

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.  
 PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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### BROADCAST ADVERTISING IN JUNE

Broadcast advertising in June experienced a marked decline as compared with the previous month. Seasonal and general business conditions combined to produce this result. Gross sales of time amounted to \$5,418,732, a decrease of 21.6% as compared with May. National spot volume lost most heavily, declining 34.1%, due mainly to a 45.8% decrease in electrical transcription business. Despite a 16.7% drop in revenues as compared with May, June national network volume was the best in the history of broadcasting.

In the non-network field, stations of over 5,000 watts in power lost most heavily, due to national spot trends. Losses were fairly evenly distributed throughout the various geographical districts, with the South and Far West experiencing slightly greater declines than other sections. Declines were heavy in all fields of industrial sponsorship. Local beverage, national spot soap and kitchen supply, local amusement, and automotive advertising were the only fields wherein gains were recorded over the preceding month.

#### 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<br>Gross Receipts |                |                         |
|------------------------|------------------------|----------------|-------------------------|
|                        | May                    | June           | Cumulative<br>Jan.-June |
| National networks...   | \$3,728,481.00         | \$3,103,796.00 | \$21,998,866.00         |
| Regional networks...   | 44,559.00              | 35,599.00      | 317,251.00              |
| Individual stations... | 3,149,090.00           | 2,279,337.00   | 15,905,363.00           |
| Total .....            | \$6,922,395.00         | \$5,418,732.00 | \$38,221,480.00         |

National network volume declined 16.7% over the month, regional network advertising 20.5%, and non-network advertising 27.6%. Despite the decline as compared with May, national network volume was 51.0% over that of June of the preceding year. Non-network advertising was 8.9% greater than July, 1933, the nearest comparable figure available.

#### Comparison with Other Media

Declines in broadcast advertising were heavier than in most advertising media. National magazine volume decreased 1.5% as compared with May, farm paper advertising 17.0%, and newspaper volume 7.9%. Broadcasting still has the problem of convincing industry of the volume of summer advertising at least partially remaining before it.

All media have shown marked gains over the same period of the preceding year. Weekly national magazines were 60% ahead of June, 1933, monthly magazines 35%, farm papers 86%, and newspapers approximately 30%.

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

TABLE II  
 ADVERTISING VOLUME BY MAJOR MEDIA

| Advertising Medium              | 1934<br>Gross Receipts |                 |                         |
|---------------------------------|------------------------|-----------------|-------------------------|
|                                 | May                    | June            | Cumulative<br>Jan.-June |
| Radio broadcasting.             | \$6,922,395.00         | \$5,418,732.00  | \$38,221,480.00         |
| National magazines <sup>1</sup> | 11,935,736.00          | 11,768,764.00   | 61,409,805.00           |
| National farm papers .....      | 558,222.00             | 462,056.00      | 2,870,927.00            |
| Newspapers <sup>2</sup> .....   | 46,452,000.00          | 42,839,000.00   | 242,535,250.00          |
| Total .....                     | \$65,868,088.00        | \$60,488,522.00 | \$345,037,462.00        |

<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.

<sup>2</sup> Estimated.

#### Non-Network Advertising by Power of Station

Revenues of stations of over 5 kilowatts in power declined most heavily due principally to the marked downward trend in national spot business. Advertising volume over this class of station decreased 31.1% as compared with May. Stations in the 2,500-5,000-watt class experienced a 22.0% decline in volume, those of the 250-1,000-watt class a 25.0% decline, while the 100-watt stations suffered a 28.5% loss in advertising volume.

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<br>Gross Receipts |                |                         |
|----------------------|------------------------|----------------|-------------------------|
|                      | May                    | June           | Cumulative<br>Jan.-June |
| Over 5,000 watts...  | \$1,299,640.00         | \$892,310.00   | \$6,267,053.00          |
| 2,500-5,000 watts... | 202,410.00             | 158,500.00     | 1,137,595.00            |
| 250-1,000 watts...   | 1,234,240.00           | 934,357.00     | 6,426,929.00            |
| 100 watts and under. | 412,800.00             | 294,170.00     | 2,073,786.00            |
| Total .....          | \$3,149,090.00         | \$2,279,337.00 | \$15,905,363.00         |

