



8-1-1965

## A Description and Analysis of the Marketing Practices of Selected North Dakota Barbershops

James F. Volk

Follow this and additional works at: <https://commons.und.edu/theses>

---

### Recommended Citation

Volk, James F., "A Description and Analysis of the Marketing Practices of Selected North Dakota Barbershops" (1965). *Theses and Dissertations*. 4028.  
<https://commons.und.edu/theses/4028>

This Thesis is brought to you for free and open access by the Theses, Dissertations, and Senior Projects at UND Scholarly Commons. It has been accepted for inclusion in Theses and Dissertations by an authorized administrator of UND Scholarly Commons. For more information, please contact [und.common@library.und.edu](mailto:und.common@library.und.edu).

*University of North Dakota Libraries*

A DESCRIPTION AND ANALYSIS OF THE MARKETING PRACTICES  
OF SELECTED NORTH DAKOTA BARBERSHOPS

by

James F. Volk

B.S. in Business Administration, University of North Dakota, 1964

A Thesis

Submitted to the Faculty

of the

University of North Dakota

in partial fulfillment of the requirements

for the degree of

Master of Science

Grand Forks, North Dakota

August  
1965

T1965  
V88

This thesis submitted by James F. Volk in partial fulfillment of the requirements for the Degree of Master of Science in the University of North Dakota is hereby approved by the Committee under whom the work has been done.

Donald G. Anderson  
Chairman

Courtney F. Schley

Osward E. Stager

Christopher J. Hamer  
Dean of the Graduate School

667557

A DESCRIPTION AND ANALYSIS OF THE MARKETING PRACTICES  
OF SELECTED NORTH DAKOTA BARBERSHOPS

James F. Volk, Master of Science

The thesis here abstracted was written under the direction of Dr. Donald G. Anderson and approved by Courtney F. Schley and Oswald M. Hager as members of the examining committee, of which Dr. Anderson was chairman.

This thesis describes and analyzes the marketing practices of selected North Dakota barbershops. Data was largely acquired from personal interviews with 64 barbershop owners.

Most responding barbershops had low gross receipts. Variety of services offered, size of shop, location, and price were important factors affecting gross sales.

Prices, shop hours, and wages were controlled by three organizations--the North Dakota Barbers Association, the State Board of Barber Examiners, and local unions. The State Board of Barber Examiners and the local unions controlled prices. Barbers, as members of the Association and/or local unions controlled shop hours and wages.

Little advertising was done by responding barbers. Toilet articles were not advertised at all and institutional advertising was employed to promote the sales of services. Most respondents determined their advertising budgets on a hit-and-miss basis. Several used a definite plan for making expenditures.

Having an established clientele was an important asset of most barbers. Quality of work was the factor considered most important for gaining return patronage. Personality of barbers, location, and good service were also considered important.

This abstract of a thesis submitted by James F. Volk in partial fulfillment of the requirements for the Degree of Master of Science in the University of North Dakota is hereby approved by the Committee under whom the work has been done.

Donald B. Anderson  
Chairman

Courtney F. Sibley

Samuel M. Fager

Christopher J. Hamme  
Dean of the Graduate School

## ACKNOWLEDGEMENTS

The author wishes to express his gratitude to Dr. Donald G. Anderson, Chairman of the Department of Marketing, University of North Dakota who suggested this survey and under whose guidance and supervision this study was conducted. Appreciation is also extended to Mr. Courtney F. Schley, Chairman of the Department of Management, and Mr. Oswald M. Hager, State Director of Business and Distributive Education for serving on the advisory committee.

A special expression of gratitude is due my wife. Because of her encouragement, and willingness to sacrifice, the completion of this task was made possible.

## TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS . . . . .	iii
LIST OF TABLES . . . . .	vi
Chapter	
I. INTRODUCTION . . . . .	1
Purpose and Procedure	
Approach	
Limitations	
Organization of Study	
II. BACKGROUND . . . . .	4
History of the Barber Profession	
Requirements to Practice Barbering in North Dakota	
Testing Requirements	
III. GROSS RECEIPTS OF BARBERSHOPS AND PERSONAL INCOME OF BARBERS . . . . .	13
Gross Receipts	
Personal Income	
IV. PRICE, SHOP HOURS, AND WAGE CONTROL . . . . .	21
Price	
Shop Hours and Wages	
V. ADVERTISING . . . . .	33
Advertising Practices of Responding Barbers	
Areas of Advertising	
Determination of Advertising Budget	
VI. FACTORS RESPONDING BARBERS BELIEVED TO BE IMPORTANT FOR INFLUENCING RETURN PATRONAGE . . . . .	40
Factors Influencing Return Patronage	



VII. SUMMARY AND CONCLUSIONS . . . . .	45
Summary	
Conclusions	
APPENDIX . . . . .	50
BIBLIOGRAPHY . . . . .	56

LIST OF TABLES

Table	Page
1. Mean Sales Per Barbershop By Population Per Chair . . .	14
2. Earnings of 566 Employed Barbers in North Dakota During the Year 1959 . . . . .	18
3. Mean Yearly Incomes for Employees and Proprietors of Personal Services in North Dakota for the Year 1963 . .	20
4. Reasons Why Grand Forks Barbers Held Union Member- ship as Stated by 23 Barber-Members . . . . .	30
5. Factors Responding Barbers Believed To Be Important for Influencing Return Patronage . . . . .	41

## CHAPTER I

### INTRODUCTION

#### Purpose and Procedure

This thesis represents an attempt to describe and analyze the marketing practices of selected North Dakota barbershops. The American Marketing Association defines marketing as "The performance of business activities that direct the flow of goods and services from producer to consumer or user."<sup>1</sup>

The scope of the thesis was confined to the marketing practices of barbershops in the selected North Dakota towns of Bismarck, Grafton, Grand Forks, Hatton, Jamestown, Larimore, Mayville, Northwood, and Portland. Personal interviews were made with all barbershop owners in the above towns during March and April, 1965 (see Appendix A for questionnaire). Two barbershops refused to participate in the study.

#### Approach

The structure of this study was divided into five major activities: (1) review of related literature, particularly The Art and Science of Barbering by L. Sherman Trusty and the Standardized Textbook of Barbering by

---

<sup>1</sup>The Committee on Definitions of the American Marketing Association, Marketing Definitions, (Chicago: American Marketing Association, 1960), p. 15.

The Associated Master Barbers and Beauticians of America, (2) compilation of data from official records of the North Dakota Barbers Association obtained from Mr. John J. Tkach, Historian of the North Dakota Barbers Association, (3) interviews with sixty-four barbershop owners in North Dakota, (4) evaluation of the data, and (5) formulation of findings and conclusions.

The addresses of the barbershops were secured from Mr. L. W. Woehrmann, Secretary-Treasurer, of the North Dakota Board of Barber Examiners.<sup>2</sup> The questionnaire was pre-tested in Crookston, Minnesota on March 15, 1965. Changes were made in the wording and order of certain questions as they were difficult for the respondents to answer. The questionnaire then was pre-tested in East Grand Forks, Minnesota on March 17, 1965. This test was successful, which deemed it feasible to collect the real data from the barbershops selected for the study.

#### Limitations

There were 378 barbershops in North Dakota during 1963. The total number of barbershops in North Dakota for 1964 is not known. This study is based on personal interviews with sixty-four barbershop owners during the Spring of 1965. Although the barbers interviewed in the study were not randomly selected, it is hoped that they were representative of the population of North Dakota barbers.

---

<sup>2</sup>Letter from Mr. L. W. Woehrmann, Secretary-Treasurer of the North Dakota Board of Barber Examiners, Wahpeton, North Dakota, February 27, 1965.

## ORGANIZATION OF STUDY

Chapter II discusses the history of the barber profession and the requirements to practice barbering in North Dakota.

Chapter III is concerned with the annual sales of barbershops, and the personal income of barbers as compared with employees and proprietors of other personal occupations in North Dakota.

Chapter IV relates to the roles of the North Dakota Barbers Association, the State Board of Barber Examiners, and the Grand Forks local barber's union in price, shop hours, and wage control.

Chapter V presents the advertising practices of the responding proprietors, areas of advertising covered, and methods used by the respondents in the determination of their advertising budgets.

