>February 1, 1938</td>
<td>Commercial movies (tactic)</td>
<td>Fred Fidler</td>
<td>Manager, St Louis office</td>
</tr>
<tr>
<td>February 16, 1938</td>
<td>Significant trends in magazines and newspapers (tactic)</td>
<td>George Dibert</td>
<td>Six years w/JWT</td>
</tr>
<tr>
<td>March 11, 1938</td>
<td>Copy testing (tactic)</td>
<td>James W. Young</td>
<td>Book sales prior to JWT</td>
</tr>
<tr>
<td>May 10, 1938</td>
<td>The Wheeler-Lea Bill (criticism)</td>
<td>Dr John A. Killian</td>
<td>Biochemist; Inventor</td>
</tr>
<tr>
<td>October 25, 1938</td>
<td>Informal discussion of the FTC (criticism)</td>
<td>Mr Austin</td>
<td>Breed, Abbott and Morgan</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(legal counsel)</td>
</tr>
</tbody>
</table>

Notes: aMinutes from these three forums are missing; bIt was difficult to find information in the Duke Archives on Ruth Waldo, but there is a web site that provides a biography: Ruth was a graduate of Adelphi College and had an MA in social work. Prior to JWT, she worked for the Russell Sage Foundation. She was a friend of Helen Resor.

Source: Available at: www.ciadvertising.org/student_account/spring_01/ADV382J/slmcdonald/ruthwaldo/bio.html

Table I.

J. Walter Thompson: building trust
In terms of Weick’s (1995) sensemaking, the top executives, in their selection of topics for the forums, were deciding which issues were most important to share with their subordinates in order for them to have a deeper understanding of both the industry and organizational culture.

Demonstrating reliability: the JWT forums

The forums themselves were an organizational ritual (Pacanowsky and O’Donnell-Trujillo, 1983) of the JWT culture during this two year time period. The internal memos distributed to employees indicated that the forums were held every other week (excluding the summer months) and always started at 9:30 a.m. sharp, with a stated goal of ending in a half hour. Most were confined to the comments of the speaker, with no mention of allowing time for questions from the group. The “members” as they were referred to in an internal memo of those invited, grew in size over time, starting with a group of 13 men and nine women, ending with a group of 37 men and 17 women. There is no explanation for the increase in the number of participants, but it appears that the company must have either expanded its ranks during this period of time or included more executives in its forums. While the minutes do not reflect who is taking them, it appears that they are taken as close to verbatim as possible, including off-the-cuff introductory remarks, as well as listing each person present, making sure to delineate between each person’s status as Mr, Miss, and even Mrs job titles were provided for those speaking only.

JWT Executives Howard Henderson and Henry Legler were hosts of these forums. Through these meeting minutes, there is a window into the personal ritual (Pacanowsky and O’Donnell-Trujillo, 1983, p. 135) of Henderson. He was always the one to invite the group to each forum with his internal memo that would circulate prior to the meetings (Figure 1). The memo of October 19, 1936 is typical of Henderson’s “invitations” to the JWT forums: it is as if he is writing advertising copy to his own employees: an enticement in the first paragraph about the topic of conversation, the use of evocative words like “fascinating and dramatic story” and then a reminder that this is for the “members” of the forum, “told from the inside, exclusively for the ears of the J.W.T. Forum,” and always ending with, “Will you be there?” This is such a short piece of copy, yet grabs and holds the reader’s attention, almost daring the employee to find something better to do with his or her time. From reading each invitational memo, it is obvious that he took pride in this personal ritual of thinking through the best way to dictate these enticing invitations so that it would tell a good corporate story (Plate 2).

Both Henderson and Legler shared responsibility for introducing the speakers each week. This was also a personal ritual for them both and involves what Pacanowsky and O’Donnell-Trujillo (1983, p. 139) call collegial stories, or stories concerning their shared experience. They both started each forum session with a very personal type of introduction, including personal comments about the speaker’s background, and some mention of the person’s capabilities and tenure at JWT. One of the most amusing personal anecdotes is the introduction of George Dibert in his December 1, 1936 presentation on outdoor advertising. As Henderson introduces George, he comments that George is only 33 years old and that “In probing for the cause of his unusual maturity, I discovered that he began smoking cigars regularly at the age of seven.”

