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BROADCAST ADVERTISING IN OCTOBER

Broadcast advertising in October showed the most encouraging trend to be exhibited since the establishment of the statistical service in July. Gross receipts from the sale of advertising time amounted to \$5,741,850.00 and marked a 45.3% increase over September revenues. National network advertising volume increased 54.2% over the previous month. Regional network advertising rose 82.0%, while individual station receipts showed a gain of 34.9% as against September. The total volume of broadcast advertising over national networks, regional networks and individual stations for the month of October is found in Table I:

TABLE I

TOTAL RADIO BROADCAST ADVERTISING VOLUME

Class of Business	1933		
	September	October	Cumulative July-October
National networks..	\$2,102,809.00	\$3,244,153.00	\$9,063,916.00
Regional networks..	14,281.00	26,091.00	88,703.00
Individual stations..	1,832,251.00	2,471,606.00	8,150,260.00
Total	\$3,949,341.00	\$5,741,850.00	\$17,302,879.00

The trend in national network advertising during October has been especially encouraging. In addition to showing a marked gain over September volume these revenues were 7.0% higher than those for the same month of 1932. Furthermore, receipts for the month in question were the highest since May, 1932, and were within \$9,000 of equalling October, 1931, volume. It will be remembered that this was the month which marked the beginning of the most successful period thus far to have been experienced by network radio advertising.

It is impossible to say what is the position of individual station revenues as compared with previous years since no data exists on this subject. However, if individual station business has followed network trends to any degree at all it would seem that radio advertising volume is definitely on the upswing. To what extent broadcast advertising will approximate 1931-1932 levels should become evident within the next several months.

Comparison with Other Media

A comparison of September expenditures for radio broadcast advertising as against those for other leading advertising media is found in Table II:

TABLE II
 ADVERTISING VOLUME MAJOR MEDIA

Advertising Medium	1933		
	September	October	Cumulative July-October
Radio broadcasting	\$3,949,341.00	\$5,739,850.00	\$17,300,879.00
National magazines ¹	7,942,886.00	9,574,829.00	30,259,086.00
National farm papers	373,134.00	455,018.00	1,301,162.00
Newspapers	38,371,622.00	43,903,450.00	152,515,168.00
Total	\$50,636,983.00	\$59,673,147.00	\$201,376,295.00

¹National magazine totals are for 108 periodicals, prepared by Publishers' Information Bureau, Inc., from which source national farm papers and networks are also taken.

National magazine volume showed an increase of 20.5% as against September; farm papers a rise of 19.2% and newspapers a gain of 12.6% as compared with the previous month.

October national magazine volume is approximately 6.0% ahead of that of the same month of 1932. Newspaper volume finds itself in about the same position as national magazine advertising, while advertising in farm papers shows an increase of 48.0% over October, 1932.

Total volume of advertising for the first ten months of 1933 is, in the case of most media, materially behind that of the previous year. National magazines are approximately 20.0% behind last year. National farm papers are 22.0% and national network advertising is 27.0% less than in 1932. Newspaper advertising for the period is approximately 11.0% less than in 1932.

Since 1932 represented the most prosperous year thus far experienced by national networks, the decline in revenue during the current year tends to represent the maximum shrinkage in advertising volume to be experienced by the medium during the depression. On the other hand, by the beginning of 1932 national magazine advertising had already declined about 44.0% from its previous peak, while the volume of national advertising placed in newspapers was estimated to have dropped approximately 38.0% from its previous high level. It seems, therefore, that on the whole radio advertising has tended to feel the depression less seriously than other major media.

Advertising Over Various Classes of Stations

The volume of non-network advertising placed over stations of different classes of power is found in Table III:

TABLE III
 NON-NETWORK BROADCAST ADVERTISING BY POWER OF STATION

Power of Station	1933		
	September	October	Cumulative July-October
Over 5,000 watts ...	\$768,480.00	\$894,860.00	\$3,396,871.00
2,500-5,000 watts ...	183,245.00	311,192.00	1,007,658.00
250-1,000 watts ...	666,267.00	935,850.00	2,831,442.00
100 watts and under .	214,259.00	329,704.00	914,289.00
Total	\$1,832,251.00	\$2,471,606.00	\$8,150,260.00

Stations of 5,000 watts and more in power tended to make up the losses in non-network revenue experienced during the past two months and to approximate their July position. The growth in non-network revenue of stations of this class has tended to be less than that of smaller transmitters. This is due probably to the fact that stations of this class are usually affiliated with networks and that these networks are in a position to command the best station time. Stations of from 2,500 to 5,000 watts tended to show the same trend as experienced by the larger transmitters. The greatest increase in non-network revenue has been on the part of the smaller broadcasting units. Stations in the 250-1,000-watt class showed an increase of 40.0% in non-network revenue as compared with September, while stations in the 100-watt group enjoyed an increase of 54.0%. How much of these various trends are due to cyclical conditions and to what extent they are normal seasonal trends it is impossible to say at this time.