Chapter VI is an analysis of factors the responding barbershop owners believed to be important in influencing return patronage.

Chapter VII contains a summary and conclusions of the study.

## CHAPTER II

### BACKGROUND

#### History of the Barber Profession<sup>1</sup>

Although very little is known about the origin of barbering, there are in existence many relics, such as combs, cosmetics and razors, the latter made of tempered copper and bronze, which came from the tombs of Egypt. These relics, as well as many written records, reveal that the nobility and priesthood were patrons for barber services 4000 B.C.

About 1450-1400 B.C. barber services became available to the general public. However, people governed by Mosiac law had definite rules forbidding them from cutting their hair and trimming their beards in imitation of others who had adopted the custom. Many passages in the Bible refer to the practices of barbering.

In 334 B.C., Alexander the Great stimulated interest in barbering when he decreed that soldiers' beards must be shaved. This enabled Alexander's warriors to grasp an enemy by the beard and throw him to the ground, during hand-to-hand combat, while they, themselves, were safeguarded in this customary method of fighting.

---

<sup>1</sup>This section is largely taken from the Standardized Textbook of Barbering, (4th ed; Chicago: Associated Master Barbers and Beauticians of America, 1950), pp 5-9, and L. Sherman Trusty, The Art and Science of Barbering, (Los Angeles: Woefel Printing Company, 1956, pp 269-273.

Barbering was introduced in Rome about 300 B.C. There the art became further advanced, and Rome became known for its fine baths and splendid barber salons. The barbers became very popular and prosperous, as their shops were centers for daily news and gossip. All free men could be clean-shaven, while slaves were forced to wear beards. It is from the Latin word "barba", meaning "beard", that the word barber is derived.

In the early Christian era, barbers performed medical functions. Practices of these barbers included beard trimming, blood-letting (used as a cure-all of diseases), tooth pulling and cauterizing. Later on barbers administered herbs and other forms of medication, and thus became known as barber-surgeons.

There are many accounts of the origin of the barber pole. The most reliable is that the pole originated when the practice of blood-letting was performed by barbers. It was the custom of the barber-surgeon to use a white cloth bandage to stop bleeding on the arm of a person after a blood-letting operation. This blood-stained bandage was then hung up to dry. As time went on, the hanging blood-stained bandage became recognized as the emblem of the barber-surgeon's profession.

The first organization of barber-surgeons was formed in France in 1096 A.D. Soon thereafter, the first formal school of surgery was established in Paris by the barber-surgeons. In the early years of the twelfth century, a guild of surgeons was organized from elements within the ranks of the barber-surgeons.

The members of the guild of surgeons applied themselves to research and study of medicines and drugs in efforts to find new methods of healing.

In the fifteenth century, in England, the science of medicine was growing to such an extent that the guild of surgeons surpassed the barber-surgeons in knowledge and specialized skill, and they succeeded, by an act of parliament, in restricting the barber-surgeons to the medical practices of blood-letting, tooth-pulling and simple cauterizing.

The surgeons and barber-surgeons in England were reunited in 1505, and this union existed for two more centuries. However, the restrictions of barber-surgeons continued during the period.<sup>2</sup>

The year 1745 marks the decline of the early barber profession when the alliance between the surgeons and barbers was entirely dissolved. Stripped of its former prestige, barbering continued to decline economically, technically, and even morally.

There was a slow degradation of the art, and by the end of the nineteenth century barber shops had become untidy, unsanitary and undignified. They became characterized as centers for cheap gossip and reading rooms for risque magazines, rather than for their tonsorial services. Barbering in general became an unrespected craft, and barbers were grouped in the lowest social strata.<sup>3</sup>

### The Rebirth of a Profession

In the latter part of the 19th century, efforts were initiated to lift the craft of barbering to a level of professional personal service. Barbers organized into employer organizations, known as "boss barber" and "master barber" groups, and into employee organizations known as "journeyman barber" groups.

---

<sup>2</sup>Standardized Textbook of Barbering, p 7.

<sup>3</sup>Ibid.



On December 5, 1887, the Journeyman Barbers International Union was formed in Buffalo, New York. Affiliated with the American Federation of Labor, this employees' union today is called the Journeyman Barbers', Hairdressers', Cosmetologists' and Proprietors' International Union of America, with headquarters in Indianapolis, Indiana.

In 1893 Mr. A. B. Moler established the first barber school in the world, in Chicago.<sup>4</sup> Mr. Moler also published the first textbook of barbering, "The Moler Manual of Barbering".<sup>5</sup>

In 1897, Minnesota became the first state to pass a barber license law. This state legislation was designed to promote sanitary practices for barbering, and it stipulated minimum educational requirements for barbers in that state.

On November 19, 1924, the Associated Master Barbers of America was founded in Chicago, Illinois. The name of the organization was changed to Associated Master Barbers and Beauticians of America in October, 1941, as a result of the growing number of beautician shop owners and managers who were becoming members. The association is now recognized as the national organization of barber and beauty shop owners and managers.

In 1925, the Associated Master Barbers and Beauticians of America established the National Educational Council, whose purposes were to

---

<sup>4</sup>Ibid.

<sup>5</sup>Ibid.

uplift the art of barbering and standardize school training. Some of the outstanding achievements of this council include:

- (1) Standardization of the better class barber schools, which must have instructors qualified under the rules of the National Educational Council;
- (2) Training of Barber Science teachers;
- (3) establishment of a curriculum of Barber Science for the practicing barber, in connection with which several thousand Council diplomas have been issued (Barber Science has also been added to the curricula of the Standardized Schools, and beginning students today have the advantages of its advanced instruction);
- (4) the formulation of the Model License Bill, in conjunction with the Journeymen Barbers', Hairdressers', Cosmetologists' and Proprietors' International Union of America;
- (5) the creation, in 1930, of a Research Department in the General Office of the Associated Master Barbers and Beauticians of America.<sup>6</sup>

On October 19, 1927, the National Association of Standardized Barber Schools was organized in Cleveland, Ohio. This organization immediately sought to develop cooperative efforts with the Associated Master Barbers and Beauticians of America, in a program to standardize the operation of barber schools in the United States and the training of students in these schools.

The National Association of State Boards of Barber Examiners was organized on October 21, 1929, in St. Paul, Minnesota. Its purposes were to standardize qualifications of applicants for barber examinations and to standardize methods of examining applicants.

On April 11, 1943, the Barbers and Beauty Culturists Union of America, at its first national convention, held in New York City, received

---

<sup>6</sup>Ibid. p 8

its charter from the Congress of Industrial Organizations and became the national C.I.O. barber employees' union.

Requirements to Practice Barbering in North Dakota

A person wishing to practice barbering in North Dakota must first be graduated from a school of barbering approved by the North Dakota State Board of Barber Examiners.

To be graduated from a barber college in North Dakota, the student must complete 1200 hours of training to be completed within a reasonable period of time with not more than eight hours in any one working day. Such course of instruction includes the following subjects:

1. Scientific fundamentals of barbering;
2. Hygiene;
3. Bacteriology;
4. History of the hair, skin, muscles, and nerves;
5. Structure of the head, face and neck;
6. Elementary chemistry relating to sterilization antiseptics;
7. Diseases of the skin, glands, and nails;
8. Massaging and manipulating the muscles of the upper body;
9. Hair cutting;
10. Shaving;
11. Arranging, dressing, coloring, bleaching, and tinting the hair.<sup>7</sup>

Following graduation from an approved barber college, the prospective barber must receive a permit to practice barbering as an apprentice. To receive a permit to practice, the applicant must first hold a certificate of registration as an apprentice in a state or county which has comparable requirements for registration as an apprentice, as prescribed by the laws of North Dakota.

---

<sup>7</sup>North Dakota Century Code, North Dakota Laws Governing Barbers, Section 43-04-24, p. 7.