#### Advertising by Geographical Districts

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 Districts                  | 1934<br>Gross Receipts |                |                         |
|---|------------------------|----------------|-------------------------|
|   | May                    | June           | Cumulative<br>Jan.-June |
| New England-Middle Atlantic Area .....  | \$1,143,017.00         | \$841,786.00   | \$5,250,501.00          |
| South Atlantic-South Central Area ..... | 398,243.00             | 263,550.00     | 2,195,123.00            |
| North Central Area...                   | 1,174,721.00           | 882,303.00     | 6,051,911.00            |
| Pacific and Mountain Area .....         | 433,109.00             | 291,698.00     | 2,407,828.00            |
| Total .....                             | \$3,149,090.00         | \$2,279,337.00 | \$15,905,363.00         |

June non-network advertising decreased 26.4% as compared with May in the Middle Atlantic-New England Area, 31.0% in the South, 24.9% in the Middle West, and 32.0% in the Mountain and Pacific district. With the exception of the last mentioned district, revenues from all areas were above those of July, 1933.

### 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<br>Gross Receipts |                       | Cumulative<br>Jan.-June |
|--------------------|------------------------|-----------------------|-------------------------|
|                    | May                    | June                  |                         |
| National spot..... | \$1,479,126.00         | \$975,377.00          | \$7,610,864.00          |
| Local .....        | 1,669,964.00           | 1,303,960.00          | 8,294,499.00            |
| <b>Total .....</b> | <b>\$3,149,090.00</b>  | <b>\$2,279,337.00</b> | <b>\$15,905,363.00</b>  |

National spot advertising declined 34.1% as compared with the previous month. Local advertising remained considerably steadier, decreasing only 21.9%. The national spot decline was due mainly to a 69.0% drop in national spot electrical transcription business.

### 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<br>Gross Receipts |                       | Cumulative<br>Jan.-June |
|------------------------|------------------------|-----------------------|-------------------------|
|                        | May                    | June                  |                         |
| Elec. transcriptions.. | \$729,892.00           | \$395,393.00          | \$3,768,119.00          |
| Live talent programs.. | 1,436,151.00           | 1,147,427.00          | 7,240,203.00            |
| Records .....          | 46,661.00              | 40,197.00             | 261,467.00              |
| Spot announcements..   | 936,386.00             | 696,320.00            | 4,635,574.00            |
| <b>Total .....</b>     | <b>\$3,149,090.00</b>  | <b>\$2,279,337.00</b> | <b>\$15,905,363.00</b>  |

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

(June, 1934)

| Type of Rendition        | Gross Receipts for Month |                       |                       |
|--------------------------|--------------------------|-----------------------|-----------------------|
|                          | National Spot            | Local                 | Total                 |
| Elec. transcriptions.... | \$266,538.00             | \$128,855.00          | \$395,393.00          |
| Live talent programs...  | 460,737.00               | 686,690.00            | 1,147,427.00          |
| Records .....            | 5,282.00                 | 34,915.00             | 40,197.00             |
| Spot announcements...    | 242,820.00               | 453,500.00            | 696,320.00            |
| <b>Total .....</b>       | <b>\$975,377.00</b>      | <b>\$1,303,960.00</b> | <b>\$2,279,337.00</b> |

Electrical transcription volume experienced the most marked drop in business of any of the various types of rendition. Total transcription volume decreased 45.8% as compared with June, while national spot volume dropped 69.0%. Local transcription volume remained comparatively steady, declining but 14.0%.

Live talent volume decreased 20.0%. National spot business of this type declined 23.3%, and local business 17.8%. Broadcast advertising programs employing records declined 14.1% in volume during the month.

Spot announcement business decreased 25.6% as compared with May. National business of this type decreased 18.0%. Local spot announcements declined 29.0%, indicating a rather large withdrawal of small retail advertisers from the air during the summer months.

### Participations

The volume of participations during June continued to increase as in previous months. General volume of this type rose 5.2% as compared with May. The volume of participations is found in Table VIII.

