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BROADCAST ADVERTISING IN MAY

Gross sales of time over broadcasting stations and networks during May amounted to \$6,922,395.00, a gain of 3.8% over the April level and closely approximating the March high point. Seasonal trends were in part offset by a cyclical upswing in various parts of the industry. National network declines were less than the usual amount to be expected at this time of the year. Individual stations revenues increased 9.7% partly due to seasonal and partly to cyclical reasons. Local station advertising rose 21.3%.

All sections of the country experienced gains in volume of non-network business, the heaviest increases occurring in the east and middle west. Stations in the 5,000 watt and over class experienced an 11.7% increase in revenues, all other stations gaining except those in the 100 watt class. Electrical transcription volume dropped 15.9% due to national spot declines, while live talent volume rose 25.3%, marked gains occurring in both the national spot and local fields. This trend seems to indicate that the truly national users of spot broadcasting, who most consistently employ electrical transcriptions, are beginning to withdraw for the summer season.

Marked gains were experienced in a number of fields of sponsorship. Heaviest gains included a 23.1% rise in beverage advertising, an 18.8% increase in department and general store advertising, and marked rises in the automotive, accessory, soap and household supply and amusement fields. The automotive rise was due to a 60.7% in national spot business in this field. Amusement advertising, almost exclusively local, rose 66.4% as compared with April.

Trend in General Radio Advertising

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

TABLE I

TOTAL BROADCAST ADVERTISING VOLUME

Class of Business	1934 Gross Receipts		
	April	May	Cumulative Jan.-May
National networks...	\$3,739,719.00	\$3,728,481.00	\$18,833,357.00
Regional networks...	61,888.00	44,559.00	281,473.00
Individual stations...	2,868,350.00	3,149,090.00	13,626,026.00
Total	\$6,669,957.00	\$6,922,395.00	\$32,740,856.00

Seasonal tendencies are in evidence in the above table, though they are partly offset by a general seasonal upswing. The national network decline is considerably less than normal for May. On the other hand the 9.7% increase in individual station non-network revenue is probably considerably more than normal, station revenue seemingly tending to rise during May due to seasonal reasons. The individual station rise has been due to a 21.3% increase in local radio advertising sponsorship as compared with April. Regional network volume decrease approximately 28% due mainly to seasonal forces. National network volume during May is especially encouraging, being 2.6% ahead of May 1932, and 64.0% higher than May 1933.

Comparison with Other Media

A comparison of the relative volume of broadcast advertising with that of other media is found in Table II.

TABLE II
 ADVERTISING VOLUME BY MAJOR MEDIA

Advertising Media	1934 Gross Receipts		
	April	May	Cumulative Jan.-May
Radio Broadcasting...	\$6,669,957.00	\$6,922,395.00	\$32,740,856.00
National Magazines ¹	12,009,933.00†	11,935,736.00	49,641,041.00
National farm papers	593,059.00	558,222.00	2,408,871.00
Newspapers ²	44,501,000.00	46,452,000.00	199,696,250.00
Total	\$63,773,949.00	\$65,868,088.00	\$284,487,018.00

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.

² Estimated.

† Corrected for late editions.

National magazine volume decreased slightly less than 1% as compared with April, contrary to the usual seasonal trend. Monthly magazine volume was approximately 25% greater than for May 1933, while weekly magazine volume was 48% ahead of the same month of the preceding year. Farm paper advertising declined 5.9% as compared with April, due to seasonal factors, though showing a gain of 80.0% over May 1933. Newspaper advertising revenue rose 4.7% during the month, following the normal seasonal trend in that field.

Non-Network Advertising by Power of Station

With the exception of the 100 watt class, wherein slight declines occurred as compared with April, a general gain in non-network revenue was experienced by all classes of stations. Stations in the 5000 watt and over class showed an increase of 11.7% in non-network revenues as compared with the preceding month. Stations in the 2,500-5,000 watt class experienced a 9.6% increase in business, and those in the 250-1,000 watt class a 4.7% gain. The volume of non-network advertising placed over various classes of stations is found in Table III.

TABLE III
 NON-NETWORK BROADCAST ADVERTISING BY
 POWER OF STATION

Power of Station	1934 Gross Receipts		
	April	May	Cumulative Jan.-May
Over 5,000 watts...	\$1,073,740.00	\$1,299,640.00	\$5,374,743.00
2,500-5,000 watts...	184,600.00	202,410.00	979,095.00
250-1,000 watts	1,185,780.00	1,234,240.00	5,492,572.00
100 watts and under..	424,230.00	412,800.00	1,779,616.00
Total	\$2,868,350.00	\$3,149,090.00	\$13,626,026.00

Advertising by Geographical Districts

Gains in non-network business were experienced in all sections of the country. The heaviest increases occurred in the North Central Area, with a rise of 14.2% over April, and in the New England-Middle Atlantic Area, with a rise of 11.5% over the preceding month. The gains in other sections were relatively slight. Most sections of the country now stand close to the March high point, with the New England-Middle Atlantic Area showing marked gains over that period. The amount of non-network advertising placed over stations located in various sections of the country is found in Table IV.