A person is qualified to receive a certificate of registration as a registered apprentice barber if he:

1. Is at least sixteen and one-half years of age;
2. Is of good moral character and temperate habits;
3. Has graduated from a school of barbering approved by the board;
4. Has passed a satisfactory examination conducted by the board to determine his fitness to practice as a registered apprentice.<sup>8</sup>

An applicant who fails to pass a satisfactory examination, shall complete a further course of study of not less than five hundred hours in a school of barbering approved by the board. Such course of study shall be completed in not less than three months of not more than eight hours in any working day.<sup>9</sup>

An apprentice barber may make application to become a registered barber once he has completed the following requirements:

1. Is qualified in accordance with the provisions of section 43-04-23;
2. Is at least eighteen and one-half years of age;
3. Is of good moral character and temperate habits;
4. Has practiced as a registered apprentice for a period of twenty-four months under the immediate supervision of a registered barber;
5. Has passed a satisfactory examination conducted by the board to determine his fitness to practice barbering.<sup>10</sup>

An applicant for a certificate of registration to practice as a registered barber who fails to pass a satisfactory examination conducted by the

<sup>8</sup>Ibid., Section 43-04-23.

<sup>9</sup>Ibid., Section 43-04-34

<sup>10</sup>Ibid., Section 43-04-31

board shall continue to practice as an apprentice for an additional six months before he again is entitled to take the examination for registration as a barber.<sup>11</sup> There is no limit as to the number of times an applicant may retake this examination.

The only requirement for ownership of a barbershop in North Dakota is that the proprietor must possess a certificate of registration as a registered barber. The term registered barber is synonymous with master barber.

#### Testing Requirements

Prior to 1963, any person who was sixteen and one-half years of age and had a grammar school education was admitted to the barber college in Fargo. Since that time, the U.S. Employment Service in cooperation with the North Dakota Employment Service and the Moler Barber College, Fargo, North Dakota, has employed a general aptitude test which all applicants must pass before they may enroll in the school.

For many years, the various rehabilitation centers of North Dakota have encouraged their patients to enter the college even though some do not possess the aptitudes necessary to become a successful barber.

Upon seeking admission into the school, each applicant is administered the test which includes the following aptitudes which are rated important for success as a barber:

---

<sup>11</sup>Ibid., Section 43-04-35

1. Form perception - required in selecting barber tools to cut, shape and style hair according to patrons instructions.
2. Motor coordination and finger dexterity - required in using electric and hand clippers, scissors and other barber tools in cutting and trimming hair and neckline; in trimming superfluous hair from eyebrows, nostrils and ears; and in shampooing hair and giving scalp and facial massages.<sup>12</sup>

The purpose of the test is to eliminate candidates who do not possess the mechanical qualifications necessary to become a successful barber.

---

<sup>12</sup>U.S. Employment Service in Cooperation with the North Dakota State Employment Service, Technical Report on Standardization of the General Aptitude Test Battery for Barbers, (per. Ser.) 2-32.01, B529, p. 3.

## CHAPTER III

### GROSS RECEIPTS OF BARBERSHOPS AND PERSONAL INCOME OF BARBERS

The main criterior in evaluating the economic success of a barber-shop is its annual gross receipts and the personal incomes of the proprietor and his employees. It is generally assumed that a successful business will have relatively high gross receipts and incomes compared with firms in the same and/or related occupations. Because gross receipts and personal income are so important in evaluating economic success, a more detailed analysis of possible factors contributing to receipts and incomes is necessary.

#### Gross Receipts

Population per barber chair is generally considered an important factor affecting gross receipts. In order to determine if population was a principal factor accounting for differences in gross receipts of North Dakota barbershops, population per chair was compared with mean sales per barbershop. Average gross receipts of North Dakota barbershops ranged from \$3,000 to \$33,500. Population per chair was determined by dividing the population of a community by the number of barber chairs within the

community. Table I shows the mean sales per barbershop of the 64 responding owners by population per chair.

TABLE I  
MEAN SALES PER BARBERSHOP BY  
POPULATION PER CHAIR

Name of Town	Mean Sales Per Barbershop	Rank	Population Per Chair	Rank
Northwood	\$13,500	1	597	5
Grand Forks	10,362	2	749	4
Bismarck	9,405	3	768	3
Grafton	8,300	4	981	1
Jamestown	6,850	5	941	2
Hatton	5,750	6	428	8
Larimore	5,750	7	572	6
Mayville	5,633	8	542	7
Portland	3,000	9	303	9

Table I shows little relationship between mean sales per barbershop and population per chair. Northwood which had the highest mean sales per shop ranked 5th in population per chair. Grand Forks, ranking second in mean sales per barbershop, was 4th in population per chair. Grafton had the highest population per chair yet ranked 4th in mean sales per shop. Jamestown was second in population per chair and was 5th in mean sales per barbershop.



The above data seemed to indicate that population is not an important factor causing variance in gross sales of barbershops. Other factors exerted a strong influence on total gross receipts. Among these probable factors were variety of services offered, size of shops per chair, location of shops within a city, and variation of prices. Each of these factors will be analyzed in detail later in this study.

#### Variety of Services Offered

Extent of variety of services offered was measured by the percent of barbershop customers who purchased services other than haircuts. A shop was considered to stress variety of services when at least 18 percent of its customers, (the mean of all customers purchasing additional services in all responding barbershops), purchased other services. Data revealed that 38 percent of the large shops, in terms of gross receipts, stressed service variety compared with only 15 percent of the small shops.

There would appear to be some relationship between a shop's ability to provide more than one service, and its gross receipts. Indications are that in general, the most profitable areas of service variety are in hair coloring and hair styling.

Some proprietors have apparently resisted offering these services because they felt that the income obtained from performing such services was offset by the great amount of time involved.

### Size of Shops Per Chair

A second factor exerting an influence on the gross receipts of responding barbershops was the number of chairs per shop. Mean sales per chair were \$6,500 for three and four-chair shops, \$5,500 for two-chair shops, and \$4,452 for one-chair shops. This data seemed to indicate the advisability of establishing a three or four-chair shop whenever possible to maximize gross receipts per chair.

An important reason for the above differences in sales per chair, by size of shop, is a tendency by consumers to prefer the larger shop because they anticipate a shorter waiting period. Also, passers-by may feel that a larger shop will offer a larger array of services than a smaller shop.

### Location of Shops Within a City

The location of the shop within a particular city influenced gross receipts. For the purpose of comparing receipts of barbershops by location, all shops surveyed were classified by business district location. Locations used for classification were downtown business district, secondary shopping centers, string-street locations, neighborhood locations, and miscellaneous locations.

Mean sales per shop were approximately \$3,000 for barbershops located in neighborhood districts, \$4,145 for barbershops located in the downtown business district, \$8,250 for those located on string-streets, \$18,500 for those in miscellaneous locations, and \$25,000 for those located

in secondary shopping centers. This indicated that location was related to shop sales.

#### Variation of Prices

Price of haircuts was the last major factor influencing gross sales. All shops which charged \$1.50 for regular haircuts, except those located in Grafton and Northwood, had gross sales lower than shops which charged \$1.75.

The principal reason accounting for the low gross sales of barber-shops that charged \$1.50 is the fact that all were located in rural towns, whereas, all shops that charged \$1.75 were located in urban towns. Prices are lower in rural towns because, barbers located there do not need gross sales as large as is needed in urban towns to maintain similar standards of living. (A more detailed explanation will be given in Chapter IV).

#### Personal Income

The gross receipts of a barbershop owner, minus operating expenses, were considered as his personal income.

The employee's personal income on the other hand, was usually determined on a commission basis. Aside from tips, employed barbers were paid, by shop owners, commissions ranging from 65 percent to 75 percent of their receipts. In Bismarck and Grand Forks, apprentice barber employees received a five percent lower commission than registered barbers.

Table II shows the earnings of 566 employed barbers in North Dakota during the year 1959. In North Dakota during the workweek ending November 15, 1963, 163 barbershop employees received total wages of \$12,927.<sup>1</sup>

TABLE II

EARNINGS OF 566 EMPLOYED BARBERS IN NORTH DAKOTA  
DURING THE YEAR 1959

Earnings in Dollars	Number of Barbers
\$ 0,000 - 0,999	33
1,000 - 1,999	58
2,000 - 2,999	78
3,000 - 3,999	135
4,000 - 4,999	98
5,000 - 5,999	83
6,000 - 6,999	37
7,000 - 9,999	33
10,000 and over	11
	TOTAL 566
	MEDIAN \$3,844

Source: U.S. Bureau of Census, United States Census of Population: 1960. North Dakota, Detailed Characteristics. final report, PC (1)-36D Washington, D.C., 1962, pp 36-276

<sup>1</sup> U.S. Bureau of Census, Census of Business: 1963, Selected Services, North Dakota. (Washington: U.S. Government Printing Office, 1965) pp 36-6.

