

THE SELLING OF AIR TRANSPORTATION

BY

Charles A. Rheinstrom

VICE PRESIDENT IN CHARGE OF SALES

AMERICAN AIRLINES, Inc.

20 NORTH WACKER DRIVE
CHICAGO

FLAGSHIPS



DELIVERED AT AMERICAN AIRLINES DRAMATIZED
SALES CONVENTION, CHICAGO, JUNE 10,
AND NEW YORK, JUNE 16, 1938

INTRODUCTION

By

RALPH SMITH

Editor of Business Week

“Mr. Rheinstrom’s confidence in the future of his company’s own sales opportunity and his faith in advertising as a guarantor of that future are typical of the spirit of the industry to which he belongs. Air transportation is now an integral part of our economic life. Its further development is dependent only on the vision of those who stand behind it, on their ability to analyze their markets, and on their determination to put into their selling the same aggressiveness, persistence, and ingenuity that first made flying a reality.

Management can — and here does — apply to the sound development of air travel the research approach that is characteristic of aviation on its scientific side.

Progressiveness in thought and aggressiveness in action are the true essentials of this business as of all business.”



Photographs are from actual scenes of American Air Lines, Inc., Dramatized Sales Convention, New York City, June 16, 1938.

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AMERICAN AIRLINES Inc.

This evening is dedicated to a dramatization of the selling of air transportation, particularly the transportation of *passengers*. We welcome all of you, our invited guests, our own employees, and our many good agents and friends with whose help we are building a great business in an industry which has already revolutionized the world.

Air transportation is a new commodity. The majority of the people in the United States know nothing about it from actual experience. But most of them do have opinions or impressions.

Where is the market for American Airlines? Who are American's prospective customers? What are their opinions and impressions?

For the purpose of helping all of you who are engaged in American's sales work, American Airlines has caused several market investigations and surveys to be made. Our objective is to eliminate guesswork and avoid theories. We have asked people in all walks of life from coast to coast to tell us what they think about air transportation. We went after and got facts: Why people do fly. Why

people don't fly! What routes people like best — What airline people prefer — and the answers to many other questions.



Family dinner scene in which the conversation develops the major findings of American Airlines' nationwide survey.

We do not believe it is possible to plan an intelligent sales campaign without such definite information.

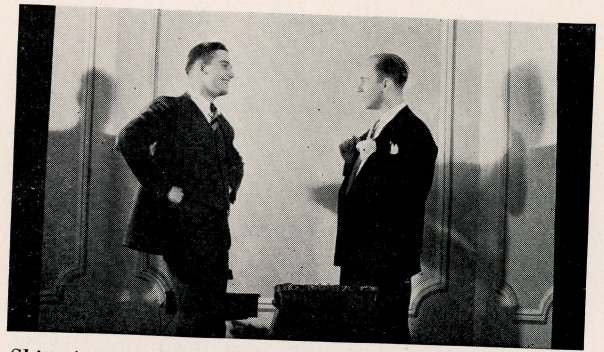
Tonight we will portray, in dramatized form, some of the major things we have learned from these surveys — and what we are going to do about them.

We doubt that there is any commodity on the market today, the sale of which depends as completely upon the opinions of so many people. We doubt that there is any service on the market today on which so many people must be sold before one actual sale can be made. Let me explain what I mean. American Airlines carried over 300,000 passengers last year. But, to get that many passengers up in the air in Flagships, we actually had to sell about five times that many people who stayed on the *ground*.

Let's take a hypothetical case —

Imagine a family where only one person, the husband, is a prospect to take a trip by

air tomorrow, because he is the only one who is going any place. Before he will buy a ticket and get into a Flagship, many other people have to be sold, his wife, his mother, his sister, his brother, his business partner, his banker, his golf partner. *Many people* can influence that one prospect's thinking and attitude about air travel. *Many people* can keep him out of our planes by their *objections* to air travel. On the other hand, if these potential objectors are *sold*, they can *help* us get *him* as a customer. Selling the prospect himself is not enough, we must sell the *others* too.



Skit of two traveling men in a hotel room. The one on the left is selling the other man on the idea of air travel, so that instead of being on the road all night, he can get home to his family and his own bed the same night.

