

# John Hobson

Born 1909.

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# 1. Introduction

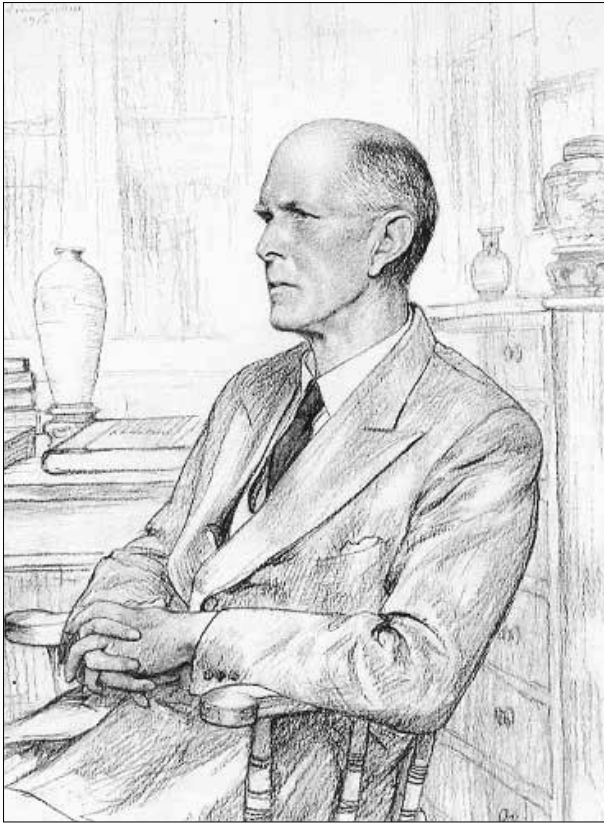


*Daisy and Robert Hobson with Denis, Alec, Margaret, John and Hugh.*

John Hobson was educated at Rugby School and at King's College, Cambridge, where he obtained a double first in classics. He entered the advertising industry, and in 1955 formed his own practice, John Hobson & Partners. It was a breakaway from Colman Prentis & Varley, and gained a powerful reputation in London circles for founder John Hobson's erudite and intellectual approach to advertising theory. John Metcalf joined the company as managing director in 1958, at which point the agency became Hobson & Metcalf, and two years later in 1960 it was acquired by US agency Ted Bates, becoming Hobson Bates & Partners until it adopted the Ted Bates name during the late 1970s. Hobson wrote in 1968 his book *Selection of Advertising Media*. It was well regarded in the industry, and ran into five editions.

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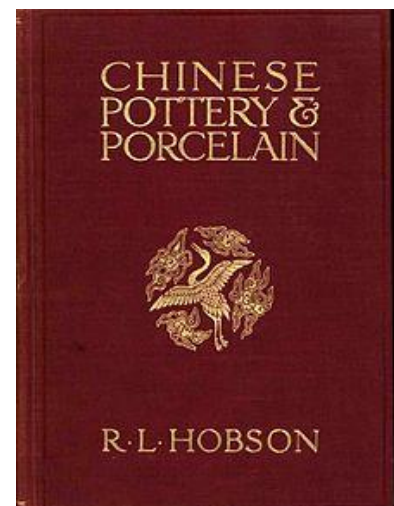
## 2. Parents



*Robert Hobson.*

John Hobson's father, Robert Hobson, was keeper of the Department of Ceramics and Ethnography at the British Museum and an authority on Far Eastern ceramics. He was noted for his cataloguing which *The Times* described as establishing firm facts to replace "surmise and unproved tradition".

He later turned his attention to far eastern ceramics and became a noted scholar of Qing dynasty works. He was one of the first to explicitly date the earliest blue and white porcelain to the Song dynasty when most scholars still placed it in the Ming period, indicating his awareness of the latest archaeological excavations. His *The wares of the Ming Dynasty* (1923) was described by John Alexander Pope as an early attempt at an "overall objective classification of Ming wares" and a "kind of landmark". He was highly influential through his writing in the elevation of Chinese ceramics from craft works to the status of objects of fine art.



Robert Hobson was born at Lambeg, Co. Antrim, Ireland, in 1872, the son of Reverend Canon William Hobson of the Isle of Man and Eliza Ann Dalglish. He had a brother, William Dalglish Hobson, born in 1886. He was educated at St John's School, Leatherhead, and received his advanced education at Jesus College,

University of Cambridge, from where he graduated with a first-class degree in classics in 1893.

Hobson worked as a school teacher for four years before joining the British Museum in 1897. He served as a lieutenant in the Civil Service Rifles, part of the London Regiment, from 1914 to 1919. In 1921 he was made keeper of the Department of Ceramics and Ethnography which was formed for him. He gave evidence to the Royal Commission on National Museums and Galleries. He was appointed a member of the Order of the Bath in 1931. In 1934 he was made keeper of Oriental Antiquities and Ethnography, a position he held until his retirement in 1938 at which time he was presented with the gift of a portrait by Francis Dodd RA. Robert Hobson died in 1941.

John Hobson's mother, Daisy Hobson, was the daughter of Rear-Admiral Hon. Albert Denison Somerville Denison and granddaughter of Albert Denison, 1st Baron Londesborough. Her father was a close friend of the Prince of Wales. She was in the very first cohort of women undergraduates at Girton College Cambridge, studying mathematics. In 1938, Daisy was granted the rank of a Baron's daughter which would have been hers had her father survived to succeed as Lord Londesborough. She died in 1967.



*Daisy and Robert Hobson.*

John Hobson's older brothers were navy men, and his younger brother became a district commissioner in Kenya, He played bridge for Kenya and was a close friend of Kenyatta. John's sister had a successful career as a maths teacher.

### 3. Frank Mort on John Hobson



*John Hobson aged about 35.*

*An extract archived on 3.12.20, with acknowledgement and thanks, from *Cultures of Consumption* by Frank Mort, 1996.*

Retailing at Next yoked together a dramatic formula for innovation with a very traditional approach to merchandising. The persistence of these established commercial strategies, amidst all the noise of cultural revolution, raises an important question over the claims made for the 1980s. To what extent was this discourse of consumption actually new? And how far did its address to younger men mark a significant break with earlier regimes of gender and commerce? Establishing the precise nature of the changes which were laid down during the decade demands a temporary break with our narrative. We need to situate these contemporary shifts within a broader historical understanding of the post-war consumer industries and their engagement with masculinity.