The mean wage for North Dakota barber employees was \$79 as compared with the national average of \$70 for this same workweek. The median income of employed barbers was \$4,073 in 1963.

It is helpful to make a comparison between the incomes of barber-shop employees, and employees and the income of employees in other North Dakota personal service industries. This comparison is shown in Table III, page 20.

These figures, although showing a favorable comparison between barbershop employees' income and the income of employees of other personal service industries, conceals the fact that 53 percent of barbershop employees made less than \$4,000 in 1959.

The mean yearly income for all employees of personal service occupations in North Dakota for 1963 was \$2,617. Barbershop employees ranked second, preceded only by employees of funeral services and crematories. Owners of single proprietor barbershops without employees, on the other hand, ranked last among all owners of personal service establishments, without employees in North Dakota. The following reasons, may at least in part, account for low incomes of proprietors and employees: (1) ease of entry into the barber profession which has resulted in too many barbers; (2) over half of all barbers in 1963 were established in rural North Dakota towns with a population of 2,499 or less, which find it difficult to support a barber; (3) an increase in home barber kits which has tended to decrease

the number of customers purchasing haircuts; (4) recent rises in barbershop prices which have reduced the number and frequency of services demanded.

TABLE III  
MEAN YEARLY INCOMES FOR EMPLOYEES AND  
PROPRIETORS OF PERSONAL SERVICES IN  
NORTH DAKOTA FOR THE YEAR 1963

Personal Services	Employees Mean Yearly Income	Single Proprietors Mean Yearly Income
Funeral services, crematories	\$ 4,129	\$ 19,777
Barber Shops	4,073	3,147
Photographic studios	2,500	4,615
Power laundries	2,487	No single prop.
Cleaning, dyeing plants, except rug cleaning	2,304	4,333
Beauty shops, including combina- tion beauty and barbershops	2,272	3,962
Shoe repair, shoeshine, hat cleaning shops	1,675	4,875
MEAN FOR ALL PERSONAL SERVICES	\$ 2,617	\$ 5,756

Source: U.S. Bureau of Census, Census of Business: 1963, Selected Ser-  
vices, North Dakota, (Washington: U.S. Government Printing  
Office, 1965), pp 36-6.

## CHAPTER IV

### PRICE, SHOP HOURS, AND WAGE CONTROL

#### Price

The barber industry is typified by horizontal price control. Price control is very important to North Dakota barbers because it helps eliminate cutthroat price competition. Barbers who compete on a nonprice basis attempt to improve their market position by emphasizing quality of services performed. Patronage built on this nonprice factor is less likely to be lost to competition than if price is stressed.

#### Cutthroat Price Competition

Competition among barbershops is said to be cutthroat when the existence of idle capacity and the pressure of fixed expenses lead barbershop owners to cut prices to a point where no one of them can recover his costs and earn a "fair" return on his investment.

Prior to 1943, cutthroat pricing of services between owners of neighboring barbershops was an everyday occurrence throughout North Dakota. Price competition became so fierce that many owners were forced

to keep their shops open 12 - 15 hours each day to earn an adequate income.<sup>1</sup>

This intense competition resulted in an uneconomic reduction in prices for barber's services. The decrease in barber's income and purchasing power, resulting from the reduction in prices made it impossible for some North Dakota barbers to purchase the sanitary products and equipment necessary to maintain a reasonably safe and healthful barber-shop.<sup>2</sup>

The first major attempt in North Dakota to persuade barbers to cooperate with each other in matters of setting prices, shop hours, and wages occurred in April, 1927, when a group of six barbers from Bismarck organized a non-profit corporation known as the "North Dakota Barbers Association". "Prior to that time, barbers acting only as individuals, attempted to convince barbershop owners that cutthroat competition was hurting no one but themselves."<sup>3</sup> The purposes for which the North Dakota Barbers Association was formed were:

To organize lodges and associations of barbers in the state of North Dakota for the purpose of co-operating and working for the good of the barber trade and profession in this state

---

<sup>1</sup>Interview with Mr. John J. Tkach, Historian for the North Dakota Barbers Association, April 20, 1965.

<sup>2</sup>North Dakota Century Code, Section 43-04-02, p. 1.

<sup>3</sup>Interview with Mr. John J. Tkach.



and to maintain the standards of the profession of barbering in this state to do any and all things requisite or necessary to promote the business and profession of barbering in this state.<sup>4</sup>

This group tried in vain to encourage all North Dakota barbers to standardize prices, shop hours, and wage levels. Failing in this attempt to unify all North Dakota barbers through cooperation, the North Dakota Barbers Association requested the North Dakota Legislature to pass laws governing barbers. It is not known when they first appealed to the legislature for help, neither is it known how many times appeals were made.

#### Price Competition Since 1943

In 1943, the North Dakota Barbers Association was able to persuade the North Dakota Legislature that immediate control of the barbering profession in North Dakota was desirable. On July 1, 1943, Title 43-04 was enacted by the North Dakota Legislature which placed all barbering practices in North Dakota under the police power of the state.

This act made membership in the North Dakota Barbers Association mandatory for any person wishing to practice barbering in the state of North Dakota. The law also sub-divided the North Dakota Barbers Association into county districts for the purpose of price control. County groups of barbers were to determine their own minimum price schedule, to be followed

---

<sup>4</sup>North Dakota Barbers Association, Articles of Incorporation, Article 2, State of North Dakota, April 28, 1927.

by all barbers in that county. (A more detailed explanation of setting fair minimum prices will be discussed later in this chapter.)

The act established the State Board of Barber Examiners as a regulatory agency of the North Dakota Barbers Association, for the purpose of administering this law and all subsequent amendments, should they be enacted. One power given to the Board of Barber Examiners was that of setting a minimum price schedule in any county when the barbershop owners in that county, through failure to set their own minimum prices, petitioned the Board to do so.

#### Legal Test of Powers of Board of Barber Examiners

On October 4, 1943, the State Board of Barber Examiners issued an order fixing a minimum price schedule for barber services in Barnes County, North Dakota. This schedule of minimum prices was in excess of prices charged by Frank C. Williams, a Valley City barber. Williams refused to raise his prices on the grounds that his clientele had been obtained by fair prices. Williams also stated that his clientele would be destroyed should he be forced to raise his prices.

The State Board of Barber Examiners threatened to enforce the order and institute legal action against Williams if he did not raise his prices. Fearing that these threats would destroy his business, Williams brought action against the North Dakota Board of Barber Examiners to enjoin them from instituting and enforcing the minimum price schedule for Barnes County. Williams contended that the statute, which gave the Board of Barber Examiners

power to set minimum price schedules was in violation of the Constitution of the State of North Dakota. He also contended that the statute infringed upon and violated rights guaranteed to him by the Fourteenth Amendment to the Constitution of the United States.

The case was heard before Judge P. G. Swenson in the District Court of Barnes County. The court ruled against Williams, and the case was subsequently appealed.

The North Dakota Supreme Court heard the case of Williams v. State Board of Barber Examiners. On December 12, 1946, the Court affirmed the decision of the District Court on the following grounds:

The general rule is that criminal or quasi criminal actions or proceedings will not be enjoined even though the statute on which the action or prosecution is based is unconstitutional. To justify such interference there must be exceptional circumstances and a clear protection of constitutional rights.

For reasons stated in the opinion it is held that the complaint in the instant case fails to state facts showing that injunctive relief is necessary in order to afford adequate protection of the legal rights of the plaintiff.<sup>5</sup>

The decision of the North Dakota Supreme Court served two purposes. It clearly stated that the State Board of Barber Examiners had the legal power to set a fair minimum price schedule for a given county when requested to do so. It also convinced North Dakota barbers that it was best for them to set their own minimum price schedules to avoid arbitrary price setting by the State

---

<sup>5</sup>Williams v. State Board of Barber Examiners, 25 N.W. 2d. 282 (1946).

Board. This is evidenced by the fact that North Dakota barbers, since the Williams decision, have established their own minimum price schedules, and have never petitioned the State Board of Barber Examiners to set a minimum price schedule for a county.