TABLE IV
NON-NETWORK BROADCAST ADVERTISING BY
GEOGRAPHICAL DISTRICTS

Geographical District	1934 Gross Receipts		Cumulative Jan.-May
	April	May	
New England-Middle Atlantic Area.....	\$1,025,090.00	\$1,143,017.00	\$4,408,715.00
South Atlantic-South Central Area	386,200.00	398,243.00	1,931,573.00
North Central Area..	1,028,670.00	1,174,721.00	5,169,608.00
Pacific and Mountain Area	428,390.00	433,109.00	2,116,130.00
Total	\$2,868,350.00	\$3,149,090.00	\$13,626,026.00

Spot and Local Advertising

The relative volume of spot and local non-network advertising is found in Table V.

TABLE V
COMPARISON OF NATIONAL SPOT AND LOCAL
BROADCAST ADVERTISING

Class of Business	1934 Gross Receipts		Cumulative Jan.-May.
	April	May	
National Spot	\$1,491,770.00	\$1,479,126.00	\$6,635,487.00
Local	1,376,580.00	1,669,964.00	6,990,539.00
Total	\$2,868,350.00	\$3,149,090.00	\$13,626,026.00

National spot advertising volume declined approximately 1% as compared with the previous month. Local radio advertising rose 21.3% as compared with April. The relative steadiness of national spot volume is due in a large measure to an increase in advertising activity on the part of companies operating in relatively localized territories and therefore inclined to utilize live talent programs rather than electrical transcriptions. This is indicated by the marked decline to be noted in electrical transcription volume during the month (see Tables VI and VII).

Advertising by Type of Rendition

The trend with regard to electrical transcription, live talent, record broadcasts and spot announcements during the month is found in Tables VI and VII.

TABLE VI
NON-NETWORK BROADCAST ADVERTISING BY
TYPE OF RENDITION

Type of Rendition	1934 Gross Receipts		Cumulative Jan.-May
	April	May	
Electrical transcriptions	\$868,580.00	\$729,892.00	\$3,372,726.00
Live talent programs	1,146,230.00	1,436,151.00	6,092,776.00
Records	47,910.00	46,661.00	221,270.00
Spot announcements	805,630.00	936,386.00	3,939,254.00
Total	\$2,868,350.00	\$3,149,090.00	\$13,626,026.00

TABLE VII
COMPARISON OF LOCAL AND NATIONAL SPOT ADVERTISING BY TYPE OF RENDITION
(May 1934)

Type of Rendition	Gross Receipts for Month		
	National spot	Local	Total
Electrical transcriptions	\$580,788.00	\$149,104.00	\$729,892.00
Live talent programs	600,370.00	835,781.00	1,436,151.00
Records	1,310.00	45,351.00	46,661.00
Spot announcements	296,658.00	639,728.00	936,386.00
Total	\$1,479,126.00	\$1,669,964.00	\$3,149,090.00

There was a marked decline during the month in electrical transcription volume which amounted to 15.9%. This was due almost exclusively to decreased national spot volume. Live talent volume, on the other hand, rose materially. General volume in this field increased 25.3% as compared with the previous month, while local live talent volume increased 37.0%. There was little change in the record field. Spot announcement business rose 16.5% as compared with April, due principally to a rise in local sponsorship.

Participations

There was a marked increase of the volume of participations during May. Live talent programs of this type increased approximately 58% during the month. The volume of participations during the month is found in Table VIII.

TABLE VIII
PARTICIPATIONS OVER INDIVIDUAL STATIONS

Type of Rendition	1934 Gross Receipts		Cumulative Jan.-May
	April	May	
Electrical transcriptions	\$150.00	\$154.00	\$974.00
Live talent programs	105,330.00	166,148.00	604,968.00
Records	7,600.00	5,170.00	36,414.00
Total	\$113,080.00	\$171,472.00	\$642,356.00

Radio Advertising Sponsors

There were marked increases in a variety of fields during the month. Automotive advertising volume rose 14.4%, due almost entirely to a rise of 60.7% in national spot volume. Evidently the automotive industry is applying special pressure in their most profitable markets. Accessory and gasoline advertising rose 13.2% as compared with April, increases occurring principally in the network and local fields. Department and general store advertising rose 18.8%. Beverage advertising rose 23.1%, principally in the national network and local fields. Soap and household supply volume increased 14.8% due mainly to a rise in network volume. Total retail advertising of all types increased 13.8% during the month. The only important decline was in the confectionery field where national network volume decreased 78.7%, due to seasonal factors.