The commercial professions have themselves been notoriously uninterested in their own history. In the 1980s what dominated their concerns was an obsessive presentism, whereby transformations in consumption were understood to be driven only by the issues of the moment. When advertisers and marketers did examine their projects in the context of longer-term trends, their dominant idea was one of perpetual innovation. This account understood change as both cyclical and totalising. It was a variant of the more generalised image of the consumer revolution, which we have identified as a recurring motif in accounts of modern society. While such explanations made sense for many of those working in the consultancies and agencies, they militated against any developed historical sensibility. Repeated claims made for this state of permanent revolution prompted one elder statesman of the advertising industry, John Hobson, to question whether

anything significant had changed at all. As Hobson put it in 1986, reviewing his own career, not constant change but perhaps plus ca change.

Looking back on over fifty years in the agency business, I am constantly struck by the fact that, although many peripheral factors have changed, the basic character of agency life is much the same as in 1930 when I first joined ... The same battles rage between the executive and the creative side; the media departments are still wheeling and dealing, though in different ways; the clients still seem to prefer the agencies with creative notability to those which concentrate on the marketing and selling theme; there is still no recognition that a brilliant presentation of the wrong selling story is much worse than a straightforward rendering of the right one.

Media sociologist Jeremy Tunstall, writing in *The Advertising Man*, 1964, attempted to redefine the advertiser as a 'consumption engineer' who dealt in messages and symbols which were increasingly remote from the actual manufacture of goods. Traditional arguments that consumers needed to be given a rational 'reason why' they ought to buy a product now looked increasingly irrelevant, he insisted. In contemporary advertising jargon, which prefigured later debates, 'hard sell' was to be replaced by 'soft sell'. As Tunstall pointed out, it was among a new breed of art-based professionals - notably copywriters and art directors - that the call for change was strongest. Their argument was that contemporary advertising needed to work indirectly and tangentially, to establish connections between goods and key symbols of social prestige or individuality.

It was polemic of this type, about advertising's appeal to the emotive elements in human behaviour, which provoked the much-publicised contemporary attacks on the insidious nature of affluence from intellectuals on both sides of the Atlantic. But the actual influence of commercial formulations on the direction of British advertising in the 1950s was far more prosaic.

One of the leaders of the coterie of new agencies was John Hobson's own company, John Hobson and Partners. Founded in 1955 by John Metcalf and Hobson, the firm rapidly established itself as an intellectual presence within the industry. Pearson and Turner described the company in awed tones. It was composed of those 'dedicated men with the core of inner certainty, the men who really know'. By the time the business had been renamed Boson Bates and Partners, as a result of an American takeover in 1959, it was acknowledged as a conceptual leader in the field.

Hobson's erudite approach to advertising theory in many ways prefigured Hegarty's own stance thirty years later. His highly influential text, *The Selection of Advertising Media*, 1955, commissioned by the Institute of Practitioners in Advertising, laid out his arguments in full. Acknowledging that the profession was 'still an inexact science', Hobson believed that, in addition to a battery of quantifiable data on markets and audiences, agencies also needed much 'more complete knowledge on the working of the mind and the emotions'. As he went on to explain, this was necessary because advertising deals with issues which were far more intangible than simple cost factors and levels of coverage. The critical element was what Hobson termed the 'atmosphere' of the message. Atmosphere essentially involved subjective indicators; in particular the mood of consumers and their

emotional response to products. While other features could be measured, 'atmosphere' demanded a more 'intuitive and perceptive' approach.

It would be wrong to overestimate the influence of this new form of advertising theory. It was by no means universally accepted. For David Ogilvy, reviewing recent trends in 1963, 'plain language' and sound informational content remained far more critical to the professional's brief than what he dismissed as mere 'technique' or aesthetic intangibles. Nevertheless agencies such as Hobson Bates or Robert Sharpe and Partners were representative of a distinctive current within British advertising from the late 1950s, in which emotive and creative factors played an important role.

Among Hobson Bates' contribution to these campaigns were two commercials addressed to younger men. Their acquisition of Ind Coope's Double Diamond pale ale account from the London Press Exchange in 1963 involved an upgrading of the product. The traditional format of beer advertising (what was dubbed the masculinity of the saloon bar) was displaced by more modern codes of manliness. 'Double Diamond - the Beer the Men Drink' pictured men in a world of 'affluence and jet-age leisure'; surfing, parachuting, water-skiing and mountaineering. The emphasis was on virile, energised images.



The men driving a speedboat through the spray in a Double Diamond advertisement.

A contrasting stance was adopted in the agency's Strand cigarette advertising for W.D. and H.O. Wills which had appeared three years earlier. Here the individuality of the 'youth generation' was captured by an atmosphere of 'loneliness'. What John May, a member of Hobson's team, who coined the successful slogan 'You're never alone with a Strand', suggested was a 'hyperconsciousness', an 'entirely independent way of living' among the young. Echoing the 'loner' theme pioneered by Hollywood cult figures such as Marlon Brando and James Dean, the actor in these cigarette commercials, Terence Brook, was shot in a variety of states of solitude. In on Strand advert he was filmed leaning against the wall of London's Chelsea Embankment, in another standing on a deserted Brighton beach. In both cases the settings reinforced what May termed a symbolic style of independence.



Hobson & Partners ad for the Strand brand of W.D. and H.O. Wills.



## 4. Winston Fletcher on John Hobson



*John and Barbara Hobson crossing the Atlantic on board one of the Queens.*

*The following is extracted, with acknowledgement and thanks, from Powers of Persuasion: The Inside Story of British Advertising by Winston Fletcher (below). It was published in 2008 by the Oxford University Press.*

The 1960s two most influential and successful new British agencies were both founded by men who had worked for Arthur Varley, a remarkable tribute to his strengths - and his weaknesses. In 1955 John Hobson left CPV to launch John Hobson & Partners. In 1960 John Pearce left CPV to launch Collett Dickenson Pearce. What is still more remarkable is that their agencies embodied divergent and conflicting extremes in advertising beliefs and principles. They represented the two inimical ends of a spectrum of approaches to advertising whose protagonists on either side were in constant dispute throughout the half century. It is often dubbed the conflict between effectiveness and creativity - but that is far too simple.