#### Present Pricing Control

The North Dakota Barbers Association is presently sub-divided into county districts for the purpose of setting minimum prices. County meetings are held whenever a price change is felt necessary. The decision of the majority determines the minimum prices that may be charged in that county. All counties are further sub-divided into urban and rural groups when a city, having a cost of living higher than the surrounding rural area, is located within its boundaries. The rural group's price decision affects all barber-shops in that county except those establishments located in the urban area. Urban barber groups determine their own minimum prices.

For the purpose of price control, membership in a barber's union in North Dakota, accomplishes the same objectives for barbers as does membership in the association. In the union town of Grand Forks, members of local #601, in cooperation with the North Dakota Barbers Association set minimum prices. Grand Forks was the only town surveyed where barbers were members of a barbers union. All Grand Forks barbers, except one, were members of local chapter #601 of the Journeyman's Barbers International Union. One semi-retired barber, who was the owner of his own one-chair

shop did not belong as he felt the benefits received from union membership did not warrant its cost of \$42 for yearly dues.

The State Board of Barber Examiners has the same control over prices as does the union. The principal difference is that the union compels its members to abide by the wishes of the majority whereas the State Board of Barber Examiners takes action only when a barbershop owner's policy differs enough to cause concern among all other barbers in a given county. If this happens, the State Board of Barber Examiners may approve a minimum price schedule for the county if a petition requesting that such a schedule be approved for that county is signed by 75 percent of the barbershop owners or managers.

Any shop which is the only barbershop operating in a town is exempt from the minimum prices fixed by the State Board of Barber Examiners. The owner or manager of such a shop may request the State Board of Barber Examiners to include his shop in the operation of the minimum prices if he so desires.

#### Determination of Prices

Barbers are conservative in pricing decisions. They are aware of the fact that each price raise increases the purchase of home barber kits. In setting price, barbers consider the cost of living in a county or urban area. Price increases generally come after a substantial living cost rise has forced the barbers to take action.

Prices for adult haircuts in North Dakota during the period of the survey, ranged from \$1.25 in some rural areas to \$2.00 in Fargo. Children's prices ranged from \$1.00 to \$1.75. Rural price levels for barbering services were beneath urban levels largely because rural living costs for barbers were less than urban costs.

### Shop Hours and Wages

North Dakota barbershop owners set uniform shop hours and wages by the same method as they set minimum prices. County meetings are held whenever a change in shop hours or wages is felt necessary.

The 1943 legislature gave the State Board of Barber Examiners only indirect control over hours and wages. The legislature felt that no man should be told what hours his shop should be open or what commissions he should pay his employees. It also believed that employees could govern the situation themselves by refusing to work in shops whose hours were in excess or commissions less than other shops in the area. However, the State Board of Barber Examiners has power to act as an arbitrator in any controversy over hours and commissions arising among barber groups.

If an hours and wage dispute arises which cannot be settled by the barbers in that area, the State Board of Barber Examiners, acting as an arbitrator can make a compromise decision. However, nothing can be done if one or more shops refuse to abide by the decision of the State Board of Barber Examiners. Up to the time of this writing, the State Board of Barber

Examiners has never exercised its limited control over shop hours and wages. Barbers have been able to standardize shop hours and wages through cooperation.

#### Role of The Grand Forks Union in Setting Shop Hours and Wages

A stated advantage of belonging to the union in Grand Forks, according to Mr. Robert Wedin, secretary for the Grand Forks local union, is in the standardization of shop hours and wages.<sup>6</sup> A majority vote of the union members determines the shop hours that member shops may be open, and the percent of intake that employees receive as their personal income.

A second stated advantage of union membership in Grand Forks is participation in group insurance and other types of investments and purchases which can be had only as a member of a specialized group.<sup>7</sup> This advantage does not exist, since all barbers, as members of the North Dakota Barbers Association, are eligible for exactly the same benefits.

A third stated advantage of union membership as indicated by Mr. Wedin is the right of unionized shops to picket non-union shops, if the latter do not abide by the wishes of the union.<sup>8</sup> In no way can picketing interfere with the operation of a shop. However, any such demonstration could impair the shop's business.

---

<sup>6</sup>Interview with Mr. Robert Wedin, Secretary, Grand Forks local union, February 22, 1965.

<sup>7</sup>Ibid.

<sup>8</sup>Ibid.

Table IV, shows the reasons why Grand Forks barbers held union membership, as stated by 23 barber-members. These barbers belonged only because they felt that higher prices and standardized hours could be obtained through closer cooperation among all Grand Forks barbers. They did not consider union membership to participate in group insurance and investments as important.

TABLE IV

REASONS WHY GRAND FORKS BARBERS HELD UNION  
MEMBERSHIP AS STATED BY 23 BARBER-MEMBERS

Reasons	Number of Responses
Raise prices	18
Keep hours stable	14
Cooperation among barbers	5
Strength in unity	1
TOTAL	38

A principal reason of Grand Forks barbers for holding union membership was to obtain higher prices. Past experience has demonstrated that close cooperation among barbers through organizations such as unions eliminated cutthroat price competition thus resulting in higher prices for barber services.



On the other hand, it is doubtful that union membership is necessary to obtain higher prices as evidenced by the fact that prices in the union towns of Grand Forks and Minot were not higher than in the non-union town of approximately the same size - Bismarck. The ability of the State Board of Barber Examiners to set minimum prices, when requested to do so, has resulted in cooperation among barbers in the non-union areas of North Dakota to set minimum prices high enough to satisfy the majority.

A second major reason of barbers in Grand Forks for holding union membership was to obtain standardized shop hours among all barbershops in Grand Forks. Although shop hours were uniform among all barbershops in Grand Forks, so too were they in the non-union community of Bismarck. This indicates that union membership is not necessary to induce barbers to stabilize shop hours though it may assist in performing this function.

During the time of the survey, barbers in Grand Forks were working fewer hours per week than all barbers contacted in the survey. Barbers in Grand Forks worked 45 hours per week as compared with 50 hours per week in Bismarck and Jamestown, and 54 hours per week for barbers in Grafton, Hatton, Larimore, Mayville, Northwood and Portland.

It is difficult to judge whether Grand Forks barbershop owners benefited from union membership. They worked less hours per week than all owners contacted in the survey, and they had the right to picket the non-union shops. On the other hand, they had to pay higher commissions to their employees than did owners in Bismarck.

In summary, price, shop hours, and wage control were centered around three organizations - the North Dakota Barbers Association, the State Board of Barber Examiners, and the Grand Forks local union. Each organization had a special role in the regulation of these competitive factors.

The State Board of Barber Examiners represented the principal group concerned with establishing uniform prices. The State Board of Barber Examiners set minimum price schedules when requested to do so. However, in the control of shop hours and wages, the Board could only make recommendations. Compulsory adherence to hours and wage standards were achieved only through local barber's unions.

## CHAPTER V

### ADVERTISING

The American Marketing Association defines advertising as "any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor."<sup>1</sup>

#### Advertising Practices of Responding Proprietors

The amount of advertising engaged in by responding owners of barbershops varied quite extensively in 1964. Of the 64 barbers contacted, 42 did some advertising in 1964. Advertising expenditures of these 42 advertisers ranged from \$12 to \$500, with a mean of \$79. The mean expenditures for owners of one-chair shops was \$35, two-chair shop owners \$64, three-chair shop owners \$120, and four-chair shop owners \$306.

The fact that 33 (79 percent) of the 42 advertising barbers spent \$100 or less for advertising, indicated that barbershop proprietors had some question as to the benefits that can be derived from advertising by barbers in general. This skepticism of the value of advertising on the

---

<sup>1</sup>Marketing Definitions, p. 9.

part of the respondents is further evidenced by the fact that 22 of the 64 respondents who did not advertise in 1964 also did not intend to do any in 1965.

In an attempt to help determine if advertising did or did not benefit barbers, a correlation analysis was made to determine whether a relationship existed between advertising expenditures and gross annual sales. The null hypothesis was employed indicating no relationship between expenditures and sales. The Pearson Correlation Coefficient of .591 was significant at both the five percent and one percent levels. The null hypothesis was therefore rejected. This indicated that a probable direct relationship did exist between advertising expenditures and annual sales for the responding barbershop owners. A further study would have to be made to determine whether a causal relationship existed.

