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BROADCAST ADVERTISING IN FEBRUARY

Developments of the Month

Broadcast advertising in February showed a slight decline as compared with the preceding month. Gross sales of time amounted to \$5,943,820 and were 4.1% less than in January. National network revenues were 36.4% above February 1933, though showing a drop of 5.5% as compared with the preceding month of the current year. Non-network advertising decreased 2.0% as compared with January, while regional network advertising increased slightly.

Slight increases in advertising were experienced by stations of 1,000 watts and under, while minor recessions took part in the higher power classes. All geographical districts tended to hold their own as compared with the previous month, the drop in Southern revenues being largely offset by a small increase in Middle Western business. Spot advertising exhibited slight gains while local advertising decreased approximately 4.0%. Electrical transcription volume continued strong, while spot announcement volume showed added recessions. The large gains in spot and local beverage advertising, the marked increase in national network automotive advertising, and the equally marked shrinkage in spot and automotive advertising were the principal features of the month in the field of sponsorship of advertising.

Trend in General Radio Advertising

The trend in general radio advertising is found in Table I:

TABLE I

TOTAL RADIO BROADCAST ADVERTISING VOLUME

Class of Business	1934 Gross Receipts		Cumulative Jan.-Feb.
	January	February	
National networks...	\$3,793,075.00*	\$3,585,270.00	\$7,378,345.00
Regional networks...	53,578.00	54,932.00	108,510.00
Individual stations...	2,351,438.00	2,303,618.00	4,655,056.00
Total	\$6,198,091.00	\$5,943,820.00	\$12,141,911.00

* Revised total presented by Publishers' Information Bureau in March report.

The trend in national network advertising is contrary to the usual one for this time of the year, network advertising in the past having tended to rise during the entire first quarter of the year, and to reach its high peak in the month of March. From advance reports, March and April revenues, however, should be highly encouraging. Non-network advertising trends during the month have been dominated by the local business which again seems to be following newspaper advertising trends as far as seasonal pattern is concerned. Non-network business has shown a slow but steady recession since November and in February stood at 93.2% of its previous peak level. Regional network volume still remains materially below the December high point in spite of slight increases.

Comparison with Other Media

A comparison of the relative volume of broadcast advertising in February as against that of other major media is found in Table II:

TABLE II

ADVERTISING VOLUME BY MAJOR MEDIA

Advertising Medium	1934 Gross Receipts		Cumulative Jan.-Feb.
	January	February	
Radio Broadcasting.	\$6,198,091.00	\$5,943,820.00	\$12,141,911.00
National magazines ¹ .	6,360,965.00	7,803,512.00	14,164,477.00
National farm papers	296,077.00	464,621.00	760,698.00
Newspapers	34,261,950.00	33,470,300.00	67,732,250.00
Total	\$47,117,083.00	\$47,682,253.00	\$94,799,236.00

¹ 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 volume increased 22.6% as compared with January, though still remaining 5.4% below the December high. The magazine outlook seems to be highly encouraging, it being reported that the April volume of several leading periodicals will tend to be double that of 1933. Thus far magazine gains have been slight, February weeklies showing an increase of 13.0% over the previous year, and monthlies experiencing only a 2.0% gain over February 1933.

National farm paper advertising volume increased 56.9% as compared with January, and was 20.0% greater than in February of the preceding year. Newspaper advertising volume declined 5.5% during the month and stood at approximately 10.0% above the 1933 volume for the same month.

Non-Network Advertising by Power of Station

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

TABLE III

NON-NETWORK BROADCAST ADVERTISING BY POWER OF STATION

Power of station	1934 Gross Receipts		Cumulative Jan.-Feb.
	January	February	
Over 5,000 watts....	\$908,290.00	\$887,690.00	\$1,795,980.00
2,500-5,000 watts ...	226,471.00	182,614.00	409,085.00
250-1,000 watts	949,677.00	959,056.00	1,908,733.00
100 watts and under	267,000.00	274,258.00	541,258.00
Total	\$2,351,438.00	\$2,303,618.00	\$4,655,056.00

There was a 2.2% decline in the revenues of stations of 5,000 watts and over in power, and a marked decrease in the volume of advertising of the next class of station below them. On the other hand slight increases are to be noted on the part of the two lower classes of stations.