John Hobson's agency deprecated creative awards, cared little or nothing about whether its advertisements were liked by the public, and made no bones about being first, last, and only, committed to sales results. The agency quickly built up a reputation for producing hard-hitting, hard-selling campaigns which really did the business. John Pearce's shop believed advertisements were ambassadors for their brands, and that like ambassadors they should be friendly, courteous, and well-mannered. The agency produced award-winning campaigns by the bucketful, and for three decades was a byword for British creativity throughout the world. The Hobson agency believed uncompromisingly that advertisements should be based on professional market research and testing. The Pearce agency believed uncompromisingly that advertisements should be based on professional instinct and gut-feelings. John Pearce wanted to enhance the status of advertising by producing advertisements the public liked, enjoyed and admired. John Hobson wanted to

enhance the status of advertising by getting the public to appreciate the essential contribution advertising makes to commercial success and economic growth.



*Leading figures in the UK advertising industry.*

John Hobson's agency had opened on 30th September 1955, with Hobson's definition of the agency's philosophy. He wrote: 'Advertising is as much a part of the formula of a product as the texture of a food, or the scent of a soap, or the line of a car .. this is a fresh approach to the purpose of advertising'. By 1970, after its sale to Ted Bates of New York in 1959, his agency was the 5th largest in Britain.

Hobson's donnish image provided the agency, not unfairly, with a reputation for rigorous and reliable analytical thinking. He wrote: 'Our aim has always been to minimise the area of uncertainty in advertising ... In advertising there are always dozens of ways of doing any job. We consider them all and then test and test and test until we get the right one'.

## 5. Writing and Speaking

### Selection of Advertising Media

John Hobson wrote in 1968 a highly regarded book, *Selection of Advertising Media*. It was regarded as the authoritative work on media selection, and ran into five editions.

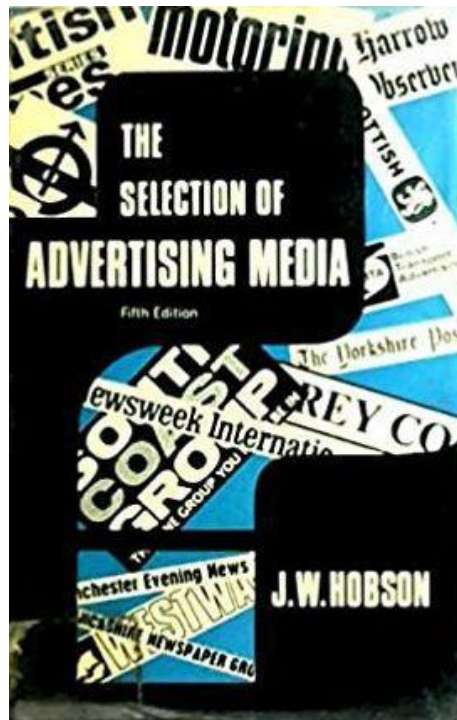
An example of its wide influence is the following extract from an article by evangelical pastor Brian Ball, of Wolverhampton, published in 1968:

Having decided on what we are going to say, how are we going to say it? What media are we going to use to tell people of our meetings?

J. W. Hobson in his book *The Selection of Advertising Media* gives some interesting figures, which to my mind prove conclusively that the most effective media of advertising, excluding television, are newspapers, handbills, and posters. Some may disagree

here, but I believe that to be really effective our advertising message must be projected through as many channels as possible—call it "blanket coverage" if you like. While some media are undoubtedly more effective than others, it is nevertheless true that the more media we can use, the better will be the effect.

If a person sees the same thing three times in a day, and in different places, it will make far more impression on him than if he sees it once only. Something else worth bearing in mind is that the duration of our advertising campaign is very short, a week or two at the most. In that brief period we have to tell everybody in town about the opening meeting of our series. Thus to advertise our meetings effectively we need to use at least three and preferably four or five different media.

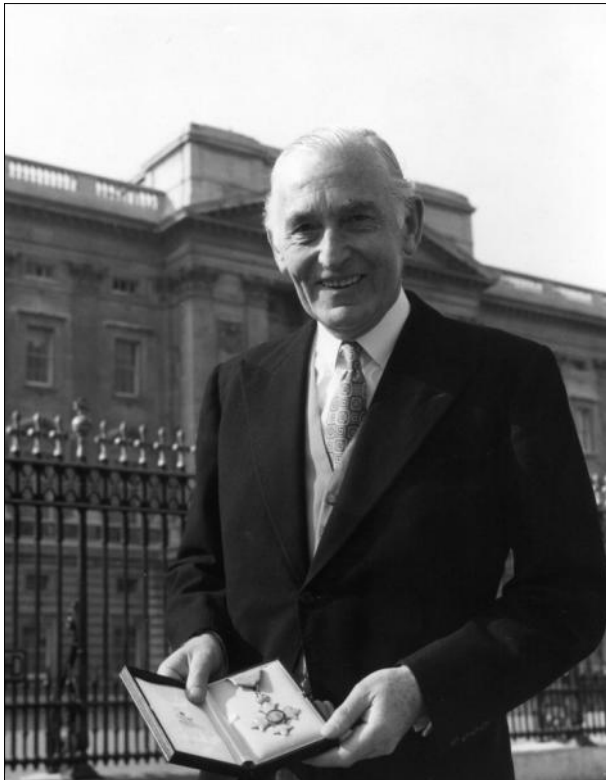


### The Social and Economic Context of Advertising

*John Hobson delivered in 1964 a lecture to the Royal Society of Arts on the subject of the social and economic context of advertising. His introduction by the Chairman, Hector McNeil, chairman of Babcock & Wilcox, is followed below by the opening and closing parts of his lecture. With thanks and acknowledgement to the Royal Society of Arts, from whose website this material has been archived.*

Chairman: Mr. Hobson was senior classical exhibitor at Rugby School and subsequently gained a double first in classics at King's College, Cambridge. He also played in the college rugby and tennis teams. In my view this is an ideal background for a person who was destined also to play one of the most distinguished parts in British advertising today. In a recent article in the Observer he was described as probably the leading expert on marketing in Great Britain. His

company, which is no doubt well known to you, Hobson Bates and Partners, is a result of a merger with Bates of New York, and that enables it to draw on a very wide experience not only in this country but also in the USA.