**TABLE VIII**  
**PARTICIPATIONS OVER INDIVIDUAL STATIONS**

| Type of Rendition            | 1934<br>Gross Receipts |                     | Jan.-June           |
|------------------------------|------------------------|---------------------|---------------------|
|                              | May                    | June                |                     |
| Electrical transcriptions... | \$154.00               | \$409.00            | \$1,383.00          |
| Live talent programs.....    | 166,148.00             | 172,012.00          | 776,980.00          |
| Records .....                | 5,170.00               | 8,510.00            | 44,924.00           |
| <b>Total .....</b>           | <b>\$171,472.00</b>    | <b>\$180,931.00</b> | <b>\$823,287.00</b> |

### Radio Advertising Sponsors

Marked decreases occurred in practically all industrial fields as far as broadcast advertising was concerned in June. The heaviest decreases were as follows: Confectionery advertising 40.0%; household equipment and furnishing advertising 39.9%; tobacco advertising 37.7%; financial advertising 30.0%; drug and pharmaceutical advertising 26.5%; clothing advertising 26.0%. In the drug and confectionery fields decreasing national spot and local volume was responsible for the drop in revenues. The decline in tobacco advertising was due principally to national networks, while that in the clothing field was due to decreased local sponsorship.

The only increases to be noted during the month were 10.8% rise in local automotive advertising and a 33.0% gain in national spot soap and kitchen supply advertising, a 10.9% rise in local beverage advertising, and a slight increase in local amusement advertising. Broadcast advertising by different types of sponsors in June is found in Tables IX and X.

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

1a. *Amusements.* A decrease of 5.4% as against May occurred in this field. National spot volume was responsible for the decline, local amusement advertising rising slightly.

1. *Automobiles.* Automotive advertising declined 21.2% during the month. Network volume dropped 17.4% and national spot volume 41.4%. Local automotive advertising increased 10.8%.

2. *Accessories, gasoline and oil.* Gasoline and accessory advertising decreased 21.3% as compared with June. Network and local volume dropped approximately 16.0%, while national spot volume declined 48.6%.

3. *Clothing.* Radio advertising volume in this field dropped 26.0% as compared with the previous month. The principal decline took place in the non-network field.

4. *Drugs and pharmaceuticals.* Pharmaceutical advertising in June was 26.5% less than in the previous month. Principal decreases took place in the national spot and local fields which were off by approximately one-half of their May volume. Network advertising declined 8.1%.

5. *Toilet goods.* Broadcast advertising in this field declined 20.0% during the month, national spot and local volume decreasing approximately 40.0% and network volume 18.7%.

6. *Foodstuffs.* Food advertising in June decreased 18.8% as compared with May. Network advertising dropped 13.8%, national spot volume 36.1%, while local food advertising decreased 18.3%. Regional network food advertising remained comparatively the same.

7. *Beverages.* Beverage advertising declined considerably less than most other fields, total volume dropping merely 6.8% as compared with May. National spot volume suffered the heaviest

decrease, experiencing a drop of 19.0%. Local beverage volume rose 10.9%.

8. *Confectionery.* Advertising in this field decreased 40.0% as compared with May. Declines were heavy in all fields.

9. *Household equipment and appliances.* Household and furniture advertising decreased 30.9% as compared with the previous month. Network advertising was only 20.0% of the May volume. National spot and local advertising declined approximately 30.0%.

10. *Soap and kitchen supplies.* Advertising in this field decreased 11.0% during the month. Network advertising declined 20.0%, while national spot volume rose 33.0%. Local volume remained comparatively steady.

11. *Insurance and financial.* Network advertising in this field declined 36.5%, while national spot volume dropped to half that

of the previous month. Local financial advertising was 15.4% less than in May.

12. *Radio.* Radio set advertising decreased 18.0% during the month. Declines were fairly well distributed throughout all parts of the broadcasting structure.

13. *Department store and general stores.* Department and general store advertising during the month decreased 27.3%. Total retail advertising decreased approximately 21.0%.

14. *Tobacco products.* Tobacco advertising volume over the year dropped 37.7% during the month due entirely to seasonal trends in the network field.

15. *Miscellaneous.* Advertising of the miscellaneous group decreased 24.0% as compared with May, the decline being well distributed throughout the broadcasting field.