Advertising by Geographical Districts

The amount of non-network advertising placed of stations located in principal geographic areas is to be found in Table IV:

TABLE IV
NON-NETWORK BROADCAST ADVERTISING BY
GEOGRAPHICAL DISTRICTS

<i>Geographical District</i>	<i>1934</i> <i>Gross Receipts</i>		<i>Cumulative</i> <i>Jan.-Feb.</i>
	<i>January</i>	<i>February</i>	
New England-Middle Atlantic Area	\$642,012.00	\$623,429.00	\$1,265,441.00
South Atlantic-South Central Area	390,090.00	353,940.00	754,030.00
North Central Area ..	914,886.00	923,748.00	1,838,634.00
Pacific and Mountain Area	404,450.00	402,501.00	806,951.00
Total	\$2,351,438.00	\$2,303,618.00	\$4,655,056.00

There has been little change in the situation in this field during the past month. A slight gain in volume was experienced in the Middle Atlantic-New England and Middle Western areas, while the Southern district experienced a decrease in revenue of approximately 10.0%. The Pacific-Mountain area remained comparatively even.

Spot and Local Advertising

The relative volume of spot and local advertising placed over individual stations is found in Table V:

TABLE V
COMPARISON OF NATIONAL SPOT AND LOCAL
BROADCAST ADVERTISING

<i>Class of business</i>	<i>1934</i> <i>Gross Receipts</i>		<i>Cumulative</i> <i>Jan.-Feb.</i>
	<i>January</i>	<i>February</i>	
National spot	\$1,075,290.00	\$1,079,658.00	\$2,154,948.00
Local	1,276,148.00	1,223,960.00	2,500,108.00
Total	\$2,351,438.00	\$2,303,618.00	\$4,655,056.00

National spot advertising continued approximately even during February holding the high level gained in recent months. Should further increases in national network advertising take place a similar spot trend may be expected. Local advertising declined approximately 4.0% as compared with the preceding month. This again seems to be an indication of the tendency for local advertising to follow the newspaper trend as far as seasonal fluctuations are concerned, newspaper volume always declining several months following the Christmas holidays.

Advertising by Type of Rendition

The trend with regard to electrical transcription, live spot, record and spot announcement business during the month is found in Tables VI and VII:

TABLE VI
NON-NETWORK BROADCAST ADVERTISING BY
TYPE OF RENDITION

<i>Type of Rendition</i>	<i>1934</i> <i>Gross Receipts</i>		<i>Cumulative</i> <i>Jan.-Feb.</i>
	<i>January</i>	<i>February</i>	
Electrical transcriptions	\$545,430.00	\$542,507.00	\$1,087,937.00
Live talent programs ..	1,057,331.00	1,063,466.00	2,120,797.00
Records	38,177.00	39,745.00	77,922.00
Spot announcements ..	710,500.00	657,900.00	1,368,400.00
Total	\$2,351,438.00	\$2,303,618.00	\$4,655,056.00

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

(February 1934)

<i>Type of Rendition</i>	<i>Gross Receipts for Month</i>		
	<i>National Spot</i>	<i>Local</i>	<i>Total</i>
Electrical transcriptions	\$433,887.00	\$108,620.00	\$542,507.00
Live talent programs ..	445,624.00	617,842.00	1,063,466.00
Records	4,497.00	35,248.00	39,745.00
Spot announcements ..	195,650.00	462,250.00	657,900.00
Total	\$1,079,658.00	\$1,223,960.00	\$2,303,618.00

Electrical transcription volume during February continued to maintain its high level of the preceding month and was 17.3% above the December figure. There was no appreciable difference in trend between national spot and local business of this type.