*John Hobson receiving his MBE at Buckingham Palace.*

John Hobson: I am delighted that the Royal Society of Arts have thought fit to make Advertising the subject of these three Cantor Lectures. Not only is advertising one of the most notable areas where the arts, industry and commerce meet. It is also the outward and visible sign of one of the most important social phenomena of the mid-twentieth century in this country - backstreet abundance, the percolation to the mass level of a substantial purchasing power. Certainly advertising would not exist without that mass purchasing power; but I venture to assert, too, that backstreet abundance would not exist without advertising.

I am the Chairman of an Advertising Agency; so you will not expect me to be other than biased in favour of my occupation. I am fascinated by its creativity; its techniques; its vast range of human, social and industrial interest. But I can see that it is open to some question and even some criticism, and I shall try to put a fair and honest appraisal of the subject in front of you. I am going to confine my remarks largely to mass consumer goods advertising. The £225 million of mass consumer advertising is the area in which discussion is most needed and is most challenging.

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I recall one incident which seems to me to crystallise the whole essence of the problem of advertising's social context. A well-know and highly respected Quaker industrialist once said to me, as he approved his vast advertising budget 'advertising is a necessary evil'. To him as an industrialist advertising was essential; to him as a Quaker it was an evil. Which is the greater good; the prosperity of an industry

which ensures the livelihood of thousands of families and meets the legitimate needs of millions - or the very real and honourable convictions of Quaker asceticism?

These words crystallize the paradox of modern advertising. On the one hand we have a system which is indispensable to the health of our consumer industries, to the abundance of our people's standards of living to the life-and-death struggle for exports in a competitive world. On the other hand we have the creation of a materialistic society, the question of the partial truths of salesmanship, the risks involved in putting a vast social power into the hands of industry seeking is economic salvation.

The solution to the paradox must, I think, be compromise. Salesmanship, and in particular public salesmanship in the form of advertising, must be allowed pressures. But we must demand responsible salesmanship, highly self-critical, conscious exactly of the line of truth and good manners that it must not overstep. This is not a problem for the law or the Government; such matters cannot be handled by written law. It is the job of industry that pays for advertising and governs it, of the technicians who practise it, and of the pressure of public opinion, to exercise the necessary restraint.

The minority view of asceticism, the Puritan strain in our make-up, the eyebrow-raising of the out-of-touch intellectual, must not overpower and outweigh the majority needs of a better living standard, but neither must they be ignored. We need salesmanship in our society, but it must be *responsible salesmanship*, and this I believe is what modern industry and modern advertising are striving to give us.

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## 6. Sale of John Hobson & Partners

*Archived on 3.12.20, with acknowledgement and thanks, from the leagle.com website. The case of Ted Bates & Company Inc v. Commissioner at the United States Tax Court, September 17th 1965.*

From the time of its incorporation, petitioner experienced spiraling costs and a decreasing profit margin. For a number of reasons the members of petitioner's management became convinced at an early date that continued growth and expansion were necessary for its survival in the advertising business. They also realized that domestic growth alone would not be enough, but that it would be necessary for petitioner to expand its operations abroad. The one single factor that served as a catalyst in kindling their interest in expansion abroad was that one of petitioner's new clients, Mars Enterprises (which was also one of the largest advertisers in England), stated to petitioner during 1955 "it might be beneficial to both petitioner and the client if petitioner could begin to conduct operations in England." In June of 1955, T. Rosser Reeves participated in preliminary discussions in London with the head of Masius & Ferguson, the advertising agency which handled the Mars advertising in England, concerning the development of some kind of working arrangement between petitioner and the British agency. While in London, Reeves visited other British advertising agencies in order to obtain some background with regard to the possible terms on which a British agency might be acquired.

Upon various occasions during the next two years, petitioner was called upon by its client, Mars Enterprises, to impart to various members of the Masius & Ferguson agency some of its "know-how" and techniques in "spot" television commercials and the Bates' philosophy of "U. S. P." or "Unique Selling Proposal," a form of the extremely "hard sell." Petitioner was also, upon occasion, requested by this client to assist the Masius & Ferguson agency in the creation of advertisements for use in Great Britain. Petitioner found itself in a predicament where it was actually doing work for its client in England, but it could not receive compensation therefor. Moreover, petitioner believed that it was placed in a position where it was imparting its "know-how" and advertising techniques to an advertising agency handling the advertising of one of petitioner's clients and that it was actually aiding a potential competitor. Bates, Reeves, and Kearns believed that in order to extricate petitioner from this predicament it was essential for it to acquire some kind of foothold in England.

At this time, other considerations, aside from direct client pressure, began to convince petitioner's management that expansion abroad was imperative and should be effected as quickly as possible. On March 25, 1957, the Treaty of Rome was signed, and the European Economic Community, more commonly known as the European Common Market, was formed. Some of petitioner's clients were among the host of United States concerns which increased their business activities in Europe. Petitioner realized that its clients would require advertising services in Europe. It also realized that six agencies of the other 10 or 15 largest advertising agencies in this country had, as of 1955, acquired one or more offices in foreign countries where petitioner's clients conducted substantial operations. Petitioner

believed that in order to retain these clients it had to offer them a full line of services, including handling their advertising abroad.

Petitioner's plans to expand abroad began to crystallize toward the end of its fiscal year in 1957. Thus, during January and February of 1957 Bates, Reeves, and Kearns discussed petitioner's chances of acquiring the Masius & Ferguson agency. Most of the discussions concerning foreign expansion took place at informal meetings between Bates, Reeves, and Kearns, rather than at formal meetings of the executive committee or the board of directors. They discussed the amount of money that might be needed to purchase the British agency and agreed that it would probably cost approximately \$1,500,000. Reeves was sent to London to determine whether Masius & Ferguson was for sale.