**TABLE IX**  
**RADIO BROADCAST ADVERTISING VOLUME BY TYPE OF SPONSORING BUSINESS**

(June, 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 .....                          | —                               | —                        | \$62,765.00                | \$62,765.00           |
| 1-2. Automobiles and Accessories:             |                                 |                          |                            |                       |
| (1) Automobiles .....                         | \$180,950.00                    | —                        | 141,226.00                 | 322,176.00            |
| (2) Accessories, gas and oils .....           | 330,638.00                      | \$13,999.00              | 179,760.00                 | 524,397.00            |
| 3. Clothing and apparel .....                 | 21,704.00                       | 600.00                   | 151,218.00                 | 173,522.00            |
| 4-5. Drugs and toilet goods:                  |                                 |                          |                            |                       |
| (4) Drugs and pharmaceuticals .....           | 314,152.00                      | 1,839.00                 | 252,375.00                 | 568,366.00            |
| (5) Toilet goods .....                        | 736,840.00                      | 450.00                   | 82,882.00                  | 820,172.00            |
| 6-8. Food products:                           |                                 |                          |                            |                       |
| (6) Foodstuffs .....                          | 561,508.00                      | 7,957.00                 | 448,083.00                 | 1,017,548.00          |
| (7) Beverages .....                           | 358,818.00                      | 4,709.00                 | 138,815.00                 | 502,342.00            |
| (8) Confections .....                         | 24,400.00                       | 250.00                   | 13,050.00                  | 37,700.00             |
| 9-10. Household goods:                        |                                 |                          |                            |                       |
| (9) Household equipment and furnishings ..... | 11,629.00                       | —                        | 161,822.00                 | 173,451.00            |
| (10) Soap and kitchen supplies .....          | 179,403.00                      | —                        | 70,755.00                  | 250,158.00            |
| 11. Insurance and financial .....             | 36,849.00                       | 2,140.00                 | 54,755.00                  | 93,744.00             |
| 12. Radios .....                              | 32,634.00                       | —                        | 9,080.00                   | 41,714.00             |
| 13. Retail establishments .....               | —                               | —                        | 109,568.00                 | 109,568.00            |
| 14. Tobacco products .....                    | 187,180.00                      | —                        | 7,912.00                   | 195,092.00            |
| 15. Miscellaneous .....                       | 127,091.00                      | 3,655.00                 | 395,271.00                 | 526,017.00            |
| <b>Total .....</b>                            | <b>\$3,103,796.00</b>           | <b>\$35,599.00</b>       | <b>\$2,279,337.00</b>      | <b>\$5,418,732.00</b> |

**TABLE X**  
**NON-NETWORK ADVERTISING VOLUME BY TYPE OF SPONSORING BUSINESS**

(June, 1934)

| <i>Type of Sponsoring Business</i>            | <i>National Spot</i> | <i>Gross Receipts for Month</i> | <i>Total</i>          |
|---|----------------------|---------------------------------|-----------------------|
|   |                      | <i>Local</i>                    |                       |
| 1a. Amusements .....                          | \$702.00             | \$62,063.00                     | \$62,765.00           |
| 1-2. Automobiles and Accessories:             |                      |                                 |                       |
| (1) Automobiles .....                         | 78,742.00            | 62,484.00                       | 141,226.00            |
| (2) Accessories, gas and oils .....           | 87,471.00            | 92,289.00                       | 179,760.00            |
| 3. Clothing and apparel .....                 | 36,633.00            | 114,585.00                      | 151,218.00            |
| 4-5. Drugs and toilet goods:                  |                      |                                 |                       |
| (4) Drugs and pharmaceuticals .....           | 196,547.00           | 55,828.00                       | 252,375.00            |
| (5) Toilet goods .....                        | 61,782.00            | 21,100.00                       | 82,882.00             |
| 6-8. Food products:                           |                      |                                 |                       |
| (6) Foodstuffs .....                          | 217,613.00           | 230,470.00                      | 448,083.00            |
| (7) Beverages .....                           | 47,325.00            | 91,490.00                       | 138,815.00            |
| (8) Confections .....                         | 9,650.00             | 3,400.00                        | 13,050.00             |
| 9-10. Household goods:                        |                      |                                 |                       |
| (9) Household equipment and furnishings ..... | 45,245.00            | 116,577.00                      | 161,822.00            |
| (10) Soap and kitchen supplies .....          | 60,585.00            | 10,170.00                       | 70,755.00             |
| 11. Insurance and financial .....             | 10,285.00            | 44,470.00                       | 54,755.00             |
| 12. Radios .....                              | 4,047.00             | 5,033.00                        | 9,080.00              |
| 13. Retail establishments .....               | 9,403.00             | 100,165.00                      | 109,568.00            |
| 14. Tobacco products .....                    | 5,612.00             | 2,300.00                        | 7,912.00              |
| 15. Miscellaneous .....                       | 103,735.00           | 291,536.00                      | 395,271.00            |
| <b>Total .....</b>                            | <b>\$975,377.00</b>  | <b>\$1,303,960.00</b>           | <b>\$2,279,337.00</b> |