In the live talent field, slight gains were also experienced. Live talent volume in February was 12.0% above the December volume, and approximately \$6,000 above January. In the case of business of this type increased local volume offset declines in the national spot field. Local live talent advertising increased 9.3% as compared with January while national spot advertising dropped 5.2% during the same period.

Records continued to remain materially below the December level. Spot announcements continued their decline of recent months, total spot announcement volume during the current month standing at about two-thirds the December level. Total spot announcements decreased 7.4%, national spot advertising dropped 14.3% and local announcement volume 5.1%.

Participations

Participations increased slightly over January, all of the rise taking place in the live talent field. February revenues in this field were 2.9% higher than in the preceding month. Data regarding this type of business are found in Table VIII:

TABLE VIII
PARTICIPATIONS OVER INDIVIDUAL STATIONS

<i>Type of Rendition</i>	<i>1934</i> <i>Gross Receipts</i>		<i>Cumulative</i> <i>Jan.-Feb.</i>
	<i>January</i>	<i>February</i>	
Electrical transcriptions	\$309.00	\$147.00	\$456.00
Live talent	128,300.00	134,700.00	263,000.00
Records	8,854.00	6,720.00	15,574.00
Total	\$137,463.00	\$141,567.00	\$279,030.00

Radio Advertising Sponsors

Principal trends in the field of broadcast advertising sponsorship included a marked decline in local and spot automobile advertising, amounting to 63.0% in the case of non-network automotive sponsorship, a marked gain in beauty parlor advertising, a doubling of spot and 17.8% increase in local beverage advertising, a decline of approximately 30% in national network and national spot household appliance advertising and a marked rise in national spot soap and kitchen supply advertising volume. The volume of broadcast advertising sponsored by various types of industries is found in Table IX while the relative volume of national spot and local advertising of different types is found in Table X.

Due to corrections in network figures on the part of the Publishers' Information Bureau, whose tabulations are used in these reports, it has been necessary to include a supplementary table, Table IX (A), giving revised class totals for January.

TABLE IX
RADIO BROADCAST ADVERTISING VOLUME BY TYPE OF SPONSORING BUSINESS
(February 1934)

<i>Type of Sponsoring Business</i>	<i>National Networks</i>	<i>Gross Receipts for Month</i>		<i>Total</i>
		<i>Regional Networks</i>	<i>Individual Stations</i>	
1a. Amusements	—	—	\$42,450.00	\$42,450.00
1-2. Automobiles and Accessories:				
(1) Automobiles	\$250,339.00	\$1,686.00	87,942.00	339,967.00
(2) Accessories, gas and oils.....	313,671.00	19,250.00	145,615.00	478,536.00
3. Clothing and apparel	30,567.00	1,000.00	114,635.00	146,202.00
4-5. Drugs and toilet goods:				
(4) Drugs and pharmaceuticals.....	367,479.00	2,244.00	395,551.00	765,274.00
(5) Toilet goods	744,915.00	—	117,053.00	861,968.00
6-8. Food products:				
(6) Foodstuffs	696,191.00	15,718.00	408,660.00	1,120,569.00
(7) Beverages	275,740.00	5,132.00	98,817.00	379,689.00
(8) Confections	115,365.00	200.00	55,310.00	170,875.00
9-10. Household goods:				
(9) Household equipment and furnishings.....	38,199.00	—	112,265.00	150,464.00
(10) Soap and kitchen supplies.....	141,899.00	—	34,296.00	176,195.00
11. Insurance and financial.....	57,067.00	—	44,083.00	101,150.00
12. Radios	38,523.00	—	3,643.00	42,166.00
13. Retail establishments.....	—	—	80,253.00	80,253.00
14. Tobacco products.....	392,279.00	—	6,210.00	398,489.00
15. Miscellaneous	123,036.00	9,702.00	556,835.00	689,573.00
Total	\$3,585,270.00	\$54,932.00	\$2,303,618.00	\$5,943,820.00