#### Areas of Advertising

Barbershop owners have a choice of product advertising, emphasizing toilet articles, or institutional advertising, emphasizing their shops and services.

#### Sales of Toiletries

None of the responding barbers who advertised in 1964, advertised toilet articles. The main reason cited for not advertising these products was inability to successfully compete with drug and variety stores in the sales of these items. Intense competition from drug and variety stores forced

15 respondents to discontinue sales of toilet articles. Possibly as a consequence of this competition, toilet articles were only a minor source of revenue for barbershop owners.

Another reason given by respondents for not advertising toiletries was their belief that sufficient demand for toilet articles already existed as a result of national advertising by the manufacturers of these products. However, in the face of intense competition by drug and variety stores, national advertising has not proved adequate as is indicated by the low revenue earned by barbershop owners in the sale of these products.

#### Sales of Services

Advertising of barber services has largely been concerned with promoting the barber industry as a whole. This type of advertising resulted from several factors.

The majority of respondent barbershops were one-chair shops with gross receipts of \$5,000 or less annually. The mean gross receipts of these single proprietor shops were \$3,147. These low receipts prevented the owners from investing any money in advertising. Fourteen (42 percent) of the responding barbers owning one-chair shops did not advertise in 1964 and the remaining one-chair shop owners spent a mean of \$36 for advertising.

Another factor contributing to the establishment of this policy has resulted from the attempts of barbers to attain the status of a profession.

One of the methods employed has been to pattern their advertising practices after those advertising practices of groups who are acknowledged to be members of a recognized profession. The attitude of the profession toward advertising varies from permitting no advertising, as in the case of lawyers, to some form of institutional advertising as in the case of the American Medical Association.

Like the medical profession, barbers support advertising whose purpose is to raise the standards and ethical practices of the profession. This trend towards the use of institutional advertising is in agreement with the general cooperative policies on the part of barbershop owners as in controlling prices, wages, and shop hours.

A majority vote of the barbershop owners in a particular area determined the advertising media to be employed. The lower income barbers were unable to afford to advertise on a par with higher-income shop owners. The one-chair shop owners constitute a majority of the barbershop owners in urban and rural areas. They have used their single vote majority power to restrict advertising to those activities which promoted the general barbershop industry rather than a particular barbershop.

An article in an issue of the North Dakota Barber, the official magazine of the North Dakota Barbers Association stated:

Another "hot potato" we have been concerned with is that of advertising. Many of the barbers of Fargo feel that the advertising done by any shop in local newspapers and on radio be of the type that will help all barbers. It should be to the effect of an announcement rather than make other shops look less attractive. Many of the barbers feel the type of

advertising such as "for better haircuts see us," or "we have the most modern equipment," or "we have the best barbers" etc. should be avoided and more on the type of "when you want a tooth pulled you don't go to the blacksmith but to a dentist-- when you want a haircut, see your barber" etc.....Another unfair practice of advertising many feel, is the appearance on radio or TV or to give donations in the name of your barbershop, so as to get free advertising by that method.

We might add that this problem has been somewhat solved by our association in that all advertising must first be submitted to a committee for approval. However, we do not have any system of judging this advertising as to fair or unfair.<sup>2</sup>

Since the majority of one-chair shop owners favor cooperative practices, the latter will continue to dominate advertising policy.

#### Future Areas of Advertising

An area in which advertising will probably yield the most significant results in the near future, is in advertising of hair coloring and styling. The demand for these new and specialized services is growing, and will probably receive more attention in cooperative advertising. The need for making the public aware of these new services was emphasized in a recent article of a barber's magazine:

What we want to stress at this time is that it is not enough to add these services. The men's hairstylist has to promote, has to "sell" why all of these things are important to the male of the species. Men are ready to have it proven to them that they are in need of them, but they are not going to discover it all by themselves.<sup>3</sup>

---

<sup>2</sup>Don Donegan, "News From Chapter 199, Associated Master Barbers of America, Fargo, North Dakota," North Dakota Barber, 1953, p. 31.

<sup>3</sup>"Your March Letter from the Publisher," Men's Hairstylist and Barber's Journal, March 15, 1965, p. 14.

### Determination of Advertising Budget

The potentially favorable influence of advertising on sales of services such as hair coloring and styling indicates the increasing importance of advertising for barbershop owners. This in turn, emphasizes the importance of giving careful attention to planning advertising expenditures.

Failing to realize the importance of such planning, 62 of the responding barbers spent money for advertising on a hit-and-miss basis. Only two respondents used a definite plan for budgeting their advertising expenditures. Each set aside a fixed sum at the beginning of each year. One barber defined his advertising objectives and then estimated the cost of the advertising necessary to reach these objectives. The other barber used a percentage of the previous years gross sales in determining the aggregate amount to be spent in the current year on advertising.

The gross sales of these two barbershops were higher than the mean gross sales of all other barbershops having an equal number of chairs. However, it cannot be said that high sales resulted from better advertising planning.

In summary, responding barbers did not extensively employ advertising in 1964. No advertising of products was carried out, and advertising of services was largely a cooperative effort. It is likely that such services as hair coloring and styling will be important promotional themes in the next few years.



Most advertising today is on a hit-and-miss basis. There is no indication that this will be replaced by more formal planning in the near future.

## CHAPTER VI

### FACTORS RESPONDING BARBERS BELIEVED TO BE IMPORTANT FOR INFLUENCING RETURN PATRONAGE

Having an established clientele is an important asset of most barbers. Few barbers could survive with business derived largely from new customers. The number of return customers has considerable impact on the revenue obtained by a barbershop.

An established clientele may also help level weekly business fluctuations by increasing business on slack days. These customers may adjust their trips to the shop to conform to the barber's slack period in order to spend less time waiting for a haircut.

The established clientele of a barbershop was composed of all return customers of that shop. Each individual barber within a shop had his own established clientele. It was composed of all return customers who usually had him cut their hair.

#### Factors Influencing Return Patronage

There are many factors which influence return patronage. Table IV, page 41 shows the various factors responding barbers considered important.

These factors were weighted according to the degree of importance the respondents attributed to them. The reasons considered most important by the responding barbers were assigned a weight of two points. When considered less important, the reasons were assigned a weight of one point.

TABLE V

FACTORS RESPONDING BARBERS BELIEVED TO BE IMPORTANT  
FOR INFLUENCING RETURN PATRONAGE

Reasons for return patronage	Points (Weighted) <sup>a</sup>
Quality of work	83
Personality of barbers	44
Location	31
Waiting and service time	16
Cleanliness	5
Active in community affairs	3
Young barbers in shop	3
Modern shop	2
Other reasons cited	4
TOTAL	191

<sup>a</sup>Points indicate that responses were weighted in order of importance. The weighting scale is: Most important reason = 2 points, reasons of secondary importance = 1 point.

### Quality of Work

The factor considered most important by the responding barbershop owners for influencing return patronage was quality of work. Quality of work is extremely important in satisfying customers. If a customer is not satisfied with his haircut, he probably will not return. The importance of quality was summarized by one respondent who commented: "A good haircut on a satisfied customer is the most effective way of inducing him to return."<sup>1</sup>

Quality of work, defined as satisfactory by the responding barbers, including cutting the hair to the customer's wishes even though the style might not be considered, by the barber, as the best for him. Quality of work was thus influenced by the adage - "The customer is always right."

### Personality of Barbers

The factor of personality was also considered as important. Responding barbers defined personality in terms of the barber's general disposition, and his ability to tailor his conversation to topics of interest to his customers. Responding owners stated that centering conversation on certain topics was an important method of building a clientele. One owner said, "sixty percent of my business comes from people who want to talk hunting and fishing while in the shop."<sup>2</sup>

---

<sup>1</sup>Comment of one respondent in the survey of 64 barbershop owners, 1965.

<sup>2</sup>Ibid.

From this comment it would appear that consumers patronized a particular barber not only because his work was of high quality, but also because the barber displayed an interest in the customer by discussing those topics which the barber knew to be of particular interest to him.

#### Location

Location also ranked high as a factor in influencing return patronage. Return patronage accounts for 83 percent of the total barbershop business done in the downtown business districts of Grand Forks, Bismarck, and Jamestown, as compared to 78 percent in all other business districts in these cities.