All of these forums provided enculturation (Pacanowsky and O’Donnell-Trujillo, 1983, p. 143) for both new members and old. More specifically, these forums offered
OFFICE MEMORANDUM

J. WALTER THOMPSON COMPANY

October 19, 1936

You probably read the full page advertisement "I SAW THEM DIE", which appeared recently in New York newspapers, on behalf of our client The Ladies Home Journal.

The problem back of that advertisement, how it was met and solved by the J.W.T. team, is a fascinating and dramatic story. It will be told from the inside, exclusively for the ears of the J.W.T. Forum by

WILLIAM L. DAY
tomorrow morning
Tuesday, October 20th

promptly 9:30 - 10:00.

Will you be there?

Howard Henderson: mf
opportunities for members to learn more about the organizational roles and ropes. Roles are the specific jobs people perform in an organization. Ropes are the ways in which jobs are performed. Pacanowsky and O'Donnell-Trujillo (1983, p. 144) suggest that while it is relatively easy to teach the organizational roles, it is not as easy to teach the ropes. It is through enculturation that the reliability dimension of trust is developed: the regularity of the forums, the similarity of expectations made of members at each forum, and the consistency of the interactions at the forums, including the introductions, invitations, and roles. Reliability was also developed with respect to JWT’s clients by the storytelling that took place because executives told stories of client successes and how those were achieved, presumably so that future successes could be duplicated.

In the forum of February 23, 1937, Mr Baker, Manager of the West Coast Division, told the story of how they solicited an account:

We felt that more than anything else this committee (customer) was looking for security and would “buy” the agency that could offer it the greatest degree of security. We got the account and one of the committee members said to me next day that our solicitation chiefly impressed him for the reason that after hearing it he couldn’t have felt safe in giving the business to any one else.
The best thing we have to sell is our record. This is the record you find in our growth, our stability, the long duration of our client relationships, and in the sales accomplishments and outstanding position of our clients. All of this implies individual skill and talent, effective co-ordination of our facilities and sound business reasoning through which we help our clients to make correct decisions regarding their marketing and sales policies.

This emphasis on record, on duration, and safety all serve to reinforce the importance of relationships based on the reliability dimension of trust.

Demonstrating openness: forums about advertising tactics

Most of the JWT forums demonstrated the dimension of openness by sharing how they created intellectual capital. An executive with experience in a topical area talked about his experience with that aspect of the business, as a way of sharing culture or socializing other employees to the “JWT way.” This cultural “performance” provides the executive the opportunity to show personal strength, or the strength of their character (Pacanowsky and O’Donnell-Trujillo, 1983, p. 141). By sharing personal experience in an open and honest manner, the executives demonstrated the strength of their character which served to build an open and honest culture, as well.

In Legler’s first address to the forum on February 4, 1936 where he asked, “Is Advertising copy in a period of Decadence” he reminded his “members” that JWT has been successful by “building sincerity into our copy. There is a tendency to use gags at the expense of sincerity. Surveys have shown that people don’t read copy, but it might be because it is not worth reading.” These statements were a reminder that they must remain a transparent and trusted agency at a time when the public was distrustful of ads. He told them that he overheard a colleague say that the ad business is no fun anymore because there is too much focus on profit – he reminded them that profit should never come “at the expense of sincerity. You can’t make the sale until you have gained the confidence of your customer. I contend that logic and emotion in advertising should be inseparable.” Legler used the JWT Fleischmann’s yeast ad as an example of emotion and logic, reminding them that they only tell a woman that she is run down because her blood is not getting enough nutrients, which she can get from yeast. To him, this made a much more convincing story, using logic and emotion. Despite the industry’s tendency to write deceptive copy, we can only take Legler’s verbatim comments at face value. Pollay (1985, p. 25) found that this emphasis on emotion was prevalent among all advertisers during this time period.

In fact, it is in this presentation that he urged a return to the JWT “T-square” (Table II) when writing advertising copy. This “T-square” emphasized open and honest communication, which he believed would restore credibility in advertising.

1. Does it give information?
2. Is it over-stated – or exaggerated?
3. Does it concentrate on what is said – rather than how it is said?

Advertisements that fail to do this – are failing in one of their most important functions
Is it so unreal, so remote – that you turn the pages and say “That’s not I” or if it is or unbelievably fails that is does not win confidence – it fails in another respect
When art and layout are ends in themselves and not means to an end – then you have art and not advertising

Table II. JWT T-square
When Mr Lynn Baker addressed the membership on February 23, 1937, he was asked to describe the secrets of their success. The memo preceding his talk described it as a “frank” talk, and it was: he disclosed mistakes he had made in the past, such as trying to be too glib with a prospective client, confessing:

I cannot begin by saying that “the secret of our success was thus and so” because there is no “secret” to be found in it. We took certain principles common in every type of selling and applied them to our product. I can tell you, however, what some of these principles are, and what values we sold in our product. I learned a long time ago that we should not use tricks of any kinds.