The burden of *this part* of the selling job, the job of selling the family, is largely upon American's magazine and newspaper *advertising*, and other forms of advertising and sales promotional work.

In the show you will see tonight, we will depict how American plans to tackle this problem in its advertising and sales program.

We do not want to dodge the one subject that many of our sales people think is their greatest obstacle —

SAFETY!

Is air travel safe?

We see *no reason* to evade this subject. We have *nothing* to be ashamed of — *nothing* to hide! Air transportation's splendid record does NOT put *any* airline on the defensive!

Many of you are familiar with American Airlines' *all-time world safety record*. You know that American Airlines has flown 305,000,000 passenger miles and has carried 745,000 passengers during the past 2 years and 5 months without injury to a *single passenger*. I cannot praise too highly, or give too much credit, to our Operations Department for this wonderful record.

However, many people have died during the past twelve months! Thousands of them.

But, they did *not* die in airline accidents. Those who died, died from illness in bed — from slipping in a bathtub — from falling off a horse — from drowning while swimming — and *many* of them were *killed* in automobile accidents, and by other means.

All right, you salesmen say, that may be true, but nevertheless, we meet the question of safety often — and you may add that despite *American's* good record, an accident on *any* airline affects air travel on *all* airlines.

Yes, I agree with you, *one hundred per cent*.

Then, you may ask, "Well, why not make safety the central theme of our advertising copy?" You might as well ask, why we do not build our advertising theme around any *one* of the *other* sales objections to air travel.

Here's why —

American Airlines has a limited advertising budget. *We do not believe* that the *best* way to spend this money is in a *defensive* campaign to try to *convince* people that air travel is safe. *We could* quote statistics on safety in our advertising, but we believe that would leave the public cold. We feel that to *argue* about the safety of air travel would *distract* from its *advantages*. We would be putting the *emphasis*, we think, upon the *wrong* thing.

Men and women who do not now travel by air are staying on the ground because they do not yet *want* to travel by air. They may say they are afraid to fly and so long as they *stay* on the ground many of them will probably *continue* to be afraid to fly. What will get them over their fear? Quoting statistics? Getting into an argument with them *about* fear? *Debating* against their *prejudice*? *We don't think so!* Rather, we think we should spend the dollars we have for advertising in a manner that *vividly* and *alluringly* portrays the *advantages* people get from air travel . . . and make them *want* these advantages.

We do not believe that selling air transportation differs *fundamentally* from selling automobiles or any other commodity. Every person in this room knows that *every* day 3700 people are injured and 108 people are *killed* in automobiles — There were 39,500 automobile fatalities last year in the United States alone. Yet, while that is common knowledge to each of you — while you all know the danger and risks of motor travel — still, you *want* to go by motor car *so much*, you *con-*

tinue to do so despite this harrowing death list.

Our job, then, is to be *salesmen, not debators*. Our job is to show the *benefits* of air transportation, *not* to quote statistics.



Skit depicting one of the many reasons women like air transportation. Passenger is enthused over the fact it was just a few hours ride from New York to Chicago instead of an overnight journey, therefore her clothes are spic and span. She is refreshed and happy.

Recently, there was a regrettable airline accident. It was played up in the press of the nation on the front page. Imagine a salesman walking into a business man's office on the day after that accident. The business man has a newspaper in front of him with *pictures* of the accident. He says to the salesman, "I have changed my mind. After this accident I'm not going to fly. I don't think it's safe." Right there, is a sales hurdle for that American salesman to take.

In selling *anything*, whenever there is a reason, that keeps a prospect from *buying* that *thing*, that reason is also a sales hurdle. *Whatever* the objection may be — price, fear, or whatever it is — if it keeps the prospect from *buying*, it is nothing but *sales resistance*. So, for the sake of analyzing *this job*, let's just for a minute, put on the shelf that sales resistance called "safety" or "fear." Let's

assume that the salesman calls on *another* business man and he has a *different* excuse for *not flying*. Suppose he says, "I don't fly because it costs too much." The American salesman does not get frightened at *that sales hurdle*. Without antagonizing his prospect he analyzes costs. Maybe he can show the prospect, that on a particular trip, it actually does *not* cost more than some other first class means of travel.