The amount of non-network advertising placed over stations in different sections of the country is found in Table IV:

TABLE IV
NON-NETWORK BROADCAST ADVERTISING BY
GEOGRAPHICAL DISTRICTS

Geographical District	1933		
	Gross Receipts		
	September	October	Cumulative July-October
New England-Middle Atlantic Area	\$462,448.00	\$599,277.00	\$2,061,382.00
South Atlantic-South Central Area	288,802.00	354,559.00	1,183,768.00
North Central Area . .	676,341.00	1,018,643.00	3,047,628.00
Pacific and Mountain Area	404,660.00	499,127.00	1,857,482.00
Total	\$1,832,251.00	\$2,471,606.00	\$8,150,260.00

The outstanding trend in this instance is the marked rise of non-network advertising over Middle Western stations. Advertising in the Southern district continues the steady growth which it has experienced in recent months. Both the New England and Middle Atlantic districts and Pacific-Mountain region have regained the losses experienced in August and September, and have slightly exceeded July advertising volume.

Spot and Local Advertising

A comparison of the volume of national spot and local broadcast advertising going to make up the non-network revenues of individual stations is found in Table V:

TABLE V
COMPARISON OF NATIONAL SPOT AND LOCAL
BROADCAST ADVERTISING

Class of Business	1933		
	Gross Receipts		
	September	October	Cumulative July-October
National spot	\$654,014.00	\$1,066,413.00	\$3,115,318.00
Local	1,178,237.00	1,405,193.00	5,034,942.00
Total	\$1,832,251.00	\$2,471,606.00	\$8,150,260.00

There was a marked increase in national spot advertising during October. Spot volume was 63.0% higher than September and 44.0% higher than in July. Local advertising showed a 19.0% increase over the previous month and was 3.5% higher than in July. Advertising of this type, however, seems to show somewhat less seasonal fluctuation than in the case of national spot business.

Advertising By Type of Rendition

The trends with regard to the electrical transcription business and other types of broadcasting rendition are found in Tables VI and VII:

TABLE VI
NON-NETWORK BROADCAST ADVERTISING BY
TYPE OF RENDITION

Type of Rendition	1933		
	Gross Receipts		
	September	October	Cumulative July-October
Elec. transcriptions . .	\$303,605.00	\$563,753.00	\$1,452,855.00
Live talent programs . .	916,041.00	1,094,678.00	3,762,906.00
Records	51,906.00	53,398.00	236,885.00
Spot announcements . .	560,699.00	759,777.00	2,697,614.00
Total	\$1,832,251.00	\$2,471,606.00	\$8,150,260.00

TABLE VII
COMPARISON OF LOCAL AND NATIONAL SPOT
ADVERTISING BY TYPE OF RENDITION

Type of Rendition	1933		
	Gross Receipts		
	National Spot	Local	Cumulative July-October
Elec. transcriptions . .	\$442,200.00	\$121,553.00	\$563,753.00
Live talent programs . .	350,455.00	744,223.00	1,094,678.00
Records	8,943.00	44,455.00	53,398.00
Spot announcements . .	264,815.00	494,962.00	759,777.00
Total	\$1,066,413.00	\$1,405,193.00	\$2,471,606.00

Electrical transcription volume in October showed a gain of 85.0% over the previous month. This was due entirely to national spot business which increased 98.0%; local electrical transcription volume having declined slightly.

Live talent volume increased 16.3% over the previous month, while no change occurred with regard to the broadcasting of records and commercial programs.

Spot announcement business increased 35.0% in October. This was due principally to national spot business which was more than double its September volume. Local spot announcement business increased but 16.0% as against the previous month.

Participations which are found in Table VIII continued to decline in volume. This is probably a healthy sign since the most reasonable explanation of this trend would be that the average sponsor is becoming desirous of presenting his own individual program.

TABLE VIII
PARTICIPATIONS OVER INDIVIDUAL STATIONS

Type of Rendition	1933		
	Gross Receipts		
	September	October	Cumulative July-October
Elec. transcriptions . .	\$144.00	\$	\$395.00
Live talent	62,067.00	48,300.00	238,685.00
Records	15,623.00	10,802.00	62,929.00
Total	\$77,834.00	\$59,102.00	\$302,009.00

Radio Advertising Sponsors

The volume of broadcast advertising in October sponsored by various industrial groups is found in Table IX, while an analysis of national spot and local broadcast advertising over individual stations is presented in Table X.