Instead, he proposed that they do their selling both inside and outside of the office. “When you are fighting you need all the friends you can muster.” He also explained that business was becoming more difficult to obtain when he said: “People don’t give their friendship and confidence lightly to anyone. There must be something to warrant it. Your product must be truthfully and skillfully translated.”

Perhaps, one of the harshest criticisms of the advertising industry was addressed by Mr Russell Pierce at a forum on April 20, 1937 when he reviewed the Robinson-Patman Act after attending a panel session on the Act at the Harvard Business School. The Robinson-Patman Act was a revision of the Clayton Act of 1914, which was enacted to protect the individual consumer. Pierce sounded almost disdainful of the act, as he described its enactment as a result of the increased importance of marketing activities, as if they were being penalized just for being successful. Many advertising executives were fearful at this time that the consumer movement would result in government regulation of their work (Marchand, 1985, p. 314). Pierce told the group that the Robinson-Patman Act prohibited discrimination in price by certain secret methods, and provided criminal action against offenders when they discriminated openly where they can be caught by the FTC. He also believed the Robinson-Patman Act limited competition. He openly shared his feelings with the group by saying, “To many of us this legislation is not a stark reality, but rather another vague manifestation of the New Deal’s meddling in business.” There were many conservatives at companies at this time who felt a need to “launch a counterattack against the New Deal” (Marchand, 2000, p. 203). It is obvious from this forum that they, like other corporate executives, felt threatened by this new legislation, and did not feel that it was justified. However, the Robinson-Patman Act hit close to home by forcing JWT to stop claiming in its Fleischmann’s yeast ad that it could cure crooked teeth (Fox, 1997, p. 168).

The final two forums of 1938, held on May 10 and October 25, addressed the legislative changes initiated by the FTC. Both of these were examples of JWT’s openness in describing the environment in which they were working and how best to do their jobs. Dr Killian interpreted the changes that occurred with the passage of the Wheeler-Lea Act during the May 10, 1938 forum, reminding the group assembled that the FTC did not originally intend to supervise advertising nor to protect the consumer, but only to protect competition. Dr Killian argued:

The act does not define clearly what constitutes a “false advertisement” but it does specify two ways in which an advertisement may be considered false. The term false advertisement means an advertisement other than labeling, which is misleading in a material respect; and in determining whether any advertisement is misleading there shall be taken into account not only presentations made or suggested by statement, word, design, device, sound or any combination thereof, but also the extent to which the advertisement fails to reveal material facts.
Dr Killian suggested that the group avoid the use of both expert opinions and quotations from literature, for which the FTC had shown distaste. “It is obvious that the truth of any statement made in advertising will be judged both on the basis of what has been said or implied in it not on what has been left unsaid.” Instead, he recommended “that all claims made for any product advertised should be based upon a study of that particular product by the scientific method.”

The final forum on October 25, 1938 was led by JWT’s outside legal counsel, Mr Austin, to answer questions the group might have about the enforcement of the FTC’s powers:

Under old FTC, false advertisements were considered “unfair methods of competition” only. Now, the FDA can proceed against misbranded articles in 3 ways: (1) by seizure of any articles which are so labeled as to be dangerous to the consumer; (2) by criminal indictment; and (3) this was a departure, by securing an injunction in the Federal District Court.

He advised them to:

[...] integrate your other advertising to what you say on your labels and in such printed material. It is not feasible now, as perhaps it once was, to be conservative in your label statements and “go to hell and gone” in your other advertising. After all, it’s your particular job to sell these products, but as I visualize your duty to your client you have to see the whole picture.

He explained that they must be somewhat careful in the way that they write copy, to test “whether what you are saying is true and is it true when read by a stupid dope.” He closed by advising them to follow the pair of integrated statutes that require “truth in advertising.” In this forum, Austin is advising them to be honest in their copy, yet is also encouraging them to integrate their advertising messages in an effort to be more open and honest.

In sharing its advertising tactics, JWT executives were openly sharing their experience with their junior colleagues in an effort to stimulate further dialogue and create the expectation of it being a transparent organization. Most likely, such dialogue occurred outside of the forums, spilling into offices, and informal conversations.

