

# The National Association of Broadcasters

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### BROADCAST ADVERTISING IN JANUARY

Broadcast advertising during the first month of the current year showed slight gains over December 1933 volume. Total expenditures for time on the part of advertisers during the month amounted to \$6,165,011.00, a gain of two tenths of one per cent over the previous month.

National network advertising continued its remarkable rise of recent months. January network revenues amounted to \$3,759,995.00, having increased 1.7% over the December figure. Network revenues for the current month were 34.0% above those of January 1933. It is also of interest to note that January national network revenues were but 5.6% below those of January 1932, which in turn was the third highest month in the history of national network advertising.

Individual station advertising decreased .9% as compared with December, and amounted to \$2,351,438.00. The January individual station volume was 4.5% under that of November, the high month of the current season. The decline in individual station revenues was due almost entirely to the normal seasonal down-swing in retail advertising. Local advertising for the month decreased 10.7% as compared with December. Retail advertising declined 13.4% in spite of the fact that advertising by automobile dealers considerably more than doubled as compared with the previous month. Department and general store radio advertising was approximately 50.0% as high as in December.

It would seem that it was the smaller retail advertiser who cut his radio effort following the passing of the Christmas season. While local live talent and electrical transcription volume remained fairly even as compared with the previous month, the volume of programs using records decreased approximately 50.0%, while local spot announcement business declined 23.5% from the December level. Regional network advertising also declined, seeming to follow the individual station example rather than that of the national networks.

The radio advertising trend in January over individual stations is very similar to that found in the newspaper field, where general retail lineage during the current months decreased approximately 28.0% as compared with December, while department store volume dropped 34.0%.

The total volume of broadcast advertising over national and regional networks and individual stations during January is found in Table I:

TABLE I  
 TOTAL RADIO BROADCAST ADVERTISING  
 VOLUME

Class of Business	Gross Receipts	
	December 1933	January 1934
National networks .....	\$3,697,283.00	\$3,759,995.00
Regional networks .....	80,878.00	53,578.00
Individual stations .....	2,374,454.00	2,351,438.00
Total .....	\$6,152,615.00	\$6,165,011.00

#### Comparison with Other Media

A comparison of the expenditures for radio broadcast advertising and other major media is found in Table II:

TABLE II  
 ADVERTISING VOLUME BY MAJOR MEDIA

Advertising Medium	Gross Receipts	
	December 1933	January 1934
Radio broadcasting .....	\$6,152,615.00	\$6,165,011.00
National magazines <sup>1</sup> .....	8,254,556.00	6,360,965.00
National farm papers .....	265,645.00	296,077.00
Newspapers .....	40,069,311.00	34,261,950.00
Total .....	\$54,742,127.00	\$47,084,003.00

<sup>1</sup>National 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 advertising volume decreased 24.1% during the current month as compared with December. Advertising volume in monthly magazines was approximately 10.0% ahead of that of January 1933, while weeklies showed an increase of 4.0% as compared with the same period of the previous year. Newspaper advertising declined 14.5% as compared with December, due principally to retail advertising. January volume was 6.9% higher than in 1933. National farm paper advertising showed a gain of 10.3% as compared with December, and was 1.0% higher than for the same period of the previous year. Compared with other national advertising media the record of network radio advertising is the best in the entire field.

### Seasonal Trends in Broadcast Advertising

Information gathered during the past seven months by the NAB Statistical Service, has revealed a number of highly interesting seasonal trends with regard to broadcast advertising which may be summarized at this time. These may be stated as follows:

1. National network and individual station advertising volume each have their own particular seasonal patterns. National network advertising presents a highly unique seasonal trend, which, contrary to other national media, does not show a decline at the first of the year.

2. Individual station advertising volume tends to follow general retail advertising trends, due undoubtedly, to the large volume of retail and small local manufacturer advertising contained within its total volume.

3. National spot advertising, though fluctuating more than network volume, tends to follow the network trend rather than the local trend, thus offsetting in part the decline of local business over individual stations during the post-Christmas period. This is indicated during the current month by the 13.9% increase in national spot volume as compared with December.

