

The National Association of Broadcasters

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

NAB REPORTS

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Vol. 2 - No. 51
NOV. 9, 1934

BROADCAST ADVERTISING IN SEPTEMBER

Developments of the Month

BROADCAST advertising improved materially in volume during September. Total time sales amounted to \$4,576,223, a gain of 16.5% over August. Network advertising rose 13.8% during the month, regional network advertising 35.6%, national spot volume 30.3% and local broadcast advertising 13.1%.

Though the majority of this rise is due to seasonal factors, part of it is a reflection of fundamentally improved business. The September gain over the preceding month was considerably greater than in 1933, when an increase of but 6.9% was experienced.

Comparison with 1933

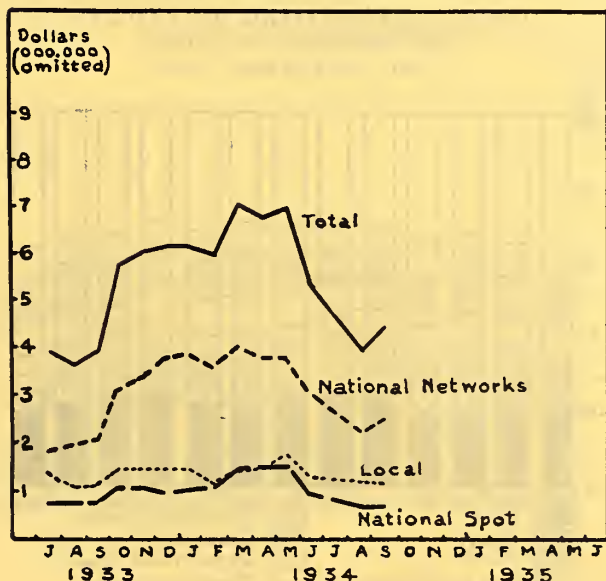
Broadcast advertising during September of the current year was 15.7% greater in volume than in the same month of 1933. National network revenues were 21.7% above the 1933 level, regional network volume almost double, national spot advertising 19.5% greater, and local broadcast advertising approximately the same as in the preceding year. The fact that no great improvement in retail trade has occurred during the year is probably the explanation for the lag in local broadcast advertising.

Comparison with Other Media

National magazine advertising showed the greatest degree of increase over August, rising 33.6%. Farm paper advertising increased 14.5% during the month and newspaper advertising 11.3%. National magazine volume for September was 20.1% greater than during the same month in 1933, national farm paper volume 15.0% greater, while newspaper advertising increased but 4.0%. The same conditions undoubtedly are operative here as in the case of local broadcast advertising.

RADIO BROADCAST ADVERTISING VOLUME

July, 1933, to June, 1935



Other Trends of the Month

The greatest increase in non-network business during the month occurred in the high powered regional and clear channel field, where revenues rose approximately one-third as compared with August. Regional station volume rose 15.5% and local 100 watt station volume 3.6%. As compared with last year, however, regional and local stations have made the better showing, being 27.6% and 32.7%, respectively, above September 1933.

The New England-Middle Atlantic Area and the Pacific and Mountain Areas experienced the greatest rise in broadcast advertising during the month, volume in both districts increasing approximately 33.0%. Slighter gains were recorded elsewhere. As compared with September 1933, the New England-Middle Atlantic Area has gained 64.0%, the Middle West has made slight gains, the Pacific and Far West has lost approximately 10.0% and the South has lost nearly 40.0% in volume.

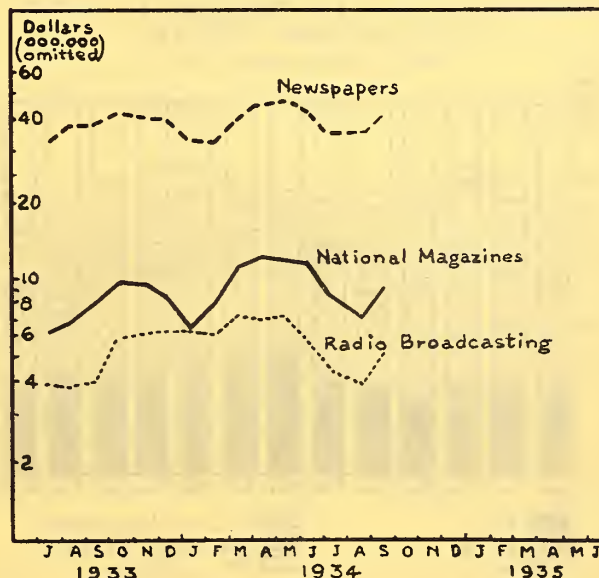
In the electrical transcription field, national spot volume rose 42.8% during the month, local volume remaining equal. National spot live talent volume rose 53.3% and local volume 15.0%. Both national spot and local announcement business increased approximately 13.0%. Compared with September 1933 national spot transcription volume is 13.6% greater, live talent 37.4% above the previous year, and announcement business 14.4% greater. Local volume has remained comparatively changed in all fields.