**Demonstrating competence: forums about major clients**

The forums that focused on clients were also presented by the executives that had responsibility for those accounts. These were opportunities for those executives to share both personal and corporate stories. These involved sharing successes, and described how the JWT team did their best work to give the client the effort necessary to get the best results for their product. In addition, from 1936 to 1938, the discussions focused on strategy: how advertising’s priority should be gaining additional sales for their customers. There is a sense of pride in their craft as well as concern for client partnerships.

In the forum of October 20, 1936 (Figure 1), Bill Day describes his work with Mr Bruce Gould, the incoming editor of the *Ladies’ Home Journal (LHJ)*, after its longtime editor, Mr Edward Bok, died. Bok was famous for bringing “the psychology of publicity” perspective to advertising in the *LHJ*. Bok even instituted advertising awards in partnership with the Harvard Business School in 1923. After his death, the *LHJ* needed to regain its leadership in the women's magazine field and Gould
wanted to do so with a new form of non-circulation-oriented advertising. Gould told Day that:

We wanted this advertising to restore the leadership of the *LHJ*. We wanted this advertising to emphasize the character of the magazine and restore the leadership in courage to state problems that confront human beings; in newsiness; in quality of the editorial material – fiction and whatever.

Day describes how he listened to his client’s ultimate goal and desire to use advertising focused on the content of the magazine and how that strategy was so successful that a competitor actually sent them a letter of congratulations. That *LHJ* partnership became one of those unique corporate stories that were passed along from employee to employee, sustaining the culture[5].

The only forum JWT President Stanley Resor attended was the March 11, 1938 forum by James Young. Young was one of JWT’s most celebrated copywriters, after Helen Resor (Fox, 1997, p. 144). After describing in detail how direct mail advertisers were able to get such impressive testing results, Young encouraged the members assembled to aim for longer-term copy testing in order better understand what methods work better, as well as how to reach the appropriate market. Finally, in discussing the JWT scientific approach, he explained:

> It brings us to the conclusion that copy testing can be done, and done profitably, for at least some general advertisers as well as for direct mail advertisers. It is not an easy, simple and mechanical process. It requires care, skill, patience, great honesty and suspended judgments, just like any other scientific research. It results in a slow accumulation of knowledge. But it does not cost much money because the test advertising itself is productive advertising.

One key aspect of these client forums was the way that the executives demonstrated the competence that JWT had to create successful partnerships with its clients. These are task rituals and are instructive to their employees (Plates 3-5).

**Demonstrating concern: forums that addressed advertising industry criticism**

Upon reading the minutes of these forums, it is as if they were responding directly to their critics and colleagues who believed that “the work they do is trivial” (Fox, 1997, p. 168; Marchand, 1985, p. 315)[6]. The Head of the JWT Wall Street office, Henry C. Flower, Jr, gave a talk on March 3, 1936 on whether a good salesman was born or made, and he remarked:

> The natural-born salesman is made – not born. Persuasion is not an instinct, but an art – and talent in the arts can be acquired. Just as there are rules and principles to follow in copy-writing – so there are rules and principles to follow in selling. The strange thing is that most salesmen know so little about them.

He described excellent salesmanship saying, “It wasn’t the product, the territory, the price, the number of loyal customers, or even the competition that counted – it was the way in which the sales story was presented.” He noted that successful salesmen never did all of the talking – an indication that a good salesman should be a good listener, one who is concerned about the needs and interests of the client. “You cannot successfully use your sales movers in their proper sequence unless you know them thoroughly.”

Then, in an effort that appears to bolster the troops in response to all the criticism being leveled at their profession, Bill Day gave a talk on December 7, 1937 which
he called, “Apology for Advertising.” He showed them five different advertisements and explained the criticisms they faced despite the fact that the ads demonstrated very high readership scores and sales records, both measures of reliable and competent ads. His point in showing the ads was to show that while they might feel that they have used their expertise to write entertaining copy or create beautiful art, they must still be concerned with whether or not the public will misinterpret an ad, thereby putting their client at a disadvantage with the public. He discussed the ads for Fleischmann’s Yeast, Bromo-Seltzer, Royal Gelatin, White Owl, and Lux. The Lux ad is provided herein as the Appendix. Mr Day’s evaluations of the ads included:

- **Fleischmann’s Yeast ad**: “Modern advertising is ugly. Older advertising was beautiful.”
- **Bromo-Seltzer ad**: “Modern advertising is cheap. The advertising of the past was high-toned ethically and therefore cast an aura of respectability and benevolence about the makers of the product.”
- **Royal Gelatin ad**: “Modern advertising is unfairly competitive and therefore destructive of respect for worthy competition.”
White Owl ad: “Modern advertising is repulsive to the moralizing and intellectual element in the reading public.”