4. Individual station advertising seems to show fewer summer fluctuations than does network advertising, if indications of the past summer are at all typical.

### Advertising Over Various Classes of Stations

The volume of non-network advertising placed over individual stations of various classes of power during January is as follows:

TABLE III  
 NON-NETWORK BROADCAST ADVERTISING BY  
 POWER OF STATION

Power of Station	Gross Receipts	
	December 1933	January 1934
Over 5,000 watts .....	\$778,767.00	\$908,290.00
2,500-5,000 watts .....	252,030.00	226,471.00
250-1,000 watts .....	1,037,911.00	949,677.00
100 watts and under .....	305,828.00	267,000.00
Total .....	\$2,374,454.00	\$2,351,438.00

The most interesting trend during the month has been the rather marked increase in non-network advertising over stations of more than 5,000 watts in power. Non-network revenues of stations of this class increased 16.5% as compared with December. Stations of the 2,500-5,000 watt class experienced a 10.0% decrease in revenues as compared with the previous month, stations in the 250-1,000 watt class experienced an 8.5% decrease in non-network receipts and stations of 100 watts, a 12.7% decline. The situation with regard to the 100 watt group is again indicative of the fact that it is the smaller retailer who curtails his advertising during the January period.

### Advertising by Geographical Districts

The principal trend of interest during January has been the 26.3% as compared with the previous month. This is the first increase in non-network revenue on the part of this section of the country to have been experienced in recent months. Other sections

of the country showed decreases in revenue ranging from 8% to 10%. The amount of non-network advertising placed over stations in different parts of the country is found in Table IV:

**TABLE IV**

**NON-NETWORK BROADCAST ADVERTISING BY GEOGRAPHICAL DISTRICTS**

<i>Geographical District</i>	<i>Gross Receipts</i>	
	<i>December 1933</i>	<i>January 1934</i>
New England-Middle Atlantic Area . . .	\$507,810.00	\$642,012.00
South Atlantic-South Central Area . . .	424,911.00	390,090.00
North Central Area . . . . .	991,873.00	914,886.00
Pacific and Mountain Area . . . . .	449,860.00	404,450.00
Total . . . . .	\$2,374,454.00	\$2,351,438.00

**Spot and Local Advertising**

A comparison of the volume of national spot and local advertising placed over individual stations during January 1934 is found in Table V:

**TABLE V**

**COMPARISON OF NATIONAL SPOT AND LOCAL BROADCAST ADVERTISING**

<i>Class of Business</i>	<i>Gross Receipts</i>	
	<i>December 1933</i>	<i>January 1934</i>
National spot . . . . .	\$994,520.00	\$1,075,290.00
Local . . . . .	1,429,934.00	1,276,148.00
Total . . . . .	\$2,374,454.00	\$2,351,438.00

National spot and local advertising showed divergent tendencies during January. Spot advertising rose 13.9% as compared with December, while local advertising declined 10.7% during the same period. Causes for the decline in the local advertising volume have been discussed earlier in the report and do not require repetition at this point.

**Advertising by Type of Rendition**

Trends with regard to electrical transcriptions and other types of broadcasting rendition are found in Tables VI and VII:

**TABLE VI**

**NON-NETWORK BROADCAST ADVERTISING BY TYPE OF RENDITION**

<i>Type of Rendition</i>	<i>Gross Receipts</i>	
	<i>December 1933</i>	<i>January 1934</i>
Electrical transcriptions . . . . .	\$462,942.00	\$545,430.00
Live talent programs . . . . .	935,673.00	1,057,331.00
Records . . . . .	66,473.00	38,177.00
Spot announcements . . . . .	909,366.00	710,500.00
Total . . . . .	\$2,374,454.00	\$2,351,438.00

**TABLE VII**

**COMPARISON OF LOCAL AND NATIONAL SPOT ADVERTISING BY TYPE OF RENDITION**

(January 1934)