Broadcast Advertising Sponsors

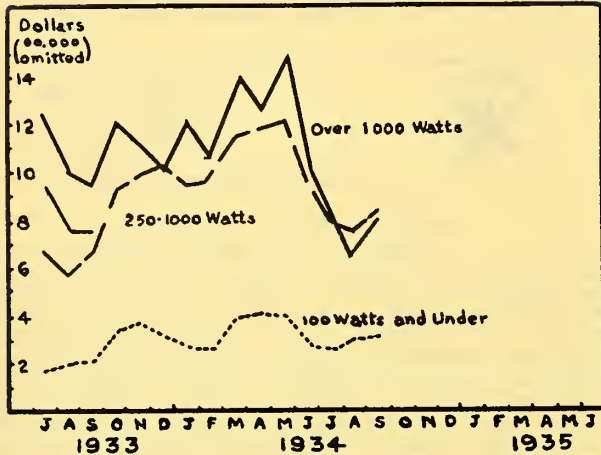
Principal trends in the sponsorship of broadcast advertising during the month have included the following: an increase of 41.2% in automotive advertising due to national network and spot increase; a 24.0% rise in clothing advertising due mainly to increased network volume; a 64.0% increase in drug and pharmaceutical advertising, national network and spot fields showing the greatest

ADVERTISING VOLUME MAJOR MEDIA

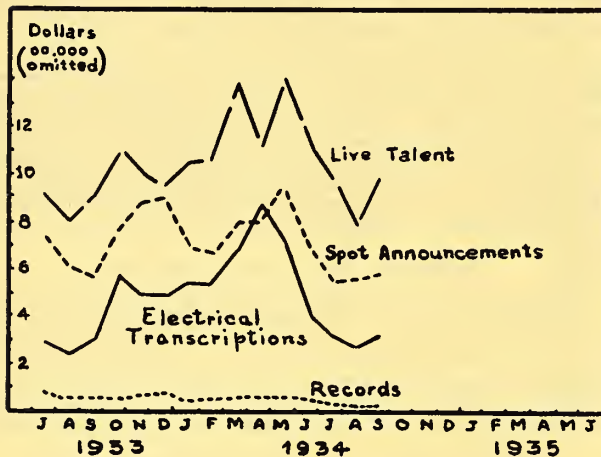
July, 1933, to June, 1935



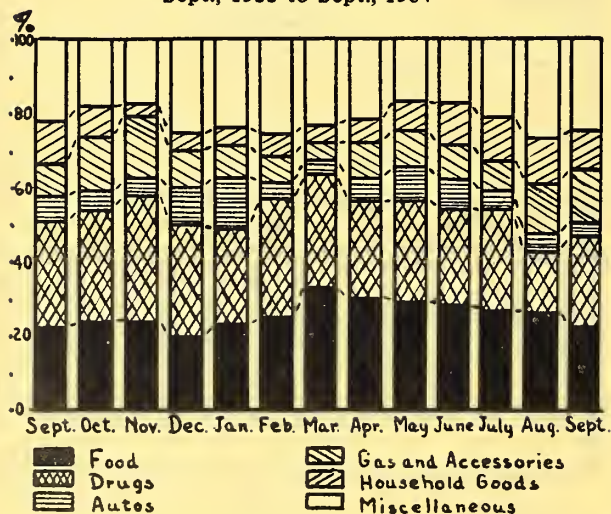
NON-NETWORK ADVERTISING BY
STATION POWER
July, 1933, to June, 1935



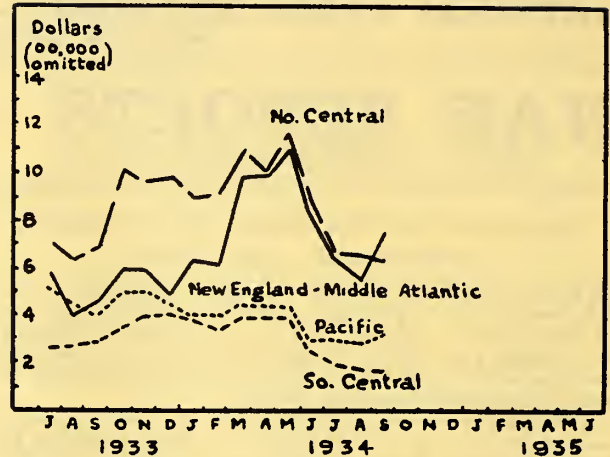
NON-NETWORK BROADCAST ADVERTISING
BY TYPE OF RENDITION
July, 1933, to June, 1935