But suppose it *does* cost a little more. What does a good salesman do? Suppose it costs thirty cents more — a dollar more — or \$5.00 more. A *good salesman* shows Mr. Business Man what he *gets* for that extra money. He points out that a good buy does not consist simply of a price; a *good buy* is measured by what you *get* for what you pay. The good salesman makes the business man *want* the *advantages* from air travel that *cannot* be obtained from *any other form of travel*.

We must treat the fear or the safety thing the *same way*. When the safety question is raised, the good salesman agrees with the prospect and says, "I know exactly how you feel." The salesman does not blame him in the least. He does not argue with the prospect or debate with him. He admits that NO form of transportation can GUARANTEE 100% immunity from accidents. — It never has — It never will! The good salesman points out how many American Flagships are in the air at this moment — how many passengers are in those Flagships every hour of the day and night. How air transportation is rapidly growing in popularity. How *thousands* of

people are *enjoying* it and *benefiting* from it, and are riding in airplanes with a serene sense of comfort and security.



Scene depicting a transportation desk in a hotel. Conversation between the hotel transportation man and the business man shows the possibilities of air travel as a source of revenue for the agent as well as great convenience and comfort for the business man.

The good salesman then *stops talking about the accident and* instead, talks about the *advantages* of air travel.

If, in spite of everything a salesman may do, his prospect continues to ask questions about safety, then these questions must truthfully be answered. One of the best and most effective answers to the safety objection is the story of air trip insurance and the liberal attitude of most insurance companies toward scheduled air transportation based entirely on the record. By speaking of the new policies the salesman actually enlists the aid of the insurance companies to do his selling for him. If a prospect should specifically ask for statistics on safety, the salesman has many authoritative sources for this information, as for example, the Chicago Daily News of May 27, 1938, which says — there was one fatal accident last year for every 12,832,694 plane miles flown, the government reported, or the *best showing* ever made.

But, a good salesman, whether he is selling shoes or air tickets, avoids defensive conversations where possible and as quickly as he can, turns the attention of the prospect to the attractive features of his product. He knows that when a prospect understands and appreciates what air travel can do for him; — the old objections will be minimized by comparison.



Travel bureau scene. In this skit is developed how travel agents can better serve customers by showing what air transportation makes possible for vacationists.

Now, let's assume that the salesman does not make an immediate sale by following these tactics; but, hasn't he left a better impression with the prospect? Hasn't he done a better job of selling than if he had been on the defensive and had spent all his time talking about the accident?

A good salesman admits to the prospect, that the day after an accident some people did not fly because of the fear this accident revived. But, the good salesman will also tell the prospect that the day after that accident many thousands of people *did fly* and *have flown every day* since. Those who did fly knew the advantages of air travel and wanted those advantages. Their *wants* were *stronger* than their fears.

If that were not true and they had not wanted to fly, there is *nothing anyone* could have said to *persuade* them to fly the day after that accident.

Now let me touch upon *another* phase of our sales problem. American Airlines, daily, puts 422 Flagship seats on sale in New York. These seats have a daily retail value of \$11,500 — \$4,197,000 worth of air travel a year out of New York *alone* on American Flagships to American Airlines' towns. There is OUR four million-dollar sales opportunity. It's up to *us* how much money we will make out of this opportunity.

Last year New York sold an average of 190 seats a day, or less than half of what we had for sale. We are way below the saturation point. No agent needs to worry about an opportunity to sell air travel as long as he has this four million-dollar volume to sell — and as long as there are *thousands and thousands* of people *yet* to be sold their *first* trip by air. While American Airlines carries *more* passengers than any *other* airline, and probably operates closer to capacity than any of the larger airlines — American *still has empty seats*.

In the United States there are *millions and millions* of people who can be sold air travel and who have never even been up in a transport plane.

To be sure, there is competition between airlines, but here's the important *point* — if you sold *every seat on every airline* out of New York there would still be left *thousands*

and *thousands* of potential *customers* for you to sell.

Our sales opportunity is to get more people *acquainted* through *actual experience* with the *many exclusive advantages* of air travel so that it will be necessary for American Airlines to buy *more* Flagships and increase its *schedules*.