The following trends are to be noticed with regard to the sponsorship of radio advertising by various industrial groups during the month of October:

1a. *Amusements*—There has been a 10% increase during the month in advertising of this type, although the total volume still remains materially below that of August. Amusement advertising is almost entirely local in origin.

1. *Automobiles*—Automobile advertising experienced a 27% increase over September volume and was almost double that of July. National network advertising in this field increased 19% over the previous month and stood at approximately two and one-third times July volume. Individual station business from this source increased 42% over September and stood approximately even to July revenues. This increase was entirely in the local field.

2. *Accessories, gasoline and oil*—General revenue from this source increased 35% as compared with September and was approximately 10% higher than in July. National network advertising in this field continued its growth of recent months. National spot business showed an increase of 140% over September, while there was little change in local advertising volume.

3. *Clothing*—There has been a marked increase in clothing advertising during the past month. Network advertising in this field practically doubled as compared with September and was more than five times July volume. National spot business also more than doubled, while local clothing advertising showed a considerable rise in volume.

4. *Drugs and pharmaceuticals*—Advertising in this field more than doubled September volume after having remained comparatively static during the preceding three months. Principal increases were in national network and spot advertising, the volume of local advertising in this field having risen but slightly.

5. *Toilet goods*—Toilet goods advertising continued its steady upward trend of recent months and in October stood at \$725,230 as compared with \$439,299 in July. National network advertising has accounted for the principal gains in this field.

6. *Foodstuffs*—The food industry still continues to be the largest single user of radio advertising. October revenues in this field were 60% over those of the previous month, network advertising having risen 67%, spot advertising approximately 80% and local advertising 30%.

7. *Beverages*—Although the total increase in this field has been slight, national advertising volume has risen 50% as compared with September. Individual station volume has held even, the

TABLE IX
RADIO BROADCAST ADVERTISING VOLUME BY TYPE OF SPONSORING BUSINESS
(October, 1933)

<i>Type of Sponsoring Business</i>	<i>Gross Receipts for Month</i>			<i>Total</i>
	<i>National Networks</i>	<i>Regional Networks</i>	<i>Individual Stations</i>	
1a. Amusements	\$ —	\$ —	\$69,117.00	\$69,117.00
1-2. Automobiles and accessories:				
(1) Automobiles	217,933.00	1,595.00	137,748.00	357,276.00
(2) Accessories, gas and oils	297,543.00	4,697.00	206,461.00	508,701.00
3. Clothing and apparel	46,308.00	1,125.00	199,980.00	247,413.00
4-5. Drugs and toilet goods:				
(4) Drugs and pharmaceuticals	357,048.00	3,400.00	288,058.00	648,506.00
(5) Toilet goods	574,471.00	2,600.00	148,159.00	725,230.00
6-8. Food products:				
(6) Foodstuffs	723,580.00	3,590.00	399,800.00	1,126,970.00
(7) Beverages	381,700.00	1,348.00	62,530.00	445,578.00
(8) Confections	129,506.00	250.00	51,259.00	181,015.00
9-10. Household goods:				
(9) Household equipment and furniture	11,496.00	—	140,236.00	151,732.00
(10) Soap and kitchen supplies	92,247.00	—	64,676.00	156,923.00
11. Insurance and financial	93,704.00	687.00	67,348.00	161,739.00
12. Radios	57,812.00	—	9,150.00	66,962.00
13. Retail establishments	—	—	111,108.00	111,108.00
14. Tobacco products	133,697.00	—	5,946.00	139,643.00
15. Miscellaneous	127,108.00	6,799.00	510,030.00	643,937.00
Total	\$3,244,153.00	\$26,091.00	\$2,471,606.00	\$5,741,850.00

TABLE X
NON-NETWORK ADVERTISING BY TYPE OF SPONSORING BUSINESS
(October, 1933)