The volume of broadcast advertising sponsored by various types of business is found in Tables IX and X.

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

1a. *Amusements.* A marked gain has occurred in this field during the month, due to seasonal factors. Advertising volume was 66.4% greater in May than in April, the rise occurring entirely in the local field.

1. *Automobiles.* Advertising in this field rose 14.4% during the month. National network volume held even; national spot volume rose 60.7% and local advertising increased 23.2%.

2. *Accessories, gasoline and oil.* Accessory and gasoline advertising rose 13.2%, due principally to seasonal factors. National network volume increased approximately 10%, while individual station volume rose 23.6%, due almost entirely to local sponsorship.

3. *Clothing.* An increase of 5.1% occurred in this field, due again mainly to seasonal factors. National spot advertising rose approximately 60% in this field.

4. *Drugs and pharmaceuticals.* Advertising volume rose 5.0% in this field. The gain was fairly evenly distributed among national networks and individual stations, a slight decline having occurred in the regional network field.

5. *Toilet goods.* Toilet goods advertising rose 2.6% during the month. Individual station volume rose 4.0% with local sponsorship, principally beauty parlors, increasing approximately 10%.

6. *Foodstuffs.* Advertising in the food field declined 1.5% during the month, due mainly to a drop of 10.3% in national network volume. National spot advertising dropped 2.6%, though local sponsorship increases were sufficient to effect a 10.1% rise in non-network food advertising as compared with April.

7. *Beverages.* A gain of 23.1% occurred in this field. National network advertising rose 27.7% as compared with the previous month, regional volume showed no change, while non-network volume increased 12.5%, due principally a 29.8% in local advertising in this field.

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

<i>Type of Sponsoring Business</i>	<i>National Networks</i>	<i>Gross Receipts for Month Regional Networks</i>	<i>Individual Stations</i>	<i>Total</i>
1a. Amusements	—	—	\$66,350.00	\$66,350.00
1-2. Automobiles and Accessories:				
(1) Automobiles	\$218,996.00	—	190,300.00	409,296.00
(2) Accessories, gas and oils.....	394,489.00	\$16,192.00	256,460.00	667,141.00
3. Clothing and apparel.....	30,176.00	600.00	206,100.00	236,876.00
4-5. Drugs and toilet goods:				
(4) Drugs and pharmaceuticals.....	342,256.00	2,709.00	428,605.00	773,570.00
(5) Toilet goods.....	882,264.00	—	137,590.00	1,019,854.00
6-8. Food products:				
(6) Foodstuffs	651,637.00	8,128.00	597,470.00	1,257,235.00
(7) Beverages	378,949.00	9,739.00	146,375.00	536,063.00
(8) Confections	23,710.00	250.00	36,170.00	60,130.00
9-10. Household goods:				
(9) Household equipment and furnishings.....	50,196.00	848.00	236,980.00	288,024.00
(10) Soap and kitchen supplies.....	225,073.00	—	54,230.00	279,303.00
11. Insurance and financial.....	56,173.00	2,675.00	74,635.00	133,483.00
12. Radios	35,742.00	—	14,825.00	50,567.00
13. Retail establishments.....	—	—	139,370.00	139,370.00
14. Tobacco products.....	309,570.00	—	3,850.00	313,420.00
15. Miscellaneous	129,250.00	3,597.00	559,780.00	692,448.00
Total	\$3,728,481.00	\$44,559.00	\$3,149,090.00	\$6,922,395.00