TABLE X
NON-NETWORK ADVERTISING BY TYPE OF SPONSORING BUSINESS
(February 1934)

<i>Type of Sponsoring Program</i>	<i>National Spot</i>	<i>Gross Receipts for Month</i>		<i>Total</i>
		<i>Local</i>		
1a. Amusements	\$6,344.00	\$36,106.00		\$42,450.00
1-2. Automobiles and Accessories:				
(1) Automobiles	46,562.00	41,380.00		87,942.00
(2) Accessories, gas and oils.....	83,939.00	61,676.00		145,615.00
3. Clothing and apparel	5,088.00	109,547.00		114,635.00
4-5. Drugs and toilet goods:				
(4) Drugs and pharmaceuticals.....	288,406.00	107,145.00		395,551.00
(5) Toilet goods	68,063.00	48,990.00		117,053.00
6-8. Food products:				
(6) Foodstuffs	181,794.00	226,866.00		408,660.00
(7) Beverages	36,547.00	62,270.00		98,817.00
(8) Confectionery	51,402.00	3,908.00		55,310.00
9-10. Household goods:				
(9) Household equipment and furnishings.....	26,839.00	85,426.00		112,265.00
(10) Soap and kitchen supplies.....	23,950.00	10,346.00		34,296.00
11. Insurance and financial.....	14,579.00	29,504.00		44,083.00
12. Radios	130.00	3,513.00		3,643.00
13. Retail establishments.....	2,453.00	77,800.00		80,253.00
14. Tobacco products.....	4,050.00	2,160.00		6,210.00
15. Miscellaneous	239,512.00	317,323.00		556,835.00
Total	\$1,079,658.00	\$1,223,960.00		\$2,303,618.00

TABLE IX (A)
NATIONAL NETWORK ADVERTISING VOLUME
IN JANUARY
(Corrected)

<i>Type of Sponsoring Program</i>	<i>Gross Receipts for Month</i>
1a. Amusements	\$.....
1-2. Automobiles and Accessories:	
(1) Automobiles	191,270.00
(2) Accessories, gasoline and oil.....	315,130.00
3. Clothing and apparel.....	17,968.00
4-5. Drugs and toilet goods:	
(4) Drugs and pharmaceuticals.....	422,926.00
(5) Toilet goods	798,973.00
6-8. Food products:	
(6) Foodstuffs:	724,921.00
(7) Beverages	308,384.00
(8) Confectionery	129,980.00
9-10. Household goods:	
(9) Household equip. and furn.	55,303.00
(10) Soap and kitchen supplies.....	145,345.00
11. Insurance and financial	65,075.00
12. Radios	47,249.00
13. Retail establishments
14. Tobacco products	436,893.00
15. Miscellaneous	133,658.00
Total	\$3,793,075.00

The following trends are to be noticed in the aforementioned tables:

1a. *Amusements*:—Advertising volume in this field declined 7.7% as compared with January. Amusement advertising during the current month was the lowest since the establishment of these reports, and was at approximately 50% its August level.

1. *Automobiles*:—Following a marked increase in January, automotive radio advertising declined to approximately 10% below the December level. National network advertising increased 24.0%, while non-network advertising dropped 63.0%. The decline is approximately the same in the national spot and local fields.

2. *Accessories, gasoline and oil*:—Accessory and gasoline advertising volume experienced a 2.0% decrease as compared with January. National network advertising rose 16.0%, regional network advertising remained even, and individual station advertising declined approximately 18.0%. The decline in the non-network fields was principally due to a drop in local advertising which decreased 26.3% as compared with the previous month. National spot volume dropped 11.0%.

3. *Clothing*:—In spite of a doubling of national network advertising volume in this field, general clothing advertising over the radio declined 2.6%. National spot advertising dropped approximately 60.0%, while local advertising declined 10.0%.