## Retail Advertising

Retail advertising of all types decreased 21.3% during the month. Principal declines occurred in the gasoline and accessory field, clothing, restaurants, household equipment dealers, furniture stores, and in the department store field. The only increases of importance were with regard to automobile agencies and used car dealers, and hardware stores.

The volume of retail advertising during June is found in Table XI.

## Business Conditions

Recession has been experienced in a variety of fields during the month of July. The New York Times Index of general business activity dropped from 85.5% on June 23 to 80.0% on July 21. The automobile production index decreased from 106.1% at the end of June to 77.9% on July 28. Steel production continues at approximately half the volume which it enjoyed in June.

Retail sales have declined slightly. Department store sales, which for three months had maintained an average of 77.0% of the 1923-25 level, declined to 75.0%. Variety store sales declined approximately to the same degree, while rural sales decreased 8.0%.

Crop conditions and the labor situation in some centers are further disturbing features in the business situation as is the growing recognition of the costs of the present program. Business conditions may be expected to continue in their present disturbed state for at least some time to come.

**TABLE XI**  
**RETAIL ADVERTISING OVER INDIVIDUAL STATIONS**  
**(June, 1934)**

| <i>Type of Sponsoring Business</i>               | <i>Gross Receipts<br/>for Month</i> |
|--|-------------------------------------|
| <b>Automobiles and accessories:</b>              |                                     |
| Automobile agencies and used car dealers.....    | \$60,102.00                         |
| Gasoline stations, garages, etc.....             | 49,695.00                           |
| Clothing and apparel shops.....                  | 112,750.00                          |
| <b>Drugs and toilet goods:</b>                   |                                     |
| Drug stores .....                                | 7,275.00                            |
| Beauty parlors .....                             | 4,735.00                            |
| <b>Food products:</b>                            |                                     |
| Grocery stores, meat markets, etc.....           | 53,438.00                           |
| Restaurants and eating places <sup>1</sup> ..... | 17,430.00                           |
| Beverage retailers .....                         | 850.00                              |
| Confectionery stores, etc.....                   | 1,750.00                            |
| <b>Household goods:</b>                          |                                     |
| Household equipment retailers <sup>2</sup> ..... | 40,530.00                           |
| Furniture stores .....                           | 43,686.00                           |
| Hardware stores .....                            | 5,030.00                            |
| Radio retailers .....                            | 14,110.00                           |
| Department and general stores.....               | 109,568.00                          |
| Tobacco shops .....                              | 630.00                              |
| Miscellaneous .....                              | 50,644.00                           |
| <b>Total .....</b>                               | <b>\$572,123.00</b>                 |

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

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

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NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.

PHILIP G. LOUCKS, Managing Director

## NAB REPORTS

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### A YEAR OF RADIO ADVERTISING

July, 1933-June, 1934

With the presentation of the June report the NAB Statistical Service completes the first year of collection of comprehensive trade statistics for radio broadcasting. Established in July of last year, the service has made available for the first time in the history of the industry figures regarding not only national network advertising but of broadcast advertising placed over regional networks and individual stations.

Though the following summary of data thus far compiled by the service is for a broadcasting season rather than a calendar year, it will be of interest to those concerned with radio advertising in that it presents in detail for the first time the various phases of this highly complex field.