<i>Type of Sponsoring Program</i>	<i>Gross Receipts for Month</i>		<i>Total</i>
	<i>National Spot</i>	<i>Local</i>	
1a. Amusements	\$2,704.00	\$66,413.00	\$69,117.00
1-2. Automobiles and Accessories:			
(1) Automobiles	50,607.00	87,141.00	137,748.00
(2) Accessories, gasoline and oil	143,735.00	62,726.00	206,461.00
3. Clothing and apparel	40,750.00	159,230.00	199,980.00
4-5. Drugs and toilet goods:			
(4) Drugs and pharmaceuticals	196,807.00	91,251.00	288,058.00
(5) Toilet goods	132,696.00	15,463.00	148,159.00
6-8. Food products:			
(6) Foodstuffs	182,180.00	217,620.00	399,800.00
(7) Beverages	28,057.00	34,473.00	62,530.00
(8) Confectionery	44,494.00	6,765.00	51,259.00
9-10. Household goods:			
(9) Household equipment and furniture	37,009.00	103,227.00	140,236.00
(10) Soap and kitchen supplies	51,775.00	12,901.00	64,676.00
11. Insurance and financial	10,609.00	56,739.00	67,348.00
12. Radios	2,494.00	6,656.00	9,150.00
13. Retail establishments	3,344.00	108,764.00	111,108.00
14. Tobacco products	622.00	4,324.00	5,946.00
15. Miscellaneous	138,530.00	371,500.00	510,030.00
Total	\$1,066,413.00	\$1,405,193.00	\$2,471,606.00

slight increases in spot advertising having been offset by similar declines in local advertising volume.

8. *Confectionery*—There has been a marked increase in this field. October volume was 160% higher than in September and six times that of July. National network advertising was three times that of the preceding month, and more than thirty times July volume. Spot advertising more than doubled, while there was no appreciable change in local advertising. Chewing gum advertising is the principal explanation of this trend.

9. *Household appliances*—There has been a slight increase in this field, individual station revenue from advertisers of this type having risen 30% as against September. This is due to a 50% rise in spot advertising and a 21% increase in local advertising. National network advertising in this field has declined 50% since July.

10. *Soap and kitchen supplies*—There has been little change

in this field other than a slight increase in national spot advertising.

11. *Insurance and financial*—Total revenue in this field increased approximately 17% during October after having been comparatively static throughout the preceding three months. This was due almost entirely to a 65% increase in local financial advertising over individual stations.

12. *Radio*—There has been a slight recession in this field from the previous month, most of the decline having been in local advertising.

13. *Retail*—There has been a further slight decline in retail advertising as far as general retail establishments are concerned. This situation is treated more fully in a discussion of Table XI.

14. *Tobacco products*—Revenues from this source have increased 12% as against September. Advertising of this type is almost exclusively national network in point of origin.

Retail Advertising

A more detailed study of the retail advertising situation is possible from an examination of Table XI:

TABLE XI
RETAIL ADVERTISING OVER INDIVIDUAL STATIONS
(October, 1933)

<i>Type of Sponsoring Business</i>	<i>Gross Receipts for Month</i>
Automobiles and accessories:	
Automobile agencies and used car dealers.....	\$74,503.00
Gasoline stations, garages, etc.....	26,970.00
Clothing and apparel shops.....	144,206.00
Drugs and toilet goods:	
Drug stores.....	11,070.00
Beauty parlors.....	503.00
Food products:	
Grocery stores, meat markets, etc.....	42,085.00
Restaurants and eating places ¹	24,070.00
Beverage retailers.....	2,832.00
Confectionery stores, etc.....	1,445.00
Household goods:	
Household equipment retailers ²	44,653.00
Furniture stores.....	42,162.00
Hardware stores.....	8,605.00
Radio retailers.....	6,056.00
Department and general stores.....	111,108.00

¹ Exclusive of hotels.

² Such as electric refrigerators, oil burners, sweepers, furnaces and the like.

Tobacco shops.....	3,433.00
Miscellaneous	79,544.00
Total	\$622,245.00

Advertising by retail automobile dealers increased approximately 50% during the month. Clothing advertising rose 40%, drug advertising 60%, advertising by food retailers 35%, while that of confectionery stores approximately doubled. There were slight increases in household equipment advertising by retailers, and in department and general store advertising. Decreases were experienced on the part of radio retailers and miscellaneous establishments.

GENERAL BUSINESS CONDITIONS

General business activity continued to decline, though the recession was less marked than during August and September. The New York Times Index on November 11 was 72.9 as compared with 79.8 on September 9. This still shows a better position than for last year when on November 12 the index stood at 69.1. Production in basic industries continued to decline contrary to the usual seasonal tendency. Automobile production slowed up materially due primarily to anticipation of new models. The Index for car-loadings was 60.2 on November 11 as compared with 69.3 on October 14. Prices showed renewed firmness following a slight recession in recent weeks. The Bureau of Labor Statistics' Index of wholesale prices for the third week of November was 71.7, approximately 20% above the low of last March. Retail trade conditions continued to be uncertain with some slight recessions. Encouragement is to be found in the fact that October automobile sales were estimated by the National Automobile Chamber of Commerce to be 103% above those of the same month of 1932, in spite of a 16% decline as compared with September. This was the first time in five years that October sales were greater than in the previous October.