4. *Drugs and pharmaceuticals*:—Drug and pharmaceutical advertising remained comparatively steady during the month. National network advertising declined 14.9% while individual station advertising increased approximately 20.0% due principally to a rise in national spot advertising.

5. *Toilet goods*:—There was little or no change in the total advertising in this field, an increase of 24.0% in individual station business offsetting a 6.7% drop in national network volume. All of the increase in the non-network fields was due to a rise in local business.

6. *Foodstuffs*:—Food advertising over the radio decreased 1.6% as compared with January. National network volume decreased 4.0%, while individual station volume dropped 3.8%, decreasing local business more than offsetting the slight rise which occurred in the national spot field.

7. *Beverages*:—There was a slight gain in total beverage advertising due principally to increased local and national spot volume. Local beverage advertising rose 17.8% as compared with January, while national spot advertising more than doubled. National network advertising in this field decreased 10.7%.

8. *Confectionery*:—Confectionery advertising decreased 10.0% during February, the decline taking place about evenly in all branches of radio advertising.

9. *Household appliances*:—Radio advertising in this field decreased 10.8%, national network volume declining 30.9%, local advertising over individual stations rising 13.8% and national spot advertising dropping off 27.6% as compared with the preceding month.

10. *Soap and kitchen supplies*:—Soap and household supply advertising experienced a 4.1% gain during the month, due principally to a 5.0% rise in individual station volume from this type of sponsorship. The individual station increase, in turn, was due mainly to a doubling of national spot advertising.

11. *Insurance and financial*:—Financial advertising during February dropped approximately to 90.0% the January level, national network volume decreasing 12.3%, and individual station 4.3%. There was a slight rise in national spot volume of this type.

12. *Radio*:—Radio set advertising over the air decreased 26.6% as compared with the previous month. National network advertising dropped 18.2%, and individual station advertising declined 60.0%, national spot and local advertising going down about evenly.

13. *Retail*:—Department store and general store advertising dropped approximately 5.0% during the month, reaching the lowest point since July.

14. *Tobacco products*:—Tobacco advertising dropped off approximately 10.0% during January, due almost entirely to a decline in national network advertising of this type.

15. *Miscellaneous*:—There was a slight gain in the miscellaneous group during the month, though it was too small to be of any consequence.

Retail Advertising

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

TABLE XI
RETAIL ADVERTISING OVER INDIVIDUAL STATIONS
(February, 1934)

<i>Type of Sponsoring Business</i>	<i>Gross Receipts for Month</i>
Automobiles and accessories:	
Automobile agencies and used car dealers	\$37,705.00
Gasoline stations, garages, etc.	23,530.00
Clothing and apparel shops	112,057.00
Drugs and toilet goods:	
Drug stores	6,516.00
Beauty parlors	5,800.00
Food products:	
Grocery stores, meat markets, etc.	56,783.00
Restaurants and eating places ¹	18,510.00
Beverage retailers	277.00
Confectionery stores, etc.	2,300.00
Household goods:	
Household equipment retailers ²	27,253.00
Furniture stores	42,860.00
Hardware stores	6,952.00
Radio retailers	3,357.00
Department and general stores	80,253.00
Tobacco shops	113.00
Miscellaneous	48,668.00
Total	\$469,934.00

¹ Exclusive of hotels.

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

General retail advertising declined 17.6% during the month, a 67.0% decrease in the automotive field, and a marked decline in the drug field being among the contributing factors of major importance. Declines, however, were fairly general.

General Business Conditions

The general trend of business continues to be an upward one with encouraging steadiness. Increased business confidence, especially as contrasted with a year ago, the temporary cessation of major labor disputes, the influence of natural demand for goods caused by the complete depletion of existing stocks, and the emergency program of the government in the fields of general employment and agriculture, have undoubtedly been contributory to the upswing.