#### Total Advertising Volume

Total advertising volume during the 1933-34 broadcasting season amounted to \$66,671,000. Though it is impossible to tell exactly how this figure compares with the peak of the industry, it is probable that the current season's revenues have been approximately 15.0% below that figure. Granted that the present decrease in business activity is only temporary and that local broadcast advertising begins to register gains in the fall, total radio volume in 1934 should be close to the 1931 peak.

National network volume, however, will play a more important part than in 1931, when it constituted 51.0% of total broadcast advertising. During 1933-34 this proportion rose to 55.8%. The volume of broadcast advertising from June, 1933, to July, 1934, is found in Table A.

TABLE A  
BROADCAST ADVERTISING

(July, 1933-June, 1934)

| Class of Business       | Gross Receipts  | Per cent total |
|-------------------------|-----------------|----------------|
| National networks ..... | \$37,254,366.00 | 55.8%          |
| Regional networks ..... | 550,733.00      | .8%            |
| National spot .....     | 12,603,433.00   | 18.7%          |
| Local .....             | 16,258,575.00   | 24.3%          |
| Total .....             | \$66,671,107.00 | 100.0%         |

#### Advertising by Station Power and Region

The proportion of total non-network advertising placed over various classes of stations and in different geographical districts during the period June, 1933, to July, 1934, is found in Tables B and C.

TABLE B

### NON-NETWORK ADVERTISING BY POWER OF STATION

(July, 1933-June, 1934)

| Power of Station         | Gross Receipts  | Per cent total |
|--------------------------|-----------------|----------------|
| Over 5,000 watts.....    | \$11,234,121.00 | 39.0%          |
| 2,500-5,000 watts .....  | 2,699,594.00    | 9.4%           |
| 250-1,000 watts .....    | 11,269,101.00   | 39.2%          |
| 100 watts and under..... | 3,659,759.00    | 12.4%          |
| Total .....              | \$28,862,575.00 | 100.0%         |

TABLE C

### NON-NETWORK ADVERTISING BY GEOGRAPHICAL DISTRICTS

(July, 1933-June, 1934)

| Geographical District                   | Gross Receipts  | Per cent total |
|---|-----------------|----------------|
| New England-Middle Atlantic Area .....  | \$8,407,580.00  | 29.2%          |
| South Atlantic-South Central Area ..... | 4,207,396.00    | 14.6%          |
| North Central Area.....                 | 11,044,284.00   | 38.3%          |
| Pacific and Mountain Area.....          | 5,203,315.00    | 17.9%          |
| Total .....                             | \$28,862,575.00 | 100.0%         |

It will be found that 48.4% of total non-network advertising is placed over clear-channel and high-power regional stations, 39.2% over low-power regional stations, and 12.4% over stations in the 100-watt class. The position of this last class of stations must be materially improved if economic stability is to be achieved for them.

The New England-Middle Atlantic and North Central states receive the great bulk of non-network advertising. In so far as the basic systems of the national networks are located in this same area, they also secure the major proportion of network volume. This great area, containing 66.0% of the total population and 75.0% of all radio families in the country, accounted for 67.5% of total non-network advertising during the 1933-34 season. The South Central area, with 13.9% of total radio sets, secured 14.6% of total radio advertising, while the Pacific and Mountain area, with 11.2% of total radio sets, accounted for 17.9% of radio advertising.

#### Advertising by Type of Rendition

During the period July, 1933, to June, 1934, marked differences existed between national spot and local broadcast advertising with respect to type of rendition. These differences are found in Table D.

TABLE D  
NON-NETWORK ADVERTISING BY TYPE OF RENDITION  
(July, 1933-June, 1934)

| Type of Rendition               | National Spot   |        | Gross Receipts Local |        | Total           |        |
|---------------------------------|-----------------|--------|----------------------|--------|-----------------|--------|
| Electrical transcriptions ..... | \$4,859,849.00  | 38.1%  | \$1,309,693.00       | 8.1%   | \$6,169,542.00  | 21.3%  |
| Live talent programs.....       | 4,701,878.00    | 37.0%  | 8,251,836.00         | 50.6%  | 12,953,714.00   | 44.7%  |
| Records .....                   | 72,733.00       | .6%    | 549,075.00           | 3.4%   | 621,808.00      | 2.1%   |
| Spot announcements .....        | 2,968,973.00    | 24.3%  | 6,147,971.00         | 37.9%  | 9,116,944.00    | 31.9%  |
| Total .....                     | \$12,603,433.00 | 100.0% | \$16,258,575.00      | 100.0% | \$28,862,008.00 | 100.0% |