<i>Type of Rendition</i>	<i>Gross Receipts for Month</i>		
	<i>National Spot</i>	<i>Local</i>	<i>Total</i>
Elec. transcriptions . . .	\$437,678.00	\$107,752.00	\$545,430.00
Live talent programs . .	407,010.00	650,321.00	1,057,331.00
Records . . . . .	7,102.00	31,075.00	38,177.00
Spot announcements . .	223,500.00	487,000.00	710,500.00
Total . . . . .	\$1,075,290.00	\$1,276,148.00	\$2,351,438.00

Electrical transcription advertising increased 17.7% as compared with December. This was due entirely to the rise in national spot electrical transcription advertising which rose 27.0%, local advertising having decreased approximately 9.0% as compared with the previous month.

Live talent program advertising revenue increased 13.0% over the previous month, due mainly to a marked rise in national spot volume. Local live talent advertising remained practically the same as in December.

Advertising volume wherein records were used declined approximately 50% as compared with the previous month. Spot announcements also decreased. Total spot announcement volume declined 21.8% while the volume of local advertising of this type decreased 23.5%.

**Participations**

The volume of participation business again showed a marked increase, due principally to a rise in live talent presentations of this type. The trend in this field is portrayed in Table VIII:

**TABLE VIII**

**PARTICIPATION OVER INDIVIDUAL STATIONS**

<i>Type of Rendition</i>	<i>Gross Receipts</i>	
	<i>December 1933</i>	<i>January 1934</i>
Electrical transcriptions . . . . .	\$1,000.00	\$309.00
Live talent programs . . . . .	91,192.00	128,300.00
Records . . . . .	15,542.00	8,854.00
Total . . . . .	\$107,734.00	\$137,463.00

**Radio Advertising Sponsors**

A number of interesting trends in the sponsorship of broadcast advertising by different types of industries were revealed during January 1934. There was a marked rise in the volume of automotive advertising, national spot advertising of this type increasing 36% and local advertising more than doubling. National spot advertising increased 21.1% in the food field, and 37.0% in the confectionery field. Clothing and apparel advertising decreased 32.0%, network advertising declining 54.0%, local advertising 26.0% while national spot advertising of this type experienced a slight rise. Soap and household advertising rose 25.4% as compared with December, the increase taking place in all types of broadcasting. Advertising of radios dropped 23.0% while department store and general store advertising declined 52.0%. Tobacco advertising rose approximately 15.0% due to increased national network appropriations.

The trend in broadcast advertising sponsored by different types of business is found in Tables IX and X:



**TABLE IX**  
**RADIO BROADCAST ADVERTISING VOLUME BY TYPE OF SPONSORING BUSINESS**  
(January, 1934)

<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 .....	—	—	\$45,889.00	\$45,889.00
1-2. Automobiles and Accessories:				
(1) Automobiles .....	\$191,270.00	\$3,372.00	238,044.00	432,686.00
(2) Accessories, gas and oils .....	315,130.00	20,904.00	179,854.00	515,888.00
3. Clothing and apparel .....	17,968.00	1,000.00	131,677.00	150,645.00
4-5. Drugs and toilet goods:				
(4) Drugs and pharmaceuticals .....	421,748.00	2,967.00	329,646.00	754,361.00
(5) Toilet goods .....	761,695.00	—	89,467.00	851,162.00
6-8. Food products:				
(6) Foodstuffs .....	730,297.00	16,817.00	393,464.00	1,140,578.00
(7) Beverages .....	308,384.00	1,242.00	66,542.00	376,168.00
(8) Confections .....	130,080.00	380.00	61,029.00	191,489.00
9-10. Household goods:				
(9) Household equipment and furnishings .....	55,303.00	—	113,373.00	168,676.00
(10) Soap and kitchen supplies .....	145,345.00	—	23,436.00	168,781.00
11. Insurance and financial .....	65,075.00	—	46,081.00	111,156.00
12. Radios .....	47,249.00	—	10,307.00	57,556.00
13. Retail establishments .....	—	—	84,360.00	84,360.00
14. Tobacco products .....	436,893.00	—	7,946.00	444,839.00
15. Miscellaneous .....	133,558.00	6,896.00	530,323.00	670,777.00
<b>Total .....</b>	<b>\$3,759,995.00</b>	<b>\$53,578.00</b>	<b>\$2,351,438.00</b>	<b>\$6,165,011.00</b>