Skit of another advantage of air transportation. On the left is a wife who has received a telegram from her husband saying that he will be home in time to take her to the party. In the conversation between these two women it is developed that air transportation makes possible fewer husbandless nights.

Our management has gone much more than half-way to help us. The present high degree of efficiency, security, and dependable operations has cost American Airlines millions of dollars. To date, this expenditure has *not* been warranted by passenger revenue. However, American Airlines cannot and will not jeopardize either the degree or quality of its service to reduce operating costs. We will *not* try to save by reducing the number of our schedules, but, nevertheless, we are in business for one reason — to make money. The *only way* to justify the confidence which has been placed in us — the only way to make money for American Airlines is for us to sell more tickets.

American Airlines has the product.

American Airlines has the *performance* record.

American Airlines has the *finest* of equipment.

American Airlines directly serves the *most* cities.

American Airlines has the *best trained* personnel to give specialized personal attention and courtesy to its passengers.

With all these *advantages* over competition and over other means of travel — it is up to us, the sales people, to sell more of what American's management is giving us in order that American Airlines can show a profit.

Is that asking *too much*? When you help American Airlines to show a profit, you are helping *yourself* to a profit.

And what a *pleasure* it is to sell air travel.

We are engaged in selling something more than just transportation. We are selling a new era of *efficiency*; a new way to *expedite business*; a new, enjoyable *experience* for *millions* of people.

We are selling a *modernized mode* of living.

We are selling a *new way* to think about distances that separate places and people.

We are solving a problem for travelers; we show them *how* to get relief; how to *save time* and how to avoid *nerve-wracking* and *energy-dissipating* transportation worries.

We open *new vistas*! *New Worlds*! And *new possibilities* for travelers.

Let us consider a man, for example, who has traveled back and forth between New York and Chicago for many years. It has become a job of *work* for him, a thing to be

dreaded. Night after night on the road away from home! It has worn a groove, in his very brain. Let him take his *first* trip from New York to Chicago on a *Flagship*. He is a *different man*! He has been *inspired*. He has seen the world from a *new angle*. He has been stimulated in his *thinking*.



Scene in a hotel room where business men have gathered for a convention. They are telling each other how they were sold on air transportation.

It is not only quicker transportation that we are selling, but *more important*, we are selling what air travel makes *possible*.

American is going to give you every possible assistance, in this interesting, inspiring and *very profitable* sales work.

It is not by chance that American Airlines is the leader in the airline industry. American's management and board of directors are wide awake to our sales problems and to our sales opportunities. They know that for American to *continue* to *lead* — and for American to *widen* its margin of leadership — requires the *winning* and *holding* of *more* patronage.

Everyone connected with American Airlines; the engineers, the scientists, the mechanics, the flight personnel, and hundreds of others, all contribute their share, often more than their share, in building and maintaining American's outstanding, nation-wide, day and

night service — *still the most important thing* to American Airlines is its *passengers* from whom our principal revenues come.

IN CONCLUSION — regardless of the general public's lack of information about air travel —

Regardless of the sales hazard of fear —

Regardless of *all* our sales problems — passenger revenues are rapidly growing.

The air transportation business is advancing.

American does show a large increase already this year over last year.

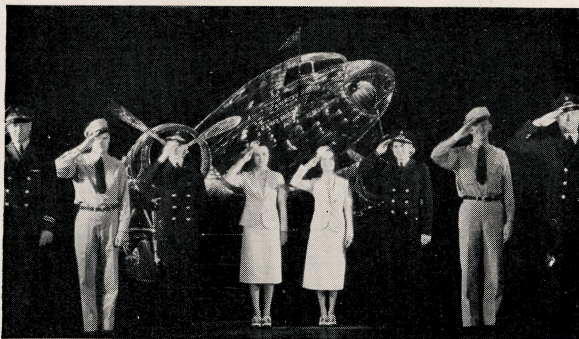
American will show a large increase for the year 1938 over 1937.

The future is bright! American Airlines' management is definitely optimistic!