It will be noted that in the national spot field 38.1% of total volume represents electrical transcriptions, 37.0% live talent programs, and 24.3% spot announcements. The large volume of live talent national spot business is accounted for by the fact that these sponsors are largely advertisers operating in restricted areas, but still coming under the national or general classification rather than being accorded the same treatment and rates as local broadcast advertisers. The truly *national* spot advertiser is to be found principally, although not exclusively, in the electrical transcription and spot announcement fields. The composition of local broad-

cast advertising volume is what might be expected and therefore requires no comment.

### Broadcasting Advertising Sponsors

The volume of broadcast advertising placed over stations and networks by various types of business during the period July, 1933, to July, 1934, and the proportion of that volume accounted for by each type of business is found in Tables E and F.

**TABLE E**  
**RADIO BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS**  
(July, 1933-June, 1934)

| Type of Sponsoring Business                   | National Networks      | Regional Networks   | Gross Receipts         |                        | Total                  |
|---|------------------------|---------------------|------------------------|------------------------|------------------------|
|   |                        |                     | National Spot          | Local                  |                        |
| 1a. Amusements .....                          | —                      | —                   | \$41,254.00            | \$595,403.00           | \$636,657.00           |
| 1-2. Automobiles and Accessories:             |                        |                     |                        |                        |                        |
| (1) Automobiles .....                         | \$2,032,006.00         | \$18,878.00         | 783,591.00             | 678,679.00             | 3,513,154.00           |
| (2) Accessories, gasoline and oil .....       | 3,929,025.00           | 191,229.00          | 1,271,971.00           | 934,022.00             | 6,326,247.00           |
| 3. Clothing and apparel .....                 | 411,797.00             | 11,250.00           | 232,431.00             | 1,672,747.00           | 2,328,225.00           |
| 4-5. Drugs and toilet goods:                  |                        |                     |                        |                        |                        |
| (4) Drugs and pharmaceuticals .....           | 3,524,810.00           | 19,736.00           | 2,643,215.00           | 1,185,448.00           | 7,373,209.00           |
| (5) Toilet goods .....                        | 7,342,907.00           | 6,450.00            | 1,132,621.00           | 301,600.00             | 8,783,578.00           |
| 6-8. Food products:                           |                        |                     |                        |                        |                        |
| (6) Foodstuffs .....                          | 7,041,375.00           | 151,559.00          | 2,491,504.00           | 2,554,456.00           | 12,238,894.00          |
| (7) Beverages .....                           | 3,510,712.00           | 40,520.00           | 402,201.00             | 725,394.00             | 4,678,827.00           |
| (8) Confections .....                         | 944,950.00             | 2,130.00            | 431,212.00             | 63,842.00              | 1,442,134.00           |
| 9-10. Household goods:                        |                        |                     |                        |                        |                        |
| (9) Household equipment and furnishings ..... | 559,945.00             | 8,540.00            | 427,484.00             | 1,234,261.00           | 2,230,230.00           |
| (10) Soap and kitchen supplies .....          | 1,550,984.00           | 6,030.00            | 392,464.00             | 152,753.00             | 2,102,231.00           |
| 11. Insurance and financial .....             | 851,331.00             | 13,568.00           | 152,875.00             | 540,085.00             | 1,557,859.00           |
| 12. Radios .....                              | 500,694.00             | —                   | 33,664.00              | 99,590.00              | 633,948.00             |
| 13. Retail establishments .....               | —                      | 3,921.00            | 74,151.00              | 1,402,323.00           | 1,480,395.00           |
| 14. Tobacco products .....                    | 3,815,115.00           | —                   | 32,734.00              | 36,087.00              | 3,883,936.00           |
| 15. Miscellaneous .....                       | 1,238,715.00           | 76,922.00           | 2,060,061.00           | 4,081,885.00           | 7,457,583.00           |
| <b>Total .....</b>                            | <b>\$37,254,366.00</b> | <b>\$550,733.00</b> | <b>\$12,603,433.00</b> | <b>\$16,258,575.00</b> | <b>\$66,671,107.00</b> |