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

<i>Type of Sponsoring Business</i>	<i>National Spot</i>	<i>Gross Receipts for Month Local</i>	<i>Total</i>
1a. Amusements	\$5,775.00	\$60,575.00	\$66,350.00
1-2. Automobiles and Accessories:			
(1) Automobiles	133,950.00	56,350.00	190,300.00
(2) Accessories, gas and oils.....	146,695.00	109,765.00	256,460.00
3. Clothing and apparel.....	37,770.00	168,330.00	206,100.00
4-5. Drugs and toilet goods:			
(4) Drugs and pharmaceuticals.....	311,545.00	116,060.00	427,605.00
(5) Toilet goods.....	102,140.00	35,450.00	137,590.00
6-8. Food products:			
(6) Foodstuffs	340,280.00	257,190.00	597,470.00
(7) Beverages	58,390.00	87,985.00	146,375.00
(8) Confections	30,200.00	5,970.00	36,170.00
9-10. Household goods:			
(9) Household equipment and furnishings.....	73,340.00	163,640.00	236,980.00
(10) Soap and kitchen supplies.....	45,140.00	9,090.00	54,230.00
11. Insurance and financial.....	22,380.00	52,255.00	74,635.00
12. Radios	7,935.00	6,890.00	14,825.00
13. Retail establishments	4,500.00	134,870.00	139,370.00
14. Tobacco products	1,406.00	3,444.00	4,850.00
15. Miscellaneous	157,680.00	402,100.00	559,780.00
Total	\$1,479,126.00	\$1,669,964.00	\$3,149,090.00

8. *Confectionery.* A marked drop occurred in this field due to a 78.7% decrease in national network volume. Seasonal factors were responsible.

9. *Household equipment and appliances.* Advertising by the household equipment field rose 14.3% during the month, due almost entirely to increased non-network volume. National spot volume rose 20.0% and local business 18.0%.

10. *Soap and kitchen supplies.* An increase of 14.8% occurred in this field of sponsorship, national network advertising being responsible in the main. There was a slight increase in national spot volume.

11. *Insurance and financial.* There was no change of importance in this field, slight losses in the national network field being offset by increases in the individual station field.

12. *Radio.* Radio advertising volume declined approximately 10%, national network advertising decreasing 20.5%.

13. *Department store and general stores.* Advertising of this type rose 18.8% as compared with April. General retail advertising of all types increased to a somewhat lesser degree.

14. *Tobacco products.* A decline of 3.2% was experienced in this field, due to decreased national network volume.

15. *Miscellaneous.* Miscellaneous sponsorship of radio advertising decreased 5.5% over the month, due mainly to a 42.0% decline in the national spot field.

Retail Advertising

Retail advertising of all types increased 13.8% during the month. Among the more important gains were the 130% increase in drug store advertising, the doubling of confectionery advertising, a 41.0% increase in the hardware field and a similar increase in the household equipment field. Slight gains were experienced by the automobile accessory, clothing and restaurant fields. Grocery store, beauty shop and furniture store advertising held even. Automobile agency and used car advertising declined approximately 20%. Beverage retailers and radio stores also cut their radio advertising. Miscellaneous sponsorship among retail stores rose approximately 48%. The volume of retail advertising during May is found in Table XI.

TABLE XI
RETAIL ADVERTISING OVER INDIVIDUAL
STATIONS

(May 1934)

<i>Type of Sponsoring Business</i>	<i>Gross Receipts for Month</i>
Automobiles and accessories:	
Automobile agencies and used car dealers.....	\$39,400.00
Gasoline stations, garages, etc.	52,100.00
Clothing and apparel shops.....	148,300.00
Drugs and toilet goods:	
Drug stores	27,850.00
Beauty parlors	3,965.00
Food products:	
Grocery stores, meat markets, etc.	64,250.00
Restaurants and eating places ¹	22,510.00
Beverage retailers	1,130.00
Confectionery stores, etc.	4,580.00
Household goods:	
Household equipment retailers ²	68,160.00
Furniture stores	56,385.00
Hardware stores	24,080.00
Radio retailers	6,800.00
Department and general stores	139,370.00
Tobacco shops	1,280.00
Miscellaneous	66,690.00
Total	\$726,850.00

¹Exclusive of hotels.

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

General Business Conditions

The general trend of business during the month has been comparatively steady, with some minor recessions. The New York Times Index of business activity was 85.5 on June 23 as compared with 84.9 on May 26. Automotive production declined from 332,000 units in May to approximately 300,000 units in June. Steel ingot production during the week of June 30 was 60.5% of the 1923-25 average as compared with 76.3% on May 26. Uncertainty as to materials on hand on the part of users, and some breaks in prices further increased the uncertainty in this field. The electric power output index, however, rose from 99.5 on May 26 to 100.5 on June 23.

Prices have remained comparatively steady during the month, following slight recessions in numerous fields. During the week of May 19, building costs were 8.8% below 1929, farm prices were 43% below those of that year, furnishing, fuel and lighting costs 12%, food 35% and general retail prices 25% below 1929. May retail sales were slightly less than expected. Cotton textile production was down due to the 12 week curtailment operation. The wheat shortage is another disturbing element in the business situation. Business developments during the next few months should be watched with considerable care, since the situation at the present moment, in spite of some basic improvement during past months, is still highly uncertain.