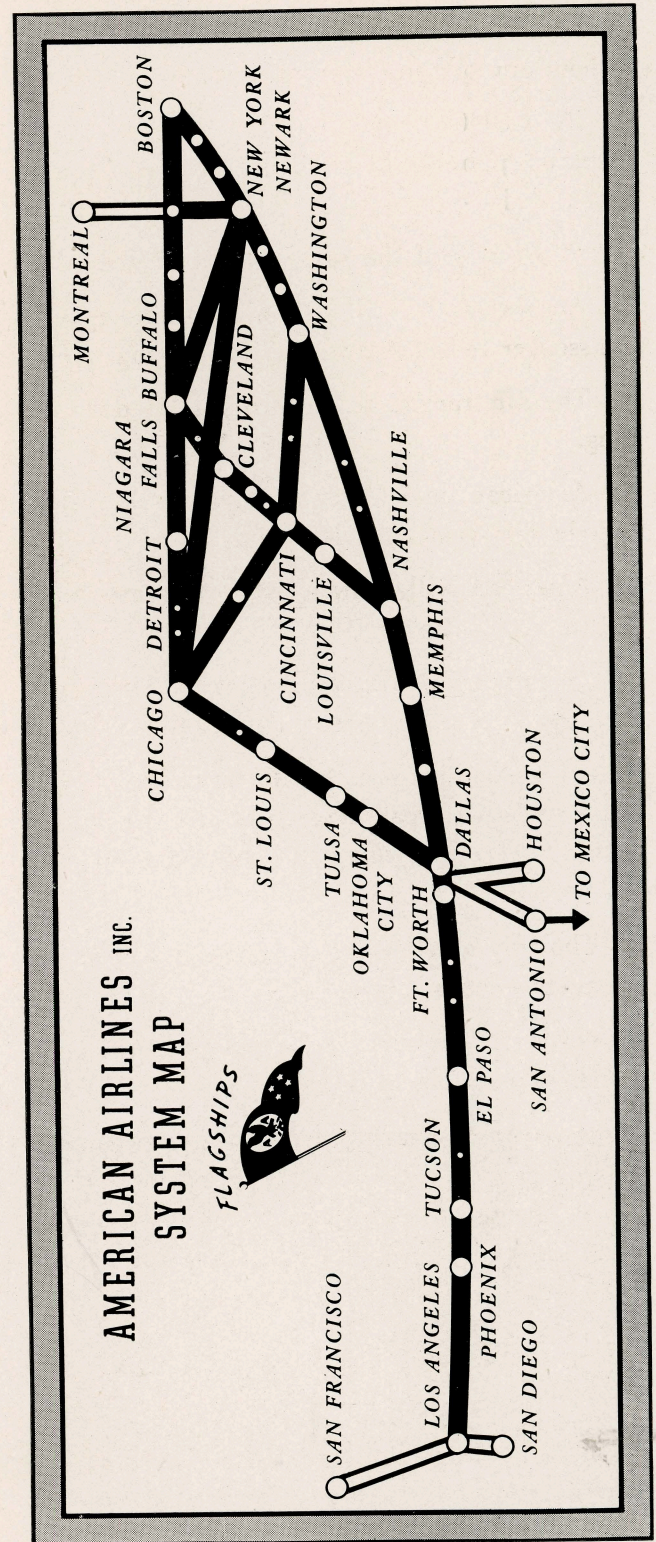
We are going to see a volume of air travel that will soon break *all* records and that will *totally eclipse anything* we have experienced to date.

The only question is how soon can we bring it about — that's up to us!

Now let's see some of the things American Airlines is going to do about it.



Finale. Employees from various departments of American Airlines Inc., salute the audience. These are actual American Airlines employees, representing pilots, maintenance men, passenger agents and stewardesses.



University Club of Chicago

July 7, 1938

Mr. C. R. Smith
American Airlines, Inc.
Municipal Airport
Chicago, Illinois

My dear C.R.:

While you were away I noticed the enclosed by Damon Runyan and thought you would get a great kick out of seeing what he thinks about Amon Carter.

Sincerely,

CC:
Mr. Amon Carter
Ft. Worth Star Telegram

P.S.
Thought you would like to have a copy of Rheinstrom's prepared talk delivered at the sales show. This reprint is to be sent to American's sales people, porters and travel agents who were not at the show.

Kindest personal regards.

Pete Willis

RECEIVED
JUL 11 1938