**TABLE X**  
**NON-NETWORK ADVERTISING BY TYPE OF SPONSORING BUSINESS**  
(January, 1934)

<i>Type of Sponsoring Program</i>	<i>Gross Receipts for Month</i>		<i>Total</i>
	<i>National Spot</i>	<i>Local</i>	
1a. Amusements .....	\$5,929.00	\$39,960.00	\$45,889.00
1-2. Automobiles and Accessories:			
(1) Automobiles .....	135,792.00	102,252.00	238,044.00
(2) Accessories, gasoline and oil .....	94,453.00	85,401.00	179,854.00
3. Clothing and apparel .....	12,978.00	118,699.00	131,677.00
4-5. Drugs and toilet goods:			
(4) Drugs and pharmaceuticals .....	221,803.00	107,843.00	329,646.00
(5) Toilet goods .....	70,379.00	19,088.00	89,467.00
6-8. Food products:			
(6) Foodstuffs .....	172,494.00	220,970.00	393,464.00
(7) Beverages .....	15,165.00	51,377.00	66,542.00
(8) Confectionery .....	58,625.00	2,404.00	61,029.00
9-10. Household goods:			
(9) Household equipment and furnishings .....	37,265.00	76,108.00	113,373.00
(10) Soap and kitchen supplies .....	12,494.00	10,942.00	23,436.00
11. Insurance and financial .....	13,601.00	32,480.00	46,081.00
12. Radios .....	1,382.00	8,925.00	10,307.00
13. Retail establishments .....	7,180.00	77,180.00	84,360.00
14. Tobacco products .....	6,443.00	1,503.00	7,946.00
15. Miscellaneous .....	209,307.00	321,016.00	530,323.00
<b>Total .....</b>	<b>\$1,075,290.00</b>	<b>\$1,276,148.00</b>	<b>\$2,351,438.00</b>

A detailed analysis of the trends in broadcast advertising by different types of business is as follows:

1a. *Amusements*:—Amusement advertising declined 18% as compared with the previous month. The January volume of \$45,889.00 is the lowest point reached by this type of advertising during the past seven months.

1. *Automobiles*:—Automotive advertising increased 16.9%. National network advertising decreased slightly, while individual station volume rose approximately 75%. National spot advertising over individual stations rose 36% and local advertising more than doubled in volume.

2. *Accessories, gasoline and oil*:—Accessory and gasoline broadcast advertising volume rose approximately 5% as compared with December. Most of this increase was found in the national network field. There was a decline in regional network volume and a slight increase in individual station volume, due to a rise in local accessory and gasoline advertising.

3. *Clothing*:—Total broadcast advertising volume in this field decreased approximately 32%. National network volume declined 54%, and individual station volume 26%. Local advertising in the clothing and apparel field dropped 31% as compared with the

previous month. The only increase registered was in the national spot field which almost tripled.

4. *Drugs and pharmaceuticals*:—There was a slight rise in drug and pharmaceutical advertising as compared with December, due to an increase in national network business of this type. Local and national spot volume remained comparatively even.

5. *Toilet goods*:—An increase of 11.3% was experienced in this field during January. Network and individual station revenues from this source increased in approximately equal proportion.

6. *Foodstuffs*:—There was little or no change in total advertising volume in this field. National network volume decreased slightly. Individual station volume increased slightly, due to a 21.1% increase in national spot foodstuffs advertising.

7. *Beverages*:—Beverage advertising over the radio increased approximately 9% as compared with December. This was due principally to national network volume. National spot beverage advertising held even while local advertising of this type decreased 16.4%.

8. *Confectionery*:—A 19% increase was experienced in this field due mainly to a 37% rise in national spot confectionery advertising.

9. *Household appliances*:—The total in this field remained even, in spite of a marked increase in the national spot field and a de-

crease in the local furniture and household appliance broadcast advertising.