In the spring of 1957 (the beginning of petitioner's fiscal year 1958) Reeves went to England to discuss with the principals of the Masius & Ferguson agency a possible sales price. One of the owners of that agency described the situation as follows:

*But by 1956 or 1957 we began to feel the hot breath of Bates on the back of our necks. We realized that they were interested to come in and that they had support from at least one of our bigger clients. Somewhere around 1957 negotiations started which continued over a long period. We were not anxious to deal in 1957 for a variety of reasons, some of which were personal. In 1958 we got down to very serious discussions.*

The first figure mentioned by the Masius & Ferguson people was \$4,000,000. Reeves suggested that petitioner might be willing to purchase Masius & Ferguson at five times earnings. The Masius & Ferguson people indicated that their earnings were approximately \$300,000 per year; that they would not be willing to sell for \$1,500,000; and that higher earnings were anticipated the next year. They suggested the negotiations be suspended for one year.

In June 1958, Reeves was once again dispatched to London to resume negotiations concerning the purchase of the Masius & Ferguson agency. The discussions lasted for approximately ten days. Reeves, who was then chairman of petitioner's board of directors, reached a tentative agreement with the Masius & Ferguson people, at least to the extent that certain rough limits were drawn. It was agreed that the transaction would be finalized in New York during the fall of 1958.

While in London, Reeves discovered that the John Hobson and Partners, Ltd., advertising agency might be available for purchase. He visited that agency to acquaint himself with the personnel there and the nature of the agency's operations. Upon returning to New York, he reported this development to the other members of petitioner's management. Several weeks later Reeves wrote a letter to John Hobson inquiring whether Hobson would consider selling the agency to petitioner.

At the same time petitioner was negotiating for the acquisition of a subsidiary in England, it was also making plans for additional foreign expansion. During the summer of 1958 petitioner sent one of its senior vice-presidents to Europe to prepare a survey of the European market. Petitioner, during the latter part of 1958, also authorized the same officer "to explore specific possibilities for expansion into Canada."

In the fall of 1958, the two principal owners of the Masius & Ferguson agency came to New York to meet with the four "top" members of petitioner's management. When the negotiations seemed about to be finalized at a price of \$2,000,000, it was disclosed that a London bank had some kind of interest in the agency. It was decided that Reeves would go to London in January of 1959 to deal directly with the bank.

When the nature of the Masius & Ferguson obligation to the bank was explained to Reeves, he decided that the over-all cost to petitioner would be too high. The negotiations were then terminated.

The next day Reeves contacted the John Hobson and Partners, Ltd., agency to discuss the purchase thereof. It was tentatively agreed that petitioner would acquire that agency for approximately \$600,000. In May 1959 the owners came to New York to finalize the agreement. As the negotiations progressed, the sales price increased. Ultimately, it was agreed that petitioner would purchase the Hobson agency for the price of \$1,019,000. In addition, petitioner agreed that, because the working capital of the Hobson agency was depleted, petitioner would guarantee a line of credit to that agency of \$650,000. The sale was closed on July 7, 1959. On that same date petitioner pledged \$650,000 in notes of the State of New York to establish overdraft facilities in the amount of 200,000 pounds (U.K.) in favor of the Hobson agency.

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## 7. Royal Commission on the Press

*Archived on 3.12.20, with acknowledgement and thanks from the record of the hearing on 13th November 1961 of the Royal Commission on the Press, chaired by Lord Shawcross.*

Chairman: Thank you very much for having sent along a copy of your book in which you have touched on a point on which we have been seeking information. There is a lot of evidence of the circulations of journals and their readership, but when an advertiser has spread his advertising, say, over posters, television, cinemas and the Press, how does he ascertain which is the most effective medium for his product?

Mr. Hobson; It is very difficult, you know, to decide what you mean by 'effectiveness'. The effectiveness of a medium and an advertisement that is design to pull replies for mail order watches may be entirely different from the effectiveness of an advertisement which is required to make a woman go into a grocer's shop or the effectiveness of a medium which is designed to create prestige, for example, so that the word 'effectiveness' is a very difficult one to assess, and as a result it is pretty difficult to find the measurement of effectiveness. Various attempts have been made, but not very successfully. Coverage, yes, but effectiveness is very difficult.

Chairman: By 'effectiveness', what I had in mind was, if you are advertising something for sale with a view to increasing its sale, how do you know which of your choice of media is the most effective in increasing those sales?

Mr. Hobson: the answer is you really do not, because for one thing you very seldom, except on mail order, can isolate the advertising from all the other factors in the equation and, if you have no distribution or a very inadequate distribution, your advertising will be infinitely less effective and it is very difficult to tell which items in the whole of the sales promotion programme have been conducive to increasing sales and which items have not. We attempt to measure advertising separately. If you could measure advertising separately then you could measure the effect of media separately, but it is very difficult to do either of those things and in the result you tend to choose your medium on the basis of coverage and such judgement decisions as you may make about effectiveness. A number of enquiries have been made. One of our clients has done an enquiry, a survey, in which he took three separate areas and on to the basis of a national press coverage he built television and posters and the cinema. He measured sales, and he thought he got some good comparative costings of sales. I hope he did. Another has measured recall of advertisements, again across different media in separate areas where they have been used, and he has got some measurements too. I do not know whether those measurements are really effective.

Chairman: So that really the sole guide which a client has is the experience of his advertising agent?

Mr. Hobson: Yes, and his own experience. A lot of it is judgment. You do not have to be very experienced to know that the Manchester Guardian conveys a different kind of feel and message from the Daily Mirror.

Chairman: There is no means of finding which medium or media are having the most effect?

Mr. Hobson: No, it is very difficult indeed. I can guess why they advertise on buses. We have the product Sunfresh which we advertise a good deal on buses and we do it because we believe the maximum possible repetition of the name is useful in that kind of context, but in another context we would not think that was a very useful value.

Chairman: Although there are varying commissions paid by different periodicals I think you have said that it does not in any sense have any influence on the advice which you give to a client?

Mr. Hobson: Yes.

Chairman: But with some people, perhaps the smaller ones, do you think a different rate of commission might have an influence on the advice which an advertising agent gives to his client?

Mr. Hobson: May I just correct your starting point here? There are different rates, different levels of commission, it is true, but we in fact have a single commission. We plus all commissions up to 15 per cent. Therefore we have no differential when we come to it. I think this is a great advantage. I think that one could very easily be influenced by a different rate of commission. With the best will in the world, where there is a marginal case and you are not quite sure which way you want to go a different rate of commission might influence you.