The New York Times Index of business activity on March 24 stood at 85.9 points as contrasted to 82.2 on February 17 of this year and 63.7 on March 25, 1933.

The price rise of recent months came to a temporary halt in March, the Department of Labor index registering 73.8 of the average as compared with 73.7 on February 17 and 60.5 on March 25 of last year. Food prices declined slightly during the month though remaining more than 21% above the 1933 level for the same period.

Automobile production continued vigorously, the index in this field standing at 107.3 as compared with 33.8 a year ago, and 83.7 on February 17. Electric power production increased approximately 1% during the current month, the power index registering 99.5 points as against 84.6 during the same week of 1933. The steel output index rose to 61.8 points on March 24 as compared with 55.3 on February 17 and 25.0 a year ago.

Retail trade has been showing a generally favorable trend, though the month of February did not bring as much of an increase in retail volume as might have been anticipated in view of the usual seasonal trend. February department store sales were equal to 70% of the 1923-25 average, and registered a gain of 16% over the same month of the previous year. Variety store sales, including companies such as F. W. Woolworth and others, in February were equal to 87.9% of the 1929 volume for the same month.

Trade in the rural areas has shown the most improvement. The influence of the A. A. A. crop payments has definitely manifested itself in these districts in the guise of increased spending. Rural retail sales in February were 43% above the level of February of the previous year, a showing almost three times as favorable as that of general retail trade during the month. During March one mail order house reported a 57% increase in trade as compared with the same period of the preceding year. It is also reported that increases of several hundred per cent have been experienced by mail order business establishments in agricultural states, especially in the South.

A. A. A. crop expenditures should continue to reflect themselves in increased buying power in these districts. Up until March 1 of

the current year approximately \$200,000,000 has been paid out by this branch of the government. Of this sum Texas alone received nearly \$47,000,000, Kansas and Oklahoma approximately \$16,000,000 each, Arkansas, Mississippi and Alabama in the neighborhood of \$10,000,000 each, Georgia approximately \$8,000,000 and other states varying amounts. Approximately \$112,350,000 was expended on cotton and \$59,600,000 on wheat.

A factor which may be of considerable importance in the near future is the increase which has taken place in the monetary reserves of the country, making possible further currency and credit expansion. Due to the revaluation of the dollar the monetary gold stock of the country was increased in value from \$4,033,000,000 on January 31 to \$7,438,000,000 at the end of February according to the Federal Reserve Board. Gold imports in February amounted to approximately \$400,000,000. This broadened base of credit, if it reflects itself in extension of financial aid to worthy enterprises, and does not merely result in inflationary price rises, may be of marked influence in further business development. Bank reserves at present are about \$1,150,000,000 above the legal requirements.

In spite of the general forward trend of business, unrestrained optimism is hardly timely. While business should continue along its present lines for some months to come, at least barring unexpected disturbances—several critical problems remain to be faced. Purchasing power is being spread over a wider area than has been the case for some time. However, it must be remembered that some of this represents emergency measures. Moreover, purchasing power in industry itself has been broadened more than it has been increased. According to the Federal Reserve Board index for January, employment was 71.8% of the 1923-25 average while payrolls were 52.9% of the average for that two-year period. Retail employment in January was 84.6% of the 1923-25 average and payrolls 68.8%.

In addition it should be noted that there has been little if any increase in the income of the middle class, while increasing prices have made considerable inroads upon their purchasing power. Announced pay increases in recent months have almost uniformly failed to mention office workers. Executive salaries remain for the most part where they were in 1932 and 1933. In the meantime the burden of taxation and rising prices are further cutting into the buying power of this class of consumer.

Since the sale of many non-essential goods, such as automobiles, refrigerators and other household equipment, is to an appreciable degree dependent upon the buying of this class, and since the prosperity of the industries making these goods is an important factor in our business today, it may be that further steps will be required to rehabilitate middle class purchasing power.