10. *Soaps and kitchen supplies*:—Broadcast advertising in this field increased 25.4% as compared with the previous month. The increase was relatively uniform throughout all parts of the broadcasting structure.

11. *Financial*:—Financial radio advertising decreased 7.5% during the month. There was a slight increase in national spot volume while local advertising decreased 46.8%. National network advertising increased slightly.

12. *Radio*:—Radio manufacturer and dealer sponsorship of broadcasting decreased 23% as compared with the previous month. Individual station volume declined approximately 50%, the principal reason for the downward trend.

13. *General retail*:—A decrease of 52% was experienced in this field, due principally to declining department store and general store volume.

14. *Tobacco*:—Tobacco advertising volume over the radio increased approximately 15% during the month, a rise in national network volume being responsible for the upward trend.

15. *Miscellaneous*:—The miscellaneous group showed a downward trend, all types of broadcasting declining more or less evenly.

### Retail Advertising

The volume of retail advertising of all types is found in Table XI:

**TABLE XI**  
**RETAIL ADVERTISING OVER INDIVIDUAL**  
**STATIONS**

(January, 1934)

<i>Type of Sponsoring Business</i>	<i>Gross Receipts for month</i>
Automobiles and accessories:	
Automobile agencies and used car dealers.....	\$102,252.00
Gasoline stations, garages, etc.....	23,636.00
Clothing and apparel shops.....	129,920.00
Drugs and toilet goods:	
Drug stores .....	23,636.00
Beauty parlors .....	4,132.00
Food products:	
Grocery stores, meat markets, etc.....	49,080.00
Restaurants and eating places <sup>1</sup> .....	19,865.00
Beverage retailers .....	565.00
Confectionery stores, etc.....	1,405.00
Household goods:	
Household equipment retailers <sup>2</sup> .....	26,567.00
Furniture stores .....	43,907.00
Hardware stores .....	8,100.00

**TABLE XI (Continued)**

### RETAIL ADVERTISING OVER INDIVIDUAL STATIONS

(January, 1934)

<i>Type of Sponsoring Business</i>	<i>Gross Receipts for month</i>
Radio retailers .....	\$8,925.00
Department and general stores .....	84,360.00
Tobacco shops .....	1,466.00
Miscellaneous .....	42,652.00
<b>Total .....</b>	<b>\$570,468.00</b>

<sup>1</sup> Exclusive of hotels.

<sup>2</sup> Such as electric refrigerators, oil burners, sweepers, furnaces and the like.

The principal trends in the retail field are a doubling of the automotive volume, a 43% increase in the drug store field, and smaller increases in beauty parlor advertising, household equipment advertising and tobacco advertising. Declines are to be noted in the clothing, restaurant, beverage, confectionery, furniture, hardware and radio fields. General retailing, including retailers of all types as contrasted with the department and general store classification in Tables IX and X, decreased 13.4% as compared with December.

### General Business Conditions

The general trend up business activity seems to be upward. The New York Times Index on February 17 stood at 82.2 as compared with 77.2 on January 27, a rise of 7.5%. Commodity prices continued upward, the Department of Labor index on February 17 being 73.7 as compared with 72.4 at the end of January. The food price index rose from 65.0 to 67.4 during the same period. The car loading index rose from 58.8 to 62.5 during the same period, while the Detroit factory employment index mounted from 83.2 at the end of January to 90.9 on February 17. Automobile production increased rapidly, the index in this field rising from 58.7 to 93.1 during the period under consideration. A marked increase occurred in the utilization of electrical power, the index rising from 89.0 to 98.5. The construction index, however, declined from 34.2 to 28.3 during the period.

A large amount of the business activity in recent months has arisen out of the CWA activities of the government, the crop money distributed in certain sections, and the anticipation of increased business on the part of manufacturers during the spring and summer. It still remains to be seen whether middle class purchasing income has been sufficiently assisted to maintain a volume of purchases of products such as automobiles, refrigerators and other similar goods over any protracted period of time. The trend of retail sales of these articles during the coming three or four months is therefore of especial importance in evaluating future business developments.