Professor Browning: You say 'In order to offer the full range of marketing and research services we consider necessary this agency under its terms of business with its clients asks for 15 per cent commission'. Does that mean your 15 per cent on the advertising covers your marketing and research services?

Mr. Hobson: It covers all our marketing services, and it covers the kinds of research which are not full-scale set pieces, if I may put it like that. If somebody wants us to, as they might very well do, 4,000 samples of housewives, this would not be covered, but we do for example check up very elaborately on the effectiveness of copy and the effectiveness of penetration of our messages, and a great deal of other things that we feel we ought to know, and this comes out of our commission.

Professor Browning: Does the commission cover such questions as looking at what your competitors are marketing and the price that they are marketing at?

Mr. Hobson: Yes. We send teams of people up to different areas to see how our products are getting on in the shops and how our competitors are doing in the shops whether we have good distribution, good display, and that kind of thing, and all this comes out of our commission.

Professor Browning: Are there not many agents where that is all charged extra?

Mr. Hobson: I would have thought not. I do not know. I am not sure what other people do, but I would have thought most people do not charge extra for what I would have called the routine services of doing the job well on the marketing side.

Chairman: What effect do you think commercial television has had on the amount of value of newspaper and magazine advertising? The figures show that there is a rapidly rising amount of money being spent on advertising in commercial television, while the rise in Press advertising has been going on also. The question that arises in our mind is, if there had not been commercial television, would there have been as much money sent generally in advertising and would the advertising in the Press have risen so steeply?

Mr. Hobson: I think that is a very interesting question. My own view frankly is that there would not have been as much advertising if there had not been commercial television. I think commercial television has speeded up the processes of marketing, sometimes over-speeded them up. Firms that reckon they have very good products have had a chance of testing the market as they think, and they have grown up very quickly; and then sometimes they have disappeared because they have not been the right products for the job. I think television has speeded up the process of marketing a great deal and given a lot of people extra hopes of winning markets which they probably would not have had - or would not have expected to work so quickly at least with previous media. I think the answer to your question is in my view there would not have been so much advertising if it had not been for commercial television.

Chairman: In your opinion commercial television has increased the revenue going into the Press at a great rate than if there had been no commercial television?

Mr. Hobson: There is plus and minus. Quite clearly at the same time as increasing the total amount of advertising television must have taken away something from the rest of the media. Whether the plus and minus would have balanced, or whether you could say that it also increased the amount of poster or print media for example I would not care to say.

Chairman: Is your feeling that commercial television has so increased advertising consciousness that possibly the Press has gained on balance?

Mr. Hobson: It could be.

Professor Browning: Are you also saying in effect that over the past years there have been a number of people who have thought that you could market a poor product by television, let us say, or by advertising, and that is money that has been, as it were, unprofitably expended?

Mr. Hobson: First of all no one thinks they are marketing a poor product, you. They may be marketing a poor product, but they do not think they are. They think it is a good product at the time they market it. The second point I would say is that it is not only the marketing of poor products which has increased the total volume of advertising in this context. I think the quicker fructification that television brings may have accelerated the marketing of good products and encouraged people to make good products. When I say 'good' I mean ones that survive and do well.

Professor Browning: Looking forward to you think this rise is going to continue at a slower rate?

Mr. Hobson: I think it depends a great deal on certain things. Particularly on the state of the economy over the next five years. If we are really going out of a period of inflation into a period of stability or deflation, I think the amount of advertising will not go on rising. I think inflationary conditions encourage a lot of people to expand their activities. I would think that the rise in the rate of advertising will slow down. This is my view.

Mr. Webber: the advertising agent as such accepts no responsibility for the quality of the article that he advertises?

Mr. Hobson: It is not so much a question of quality that I am talking of. It is a question of whether a product has a market or not. To take an example: somebody recently spent quite a lot of money in marketing orange drinks in individual sachets; they thought it was a good idea; they thought it met a market need of some kind, but it transpired that it did not. No one offers a bad product. They thought it was a very good product. It was not one of ours and I never sampled it, but the point is not that it was a bad product; it was that it did not meet a market need is what I am saying, and it may have been a bad product as well.

Mr. Webber: I was talking about the bad product. Does the advertising agency as such accept any responsibility for the quality of the product that it advertises on behalf of its client? Is it concerned with that?

Mr. Hobson: Yes, it is concerned about it very definitely.

Mr. Webber: Does it refuse advertisements? Does it test the product?

Mr. Hobson: I think that we have probably refused two or three times. On the other hand we have also been convinced on other occasions to market, perhaps against our better judgment, a product that was less good than it should have been, but mind you, let us be very clear, no one ever thinks his product is a bad one.

Mr. Webber: You have said that several times, but do you test the quality of it ever?

Mr. Hobson: No. How can we test it? We can sample it ourselves and we might say this does not suit our taste, but if the maker could say 'We believe it suits the taste of a lot of people' we will still sell it.

Mr. Webber: A purely commercial relationship between you?

Mr. Hobson: A purely commercial relationship between us, and even our objections re to some extent commercial in the sense that we do not want to be associated with products that are failures.

Chairman: I understood you to say that you have on perhaps more than one occasion refused to take an advertisement because you thought the product was not good. Was I wrong in assuming that?

Mr. Hobson: I did not say that. What I said was we have advised against, and then said we did not want to be associated with, the marketing of a bad product.

Professor Browning: this is a very difficult thing surely to do in practice? If you are acting regularly for a client and they have this one product that you disagree violently on, you have really to throw up the whole thing?

Mr. Hobson; Not necessarily.

Chairman: Do you find that you have to set - for your own economic reasons- a minimum limit on the amount that advertisers must be prepared to spend per annum through you on advertising?

Mr. Hobson: Yes.

Chairman: What limit do you put?

Mr. Hobson: Our limit has been going up in the last two or three years, because we have found we have been successful and we have found we could increase our limits all the time. We started with a limit of a figure which brought us in something like £2,000 commission, which would probably be a £15,000 budget. We have in fact in some cases taken developing products which we thought were quite capable of coming up to that from lower levels.

Chairman: That is good business?

Mr Hobson: Yes, and in the last two months we have in fact resigned four accounts which obviously showed no chance of coming up to the level on which we care to operate.