**TABLE F**  
**PROPORTION OF BROADCAST ADVERTISING VOLUME BY TYPE OF SPONSORING BUSINESS**  
(July, 1933-June, 1934)

| Type of Sponsoring Business                   | National Networks | Regional Networks | National Spot | Local         | Total         |
|---|-------------------|-------------------|---------------|---------------|---------------|
| 1a. Amusements .....                          | —                 | —                 | .3%           | 3.7%          | .9%           |
| 1-2. Automobiles and Accessories:             |                   |                   |               |               |               |
| (1) Automobiles .....                         | 5.5%              | 3.4%              | 6.2%          | 4.2%          | 5.3%          |
| (2) Accessories, gasoline and oil .....       | 10.6%             | 34.7%             | 10.1%         | 5.7%          | 9.5%          |
| 3. Clothing and apparel .....                 | 1.1%              | 2.0%              | 1.9%          | 10.3%         | 3.6%          |
| 4-5. Drugs and toilet goods:                  |                   |                   |               |               |               |
| (4) Drugs and pharmaceuticals .....           | 9.5%              | 3.6%              | 20.9%         | 7.3%          | 11.2%         |
| (5) Toilet goods .....                        | 19.7%             | 1.2%              | 8.8%          | 1.9%          | 13.2%         |
| 6-8. Food products:                           |                   |                   |               |               |               |
| (6) Foodstuffs .....                          | 18.9%             | 27.5%             | 19.7%         | 15.7%         | 18.2%         |
| (7) Beverages .....                           | 9.4%              | 7.4%              | 3.2%          | 4.4%          | 7.1%          |
| (8) Confections .....                         | 2.5%              | .4%               | 3.4%          | .4%           | 2.2%          |
| 9-10. Household goods:                        |                   |                   |               |               |               |
| (9) Household equipment and furnishings ..... | 1.5%              | 1.6%              | 3.4%          | 7.5%          | 3.3%          |
| (10) Soap and kitchen supplies .....          | 4.2%              | 1.1%              | 3.1%          | .9%           | 3.1%          |
| 11. Insurance and financial .....             | 2.3%              | 2.5%              | 1.3%          | 3.3%          | 2.3%          |
| 12. Radios .....                              | 1.3%              | —                 | .3%           | .7%           | .8%           |
| 13. Retail establishments .....               | —                 | .7%               | .5%           | 8.5%          | 2.2%          |
| 14. Tobacco products .....                    | 10.2%             | —                 | .3%           | .3%           | 5.8%          |
| 15. Miscellaneous .....                       | 3.3%              | 14.0%             | 16.4%         | 25.2%         | 11.3%         |
| <b>Total .....</b>                            | <b>100.0%</b>     | <b>100.0%</b>     | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

The extremely different composition of the market for national network, regional network, national spot and local advertising is especially to be noted. In the national network field food, beverage, and confectionery advertising accounted for 30.8% of total volume during the season; drug and toilet goods advertising 29.2%; and automotive, gasoline, and accessory advertising 16.1%. Only 23.9% of national network volume was found outside of these three categories.

In the regional network field food advertising comprised 35.3% of total volume, drug and toilet goods advertising 4.8%, and automotive, gasoline and accessory advertising 38.1%. These three groups comprised 78.2% of all regional network advertising. In

the national spot field 26.3% of total advertising was accounted for by the food and allied industries, 29.7% by drug and toilet goods companies, with emphasis on the former, and 16.3% by automotive, gasoline and accessory advertisers. In the local field food advertising comprised merely 20.5% of total advertising. Drug and toilet goods advertising and automotive advertising were materially less than in other types of broadcasting. The former comprised but 9.2% and the latter 9.9% of local volume. Clothing comprised 10.3% of local volume and department store advertising 8.5%. Between 35% and 40% of local volume, it is estimated, is of retail origin.