Location must be considered as a prime factor for inducing return patronage in the downtown business districts where it is convenient for persons to obtain haircuts during working hours or while shopping. Barbers located outside of the main shopping districts relied on being accessible to neighborhood residents or people using automobiles.

#### Waiting and Service Time

Waiting and service time was another reason important for return patronage. Most customers spent 34 minutes in the shops of responding barbers. These customers waited about 10-20 minutes before they received a haircut. When the waiting period became too long, customers became restless.

Two barbers, in order to reduce the waiting period, worked by the appointment system. By reducing the waiting period, these barbers felt they could increase the size of their return customers. All barbers provided magazines and other reading materials to assist the customer in passing time while waiting.

Haircuts required varying lengths of time. All barbers stated it took 15-30 minutes to take care of customers. The amount of service time required varied with the type of haircut purchased. Three respondents stated it was a difficult task for them to work fast without reducing the quality of their work. However, working at a relatively slow pace increased the annoyance of persons waiting to get a haircut.

Barbershop owners indicated that other secondary factors also influenced people to patronize particular shops. These reasons of secondary importance are also listed in descending order in Table V.

In summary, a combination of factors was responsible for building an established clientele in a barbershop. Location, quality of work, an attractive personality, and good service are generally necessary to induce customers to return.

## CHAPTER VII

### SUMMARY AND CONCLUSIONS

#### Summary

All licensed North Dakota barbers must be members of the North Dakota Barbers Association, unless exempted by law. The purpose of the Association is strength in unity to eliminate unfair and uneconomic trading practices.

Every person wishing to practice barbering in North Dakota must first be graduated from a school of barbering approved by the State Board of Barber Examiners. He must be sixteen and one-half years of age and have a grammar school or an equivalent education as determined, by an examination conducted by the Board.

Most responding barbershops had low gross receipts. Variety of services offered, size of shop, location and price were important factors affecting gross sales.

Income of barbershop employees compared favorably with the income of employees in other personal service occupations. On the other hand, single proprietor barbershop owners ranked lowest in earnings as compared to all single proprietor establishments without employees in all other North Dakota personal service occupations.

Prices, shop hours, and wages were controlled by three organizations -- the North Dakota Barbers Association, the State Board of Barber Examiners, and the local union, where one existed. Each organization had a special role in the regulation of these competitive factors.

The State Board of Barber Examiners and the union controlled prices. The principal difference was that the union compelled its members to abide by the wishes of the majority, whereas the Board did only upon receipt of a petition signed by 75 percent of the barbershop owners or managers in a given area.

Barbers, as members of the North Dakota Barbers Association, and the local union controlled shop hours and wages. Closer cooperation was facilitated through union membership.

Little advertising was done by responding barbers. Toilet articles were not advertised since barbers assumed they could not successfully compete with drug and variety stores in the sales of these products, and because they believed the demand for toiletries already existed as a result of national advertising by manufacturers of these products.

Institutional advertising was employed to promote the sales of services because one-chair shop owners, constituting a majority of the barbershop owners, used their single vote majority power to establish advertising practices which promoted the general barbershop industry rather than a particular shop.



Most responding barbers determined their advertising budgets on a hit-and-miss basis. Several used a definite plan for determining their advertising budgets.

Having an established clientele was an important asset of most barbers, as is true of other professions. Quality of work was the factor considered most important for gaining return patronage. Personality of barbers was considered second in importance by respondents. Location and good service were also considered important for retaining patronage.

### Conclusions

The minimum educational requirement to become a barber in North Dakota should be raised from a grammar school to a high school diploma. A higher level of education will raise the status of the barber industry and eliminate many unwise management decisions that otherwise might be made.

The high gross receipts of barbershop owners who sold a variety of services indicates that barbers not selling these services could profit by doing so. The selling of hair coloring and hair styling will probably be the most profitable areas of service variety. The well-managed shop, at an advantageous opportunity will take the necessary steps to include hair coloring and styling as a regular service in the shop.

Establishing a three or four-chair shop seemed to be more profitable than establishing a one or two-chair shop. Passers-by, not seeking a particular shop, will enter a large shop before they will enter a small shop as they anticipate a shorter waiting period in the former. Also, passers-by

may feel that a large shop will offer them more service variety than a small shop.

Location of barbershops in secondary shopping centers seemed to be more profitable than location in areas, other than the central business district. Apparently the large parking lots adjoining shopping centers were a big attraction to customers.

North Dakota barbers do not need a barber's union to execute the requirements of the trade in North Dakota. The State Board of Barber Examiners has been granted enough power by the state to implement the needs of its members. The advantages of the right to picket and secure closer cooperation are not sufficient to warrant the union's existence.

As a result of intense competition by drug and variety stores in the sales of toiletries, advertising is necessary if barbershop owners are to be successful in the sales of these products. Discounts received through the formation of a retail buying group could provide lower costs to barbers, thereby lessening the price advantage of drug and variety stores. Purchase of fair-traded items by this method would result in higher markups, thus making the sales of toilet articles more profitable.

Single proprietor barbershop owners will probably continue to use their single vote majority power to promote the general barbershop industry rather than a particular shop. Since this is the case, every effort should be made to use this type of advertising to its fullest advantage. Stress should be placed on the barber as a professional hairstylist rather than as a haircutter attempting to please his customers.

Owners should determine their advertising budgets through the use of a definite plan. A hit-and-miss method will likely be unproductive and yield ineffective results.

In an effort to build an established clientele, barbers must implement the major return patronage factors. A barbershop which is deficient in any of these areas will likely experience difficulties in obtaining return patronage.

"A DESCRIPTION AND ANALYSIS OF THE MARKETING PRACTICES  
OF SELECTED NORTH DAKOTA BARBERSHOPS"

1. "How many barbers are employed in your shop?" \_\_\_\_\_
2. "What days are your shop open?" Monday \_\_\_\_\_ Tuesday \_\_\_\_\_ Wednesday  
\_\_\_\_\_ Thursday \_\_\_\_\_ Friday \_\_\_\_\_ Saturday \_\_\_\_\_ Sunday \_\_\_\_\_
3. "Who is in charge of your shop?" Owner \_\_\_\_\_ Manager \_\_\_\_\_ Other \_\_\_\_\_  
If "Other," please indicate who: \_\_\_\_\_  
Explanation, if needed: \_\_\_\_\_
4. "How long have you (Has the owner) had a barbershop in this location?"  
\_\_\_\_\_ Years \_\_\_\_\_ Months
5. "Did you (the owner) start this shop new, or did you (he) purchase it from  
someone else?" Started it new \_\_\_\_\_ Purchased it from someone  
else \_\_\_\_\_
6. "There are various reasons why people patronize one barbershop rather  
than another. Would you please give me the most important reason  
why your customers prefer your shop rather than a competitor's  
shop." ..... "Are there any other reasons?"  
  
MOST IMPORTANT: \_\_\_\_\_  
\_\_\_\_\_  
  
OTHER: \_\_\_\_\_  
  
OTHER: \_\_\_\_\_
7. What percent of your business, do you estimate, comes from repeat  
customers?" \_\_\_\_\_ % \_\_\_\_\_ Don't Know

8. "Did your shop spend any money on advertising last year?"  Yes.  
 No
- a. If yes, then ask: What was your advertising expenditure for last year?" \$ \_\_\_\_\_ Don't Know \_\_\_\_\_
- b. "Who is in charge of your advertising budget?"  Owner  
 Mgr.  Other. If "Other," please indicate who: \_\_\_\_\_
- c. "How do you (does the owner) figure out how much to spend for advertising?"
- \_\_\_\_\_ % of past sales      \_\_\_\_\_ No particular plan used  
 \_\_\_\_\_ % of future sales      \_\_\_\_\_ Other. If "Other," please indicate  
 \_\_\_\_\_ Match your competitors      What: \_\_\_\_\_
9. "Are you doing any advertising this year?"  Yes  No  
 D. Know
10. "On an average day, what per cent of the time does the personnel in this shop spend waiting for customers?" \_\_\_\_\_ %  Don't Know
11. "Is there anything special about your shop that distinguishes it from other shops as an aid to increase sales?"  Yes  No  
 Don't Know
- a. If yes, then ask: "What are these distinguishing characteristics?"  
 \_\_\_\_\_
12. "Which items account for most of your sales in the display rack?"
1. \_\_\_\_\_ 4. \_\_\_\_\_  
 2. \_\_\_\_\_ 5. \_\_\_\_\_  
 3. \_\_\_\_\_ 6. \_\_\_\_\_