Chairman: That gives a chance to the small man to establish an agency?

Mr. Hobson: That does, yes.

Chairman: How does a small man actually come in?

Mr. Hobson: I branched off in 1955 from a much larger agency myself. I started with two clients, Cadburys and one part of Lyons business, and I took on a number of small accounts in addition to those and I built up from there. I took with me about ten people who were friends of mine in the old agency and I recruited perhaps another seven or eight. I started with a staff of seventeen and from that point developed onwards.

Professor Browning: This habit of the good accounts moving with a man is really quite common in the industry?

Mr. Hobson: It used to be much more common that it is. I do not think it is very common now.

Professor Browning: Is that because the industry is bigger and more strongly established now?

Mr. Hobson: I do not know. I have not heard of it going on much. I will put it like that. A number of new agents have set up in the last five or six years, perhaps taking on account or maybe buying themselves into an existing agency, a small one, or something of that kind, and then setting up and going on from there.

Professor Browning: When an employee moves and sets up his own business, does he have much difficulty in getting the commission from the newspapers and periodicals?

Mr. Hobson: Not if he fulfils the conditions which you probably know very well, the NPA recognition conditions which are not very onerous: he has to have three national accounts and have certain capitalisation and so on, and he should have no difficulty in getting recognition.

Mr. Webber: He will be, or may be, a member of the Institute of Practitioners before he breaks off?

Mr. Hobson: He may very well be although I do not think that would constitute any particular help to him in getting recognition. It might indicate that he is recognised as the right sort of person, but it is not a condition laid down by the NPA for recognition.

Chairman: Anybody wanting recognition from the NPA would have first of all to be active in somebody else's agency before he could hive off and take three national accounts with him, would he not?

Mr. Hobson: Yes.

Chairman: This does encourage people to go into a business and, having got connections, to move out of it.

Mr. Hobson: Yes, but it does not very often happen. I am thinking of two agencies that have set up recently. Both of them took the step of buying into existing small agencies in which the existing proprietor was, let us say, getting old and wanted to sell out, something of that kind, rather than setting on their own with accounts.

Mr. Webber: It means rather more than that, does it not? It is all right if you can buy into an existing small agency, but if you want to set up on your own you have to take a few accounts with you from your previous employer.

Mr. Hobson: Yes, that is probably true.

Mr. Webber: And there is no restrictive provision there that you cannot do such a thing? You just take it away?

Mr. Hobson: Yes, putting a slightly coloured picture on it. Probably in fact, as in my case the accounts which I took with me had been ones that I had brought into my previous agency myself, had worked on very thoroughly all the time and developed until the people concerned had considerable confidence in me.

Chairman: Yes, on the principle of the thing I think it is highly desirable, because agencies have good periods and they have bad periods. I think it is highly advantageous that there should be some amoeba-like factors operating in agency business of people breaking off and coagulating with others and setting up new units.

Chairman: We have had various theories put to us as to how a dying newspaper can be kept alive, and one of them is that you can put a tax on advertising according to

the circulation or the advertising value of a newspaper so as to tend to drive the advertising into other media. The alternative is to put a limit on the amount of advertising space which successful newspapers can carry and thus, in a similar way, help the poor ones. What do you think would be the detailed effects of the latter proposal?

Mr. Hobson: I think that curiously enough that move would have the effect of killing off the struggling paper quicker, for the reason that the weaker paper gets on to a schedule in its own class when the class has been selected because of the strength of the stronger papers. In other words, as an example, the Daily Herald would get on far fewer schedules the Daily Express or the Daily Mirror was not there to make the national papers the chosen media for this product. When you have chosen the Express and the Mirror, for example, you say 'I want extra cover. I am obviously not going to take one television station as this is creating a duplication factor of quite a worthless kind'. So you take one extra morning newspaper which, let us say, might be the Herald in that case. But you do not choose the Herald by itself; you choose it as the means of extra cover. The choice of best papers is then dependent on their capacity to stand up to other media in terms of coverage, value for money and so on, and it is quite possibly that by making the best papers less attractive to advertisers by some taxation or other means you in fact decrease the opportunities of the weak paper getting on the schedule at all.

Mr. Webber: Supposing you are advertising in the Express; supposing you can get the same size of advertisement for the same money in, let us say, both the Daily Herald and the Telegraph, which would give you in total just about the same coverage; would that be attractive to you as an advertiser?

Mr. Hobson: Yes. I think, given the coverage for money factor was the same, it would be attractive. Only today in the course of a meeting about these things somebody put the Daily Sketch on a big schedule. I said 'Why put the Daily Sketch on a big schedule; it is a very expensive paper?' and they said 'I think we can probably get for 33 per cent off and then it brings it down to the same value as the Mirror. I said 'All right, the Mirror is excellent value'.

Professor Browning: You say towards the end of your submission:

'There is ample scope for economic survival in the specialist areas in which, of course, the vast majority of publications exist'.

I just wonder what you really mean by a specialist area? For example, I do not know whether you would regard provincial towns where there are two evening dailies as specialist areas or not?

Mr Hobson: No, I was not thinking of that. The word 'specialist' is obviously capable of a lot of gradations of meaning. In a sense The Times is a specialist paper, in another sense it is not, but compared with the Express it is a specialist paper. I was in fact thinking of media which pre-selected a part of the public. When you get to a local medium of course it pre-selects the area, but this is not really what I was thinking of. If you have two papers there, neither of which particularly pre-selects a type of reader, I would think that they were neither of them specialist although in a sense they are both specialist as being local. What I was referring to

there was the fact that there are very few papers which, in the sense of the wide scatter they offer, I would call general papers, like the Sundays and the dailies and the bigger magazines, and a large number of papers do in fact exist on the level of The Times or Punch in one of the specialist areas.

Professor Browning: As far as the newspaper giving general news is concerned, would it not be fair to say that you visualise for some time a further decrease in the number?

Mr. Hobson: I would have said it is just about reaching the bottom now. I would have said that there was ample room now for all the papers that at present exist providing that they manage their affairs to go for the areas for which they are suited.

Professor Browning: Would you say that applies to the Herald or Reynolds?