Lux ad: “Modern advertising tends to employ in an increasingly degenerate style appeals to sex, to moron leadership, to emotional and not intellectual and social values.”

As Day was attempting to describe their success, he told them:

I call your attention the difference between the Thompson position in the two lists (was 9th before). It is also clear that much of the reason for the passing of some agencies, the merger of others and the rise of wholly new agencies to importance in rank lies in the character of copy they sponsored and originated.
He ended in an optimistic fashion:

I repeat: This is a good age in which to live. It is a good age for all who are human and not mechanistic in outlook; for all who realize that the fate of great nations and of trifling advertising hinges alike on the common people an what they think; for all who, believing in the common people are unafraid of whatever the future may hold. It is a bad age of reliance upon tradition; for putting love of money above love of humanity; for believing that method is more important than personal leadership; and for everyone high or low how is filled with fear of the unknown and now kaleidoscopically changing future. May it continue just so in every human activity all the way down to the little job of making good ads.
JWT executives were concerned about their reputation as an industry and the criticisms they faced. These forums allowed them to share their concern for their clients, as well as their own well-being.

Conclusion

In these forums, the JWT executives took the opportunity to share their opinions, their feelings, and their experiences with their employees about three topics: their clients, their tactics and the criticisms they faced. Ten of the forums focused on the tactics they used, nine focused on the criticism they faced, and seven focused on the clients they served. These forums were a form of socialization for younger employees to the culture of JWT. In these rare and intimate meetings, younger executives had the opportunity to learn how to behave, how to create ads, and how to represent the firm. It was in these instances where communication between executives could result in greater trust that would cement their working relationships so that they could continue to work together to carry the JWT tradition on into the future.

Thus, several forums reinforced the message that building trust in terms of openness was a central part of how JWT conducted its business. In addition, this call to integrate work done in one arena with what is done in another is a precursor to the ongoing call for agencies to integrate their marketing communications. Even as JWT was passing along its wisdom to its next generation of executives, it was on the forefront of thinking that advertising campaigns could not be thought about as individual parts, but should be integrated to convey a more complete and honest message with every customer communication.

The JWT forums were in many ways a precursor to what many companies engage in now: delivering on-site executive education packaged as the “JWT way” using the expertise and knowledge of their own top management team. By utilizing its own executives, JWT was attempting to create a culture of shared ideas and stories where opinions had the potential to be discussed honestly and openly and norms could be transmitted from one generation of executives to the next. While the meeting minutes only highlight the speakers’ text, it is an invitation for their employees to engage in dialogue about those shared speeches after the forum is over. The forums provided ritual opportunities for employees to regularly learn from each other, to learn more about their clients, and to learn how to build better and more trusting relationships with their constituents in ways that reflected well both on them and the advertising industry as a whole, at a time when the advertising industry was under scrutiny from the public at large.

We can learn from these forums and the JWT leadership that it is the responsibility of advertising executives to inculcate the values and culture they hold dear to the next generation in order to preserve the unique character of an agency’s culture.

Notes

1. This quotation comes from one of the forum meetings analyzed in this paper.
2. Several insiders wrote exposes on the advertising industry, including Helen Woodward, a former copywriter, Stuart Chase, an economist from the FTC, and James Rorty, who had spent 40 years writing copy at BBDO. Advertising Age editorialized, however, that these people really were more upset with capitalism than with advertising.
3. The account representative meetings dealt mostly with specific accounts and offices, and with business conditions.

4. The creative organization meetings usually consisted of a lecture by a staff member and focused on advertising practices and account histories.

5. He tells them that “it is important to tell the people, including the advertisers, the character of the material that the magazine proposes to put before the women of this country.” The “I saw them die” advertisement was a bit controversial because it focused on the negative aspects of World War I at a time when most accounts of war were intended to show support for the war. In this ad, it highlighted the paper that was to appear in an upcoming issue of the *LHJ*, written by a nurse who saw the horrors of war, firsthand.

6. This was actually spoken by a veteran of the industry, Helen Woodward, who left advertising in the 1920s, and went back in the 1930s to see “whether conditions had changed in response to the consumer movement.”

References


**Further reading**

**Appendix**

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