13. "Do you own your display rack and receive all the profits \_\_\_\_/OR do you own the display rack, and have someone else service the rack, and share the profits with him \_\_\_\_/ OR does someone else own the display rack and share the profits with you \_\_\_\_/
14. "Do you believe it is best for you to carry products in your display rack that are sold only in barbershops, or products that can also be bought in other stores?"
- \_\_\_\_ Products sold only in barbershops      \_\_\_\_ Don't Know
- \_\_\_\_ Products also bought in other stores
15. "Why do you say this?" \_\_\_\_\_  
\_\_\_\_\_
16. "Do you belong to a union?" \_\_\_\_ Yes. \_\_\_\_ No
17. "Why do you (don't you) belong to a union?" \_\_\_\_\_  
\_\_\_\_\_
18. "Who sets the prices on your work?" \_\_\_\_\_
19. "Do you have a given day or days which are more busy than others?"
- \_\_\_\_ Yes    \_\_\_\_ No    \_\_\_\_ Don't Know
- a. If yes, "Which days are they?" \_\_\_\_\_
20. "How much waiting time does the average customer spend in your shop?"
- \_\_\_\_\_ Min.
21. "How much service time does the average customer spend in your shop?"
- \_\_\_\_\_ Min.
22. "What estimated per cent of your customers purchase more work than just a haircut?" \_\_\_\_\_ %    \_\_\_\_ Don't Know

23. "I will read a list of duties that barbers or other people perform in barbershops. As I mention them, would you please tell me the per cent of your customers who purchase each one."....."Are there any other duties that are performed in your shop that I have not mentioned?"

Haircut : \_\_\_\_\_%

Shoe Shine : \_\_\_\_\_%

Shampoo : \_\_\_\_\_%

Manicure : \_\_\_\_\_%

fa. massage : \_\_\_\_\_%

Others \_\_\_\_\_ : \_\_\_\_\_%

Hd. massage: \_\_\_\_\_%

\_\_\_\_\_ : \_\_\_\_\_%

Shave : \_\_\_\_\_%

24. "How are you and your employees paid?"

A. Yourself 1. Owner : \_\_\_\_\_

2. Manager : \_\_\_\_\_

B. Employees

1. Salary : \_\_\_\_\_

2. Commission : \_\_\_\_\_

3. Salary & Comm. : \_\_\_\_\_

4. Rent the chair : \_\_\_\_\_

5. Other \_\_\_\_\_ : \_\_\_\_\_

25. "What are the major expenses in operating your shop, such as rent, utilities, etc..... Are there any others?"

1. \_\_\_\_\_

4. \_\_\_\_\_

2. \_\_\_\_\_

5. \_\_\_\_\_

3. \_\_\_\_\_

6. \_\_\_\_\_

26. "About how long has each employee worked here?"

1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ 4. \_\_\_\_\_

27. "Have other employees left your shop in the last two years?"  Yes  
 No

a. "How long was each employee with your shop before he left?"

1. <input type="text"/> Yrs. <input type="text"/> Mos.	4. <input type="text"/> Yrs. <input type="text"/> Mos.
2. <input type="text"/> Yrs. <input type="text"/> Mos.	5. <input type="text"/> Yrs. <input type="text"/> Mos.
3. <input type="text"/> Yrs. <input type="text"/> Mos.	6. <input type="text"/> Yrs. <input type="text"/> Mos.

28. "In which of the following ranges would the sales of this shop be for last year?"

\$0,000 - 5,999 <input type="text"/>	51,000 - 55,999 <input type="text"/>
6,000 - 10,999 <input type="text"/>	56,000 - 60,999 <input type="text"/>
11,000 - 15,999 <input type="text"/>	61,000 - 65,999 <input type="text"/>
16,000 - 20,999 <input type="text"/>	66,000 - 70,999 <input type="text"/>
21,000 - 25,999 <input type="text"/>	71,000 - 75,999 <input type="text"/>
26,000 - 30,999 <input type="text"/>	76,000 - 80,999 <input type="text"/>
31,000 - 35,999 <input type="text"/>	81,000 - 85,999 <input type="text"/>
36,000 - 40,999 <input type="text"/>	86,000 - 90,999 <input type="text"/>
41,000 - 45,999 <input type="text"/>	91,000 - 95,999 <input type="text"/>
46,000 - 50,999 <input type="text"/>	96,000 - AND UP <input type="text"/>

DO NOT ASK ANY QUESTIONS BELOW THIS LINE, FILL THEM IN YOURSELF.

29. Location of Shop:  Downtown  Neighborhood  String Street  
 Secondary Shopping Center  Miscellaneous

30. Name and size of town in which this shop is located:  NAME  
 SIZE



## BIBLIOGRAPHY

### Public Documents

North Dakota Century Code, North Dakota Laws Governing Barbers, Chapter 43-02.

State of North Dakota, Articles of Incorporation: North Dakota Barbers Association, Bismarck, North Dakota, 1927.

U.S. Bureau of Labor Statistics, Employment Outlook for Barbers and Beauty Operators, Washington, D.C.: U.S. Government Printing Office, 1962.

U.S. Bureau of Census, Census of Business: 1958. Selected Services, North Dakota. Washington, D.C.: U.S. Government Printing Office, 1960.

U.S. Bureau of Census. Census of Business: 1963. Advance Report, Selected Services, North Dakota. Washington, D.C.: U.S. Government Printing Office, 1965.

U.S. Bureau of Census, Census of Business: 1963. Advance Report, United States Summary of Selected Services, Washington, D.C.: U.S. Government Printing Office, 1965

U.S. Bureau of Census. Census of Business: 1963. Selected Services, North Dakota, Washington, D.C.: U.S. Government Printing Office, 1965.

U.S. Bureau of Census. United States Census of Population: 1960. North Dakota, Detailed Characteristics. final report, PC(1)-36D, Washington, D.C.: Government Printing Office, 1962.

### Books

Committee on Definitions, Marketing Definitions. Chicago: American Marketing Association, 1960.

- Crisp, Richard D. Marketing Research. New York: McGraw-Hill Book Co., 1957.
- Dean, Joel. Managerial Economics. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1958.
- Duncan, Delbert J. and Phillips, Charles F. Marketing: Principles and Methods. Homewood, Illinois: Richard D. Irwin, Inc., 1964.
- Duncan, Delbert J. and Phillips, Charles F. Retailing, Principles and Methods. Homewood, Illinois. Richard D. Irwin, Inc., 1963.
- Ekebald, Fredrick A. The Statistical Method in Business. New York: John Wiley and Sons, Inc., 1962.
- Sandage, C.H. and Fryburger, Vernon. Advertising: Theory and Practice. Homewood, Illinois: Richard D. Irwin, Inc., 1958.
- Stanton, William J. Fundamentals of Marketing. New York: McGraw-Hill Book Co., 1964.
- Underwood, Benton J.; Duncan, Carl P.; Taylor, Janet A.; and Cotton, John W. Elementary Statistics. New York: Appleton-Century-Crofts, Inc., 1954.

#### Articles and Periodicals

- Donegan, Don. "News From Chapter 199, Associated Master Barbers of America, Fargo, North Dakota," North Dakota Barber. (1953), p. 31.
- "Your March Letter From the Publisher," Men's Hairstylist and Barbers Journal. (March, 1965), p. 14.

#### Other Sources

- Survey of 64 barbershop owners and managers, 1965.
- Journeyman's Barbers International Union. Personal interview with Mr. Robert Wedin, Secretary of Local Chapter #601. February 22, 1965.

North Dakota Barbers Association. Personal Interview with Mr. Marvin Goebel, 1965 President of the Association. June 29, 1965.

North Dakota Barbers Association. Personal Interview with Mr. John J. Tkach, Historian of the Association. April 20, 1965.

North Dakota State Board of Barber Examiners. Letter from Mr. L.W. Woehrmann, Secretary-Treasurer of the Board. February 27, 1965.

University of North Dakota Libraries