Mr. Hobson: I would certainly say it applies to the Herald. I have a strong belief the Herald has a perfectly natural market ahead of it if it will turn round and organise itself to take it. Reynolds I think perhaps is more doubtful. I think that is a fringe situation.

Professor Browning: Do you ever use Reynolds?

Mr. Hobson: I think we have used Reynolds once or twice, but a very limited scope of interest really. The Herald I think has got an absolutely perfect opportunity of development.

Professor Browning: You make two rather controversial statements just after that:

'The Guardian and The Times are far more influential in national affairs than the Mirror or the Express'.

Take for example the matter of the ETU elections; would you say your statement was fair there?

Mr. Hobson: No, I think, the ETU is the one case where the Express has done extremely well, but generally speaking it does not seem to have, from what I can tell, much effect on political thinking.

Professor Browning: But you think the Manchester Guardian has?

Mr. Hobson: Yes.

Professor Browning: Then you say:

'The loss of the Sunday Dispatch or the Empire News is of no consequence except in terms of empty sentimentality'.

Are you saying that they did not contribute news and opinion in any event?

Mr. Hobson: I do not think they did. I do not think they had a point of view particularly. I do not think they contributed any particular aspect of thinking at all. They both were papers which tried to follow what they believed was popular taste, and they failed to make that a success.

Professor Browning: Did you use the News Chronicle at all for advertising?



Mr. Hobson: Yes.

Professor Browning: For what kind of advertising did you consider it was appropriate?

Mr. Hobson: It tended to get on to the end of national newspaper schedules for the benefit of the extra coverage that it gave among people who were only reading the News Chronicle. That is how I would put it.

Professor Browning: It did not have any special value there?

Mr. Hobson: No.

Professor Browning: Why did it fail?

I think it failed because it did not organise itself right. I think it attempted to be a national popular daily from the point of view of the kind of circulation and the kind of advertising it was trying to attract, and it had misjudged the amount of support it could get on that basis. If it had judged it right it would have seen it was not viable on that basis, but there were other bases on which it could have been viable.

Professor Browning: If it had put up the price and its circulation had dropped 20 per cent, 25 per cent, would that have knocked it off your national schedule?

Mr. Hobson: No, I think it would have stood to survive quite successful as a semi-specialist kind of paper, and this is I believe what it could have done; and in fact I have said soot people at the News Chronicle on more than one occasion.

Chairman: The converse of that would be, would it not: if a paper like, say, the Daily Telegraph increased its circulation beyond a certain limit, it would have a larger percentage of readers not in the AB class and might consequently lose advertising s a result of increased circulation?

Mr. Hobson: That is quite possible, yes.

Chairman: so there is an optimum circulation for the type of newspaper?

Mr. Hobson: Yes. I think it would not only lose advertising revenue; it would lose money too by having to print that number of that size of paper.

Chairman: Thank you very much.

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## 8. Family

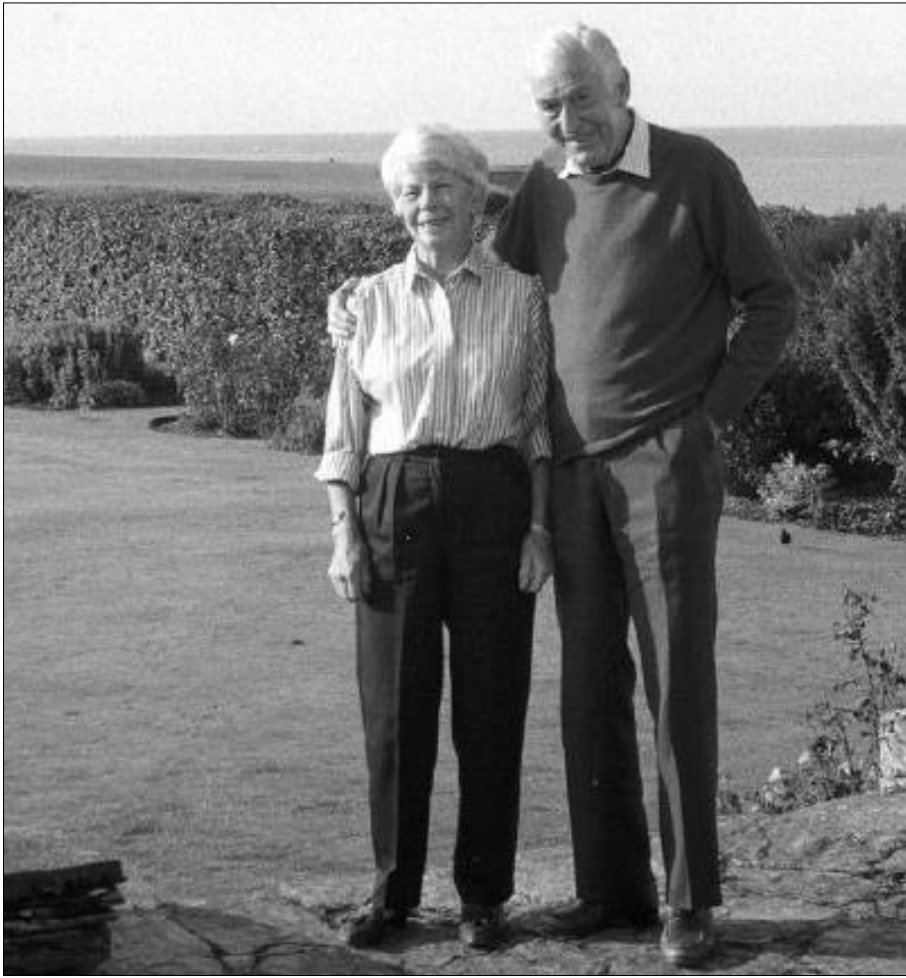


*John and Barbara with Nick, Tim and Nick's wife Griselda.*

John and Barbara (nee Davenport) married in 1935 and had four children, Nick, Tim, Belinda and Jonny. Nick and Jonny both followed John into advertising, though Jonny quite quickly switched to teaching. Tim started in architecture but then chose to become a stockbroker (following in footsteps of his maternal grandfather.). Belinda became a psychotherapist. There are 13 grandchildren, all doing well and all aware of and proud of John's achievements.



*John Hobson at his grand daughter's wedding.*



*Barbara and John Hobson, Thurlestone, 1988.*

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