NATIONAL SPOT ADVERTISING BY TYPE
OF SPONSORING BUSINESS
Sept., 1933 to Sept., 1934



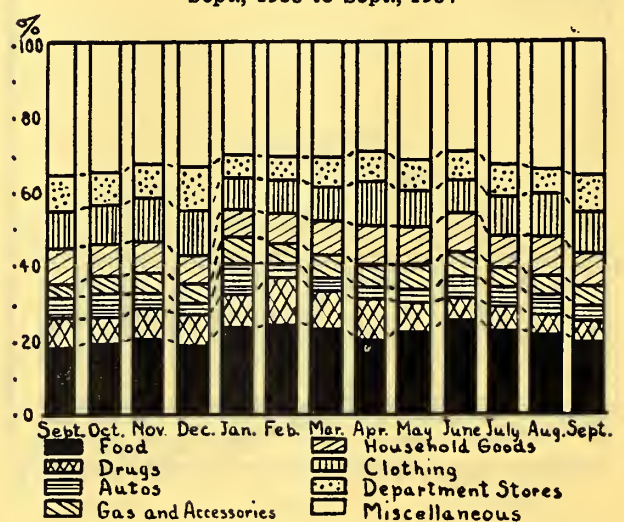
NON-NETWORK ADVERTISING BY
GEOGRAPHICAL DISTRICTS
July, 1933, to June, 1935



NATIONAL NETWORK ADVERTISING BY
TYPE OF SPONSORING BUSINESS
Sept., 1933 to Sept., 1934



LOCAL ADVERTISING BY TYPE OF
SPONSORING BUSINESS
Sept., 1933 to Sept., 1934



gains; a rise of 58.0% in household equipment volume with local and national network advertising showing the greatest increases; gains of 26.0% in soap and kitchen supply advertising, 23.0% in financial advertising and 66.0% in department and general store advertising.

Chief gains as compared with September 1933 are as follows: gasoline and accessories 19.0%, cosmetics 48.0%, food 9.0%, and soap 50.0%. Two marked declines occurred, one of 50.0% in financial advertising, and one of 48.0% in tobacco advertising. Declines in national network business were responsible in both cases.

More detailed information regarding changes in particular categories of broadcast advertising is as follows:

1a. *Amusements.* Decline 20.0% as compared with August. Usual seasonal trend. Volume materially below 1933.

1. *Automobiles.* Increase 41.2% over month. Network rise 40.0%, national spot volume double. Local volume down 50.0%. Network volume 16.6% below same month 1933, national spot equal that period and local business 44.0% lower.

2. *Accessories, gasoline and oil.* Slight gain over August due mainly to marked rise in national spot volume. Local business off 25.0% compared with August. Total volume 19.0% above September 1933, with regional and national spot business mainly responsible.

3. *Clothing.* Increase of 24.0% compared to August. National network volume up 50.0%, regional network volume quadrupled, local volume up 9.0% and national spot business unchanged. Marked rise regional network clothing advertising as compared September last year. Local business up 9.0%. Rest unchanged.

4. *Drugs and pharmaceuticals.* Increased 64.0% over preceding month, due mainly to doubling in national spot volume, and 60.0% increase in national network volume. Both classes of business more than double same month 1933.

5. *Toilet goods.* Rise of 12.3% as compared with August, due to doubling national spot volume and 50.0% increase local cosmetic advertising. Cosmetic volume in September 48.0% greater than same month 1933. National network volume double last year and national spot 40.0% lower. Local volume unchanged.

6. *Foodstuffs.* Little change during month. Total food advertising 17.0% above September last year. Regional network volume quadrupled, national spot volume up 30.0%, national network volume up 17.0% and local volume down 17.0%.

7. *Beverages.* A decline of 19.0% during month, national network volume constituting main reason. Slightly below same month of preceding year.

8. *Confectionery.* Decrease of approximately one-third as compared with August. National network and national spot business responsible. Confectionery advertising only about 25.0% September 1933 level.

9. *Household equipment and appliances.* Increase of 58.0% over August. Network volume rose five times previous month's figures, while national spot and local volume doubled. Current month 72.0% above same period 1933.

10. *Soap and kitchen supplies.* Increase 26.0% during month. Local volume up 25.0%, national network volume up 64.0% and national spot unchanged. Advertising 50.0% above same month last year. Network volume doubled September 1933, national spot up 50.0% and local up 10.0%.

11. *Insurance and financial.* Rise of 23.0% compared with August, due to national spot and local increase. Network volume 50.0% below last September, national spot volume three times greater and local volume unchanged.

12. *Radio.* Increase of 16.0% compared with August due to rise in national network volume. General volume unchanged from last year.

13. *Department store and general store.* An increase of 66.0% over August, almost entirely in the local volume. Current season's department store volume approximately same as last year.

14. *Tobacco products.* Little change during month. Tobacco advertising 48.0% lower than same month 1933, due to decline in network volume.

15. *Miscellaneous.* An increase of 21.8% due mainly to national spot and local business. Network volume double same month 1933, national spot up 28.5% and local volume unchanged.

General Retail Advertising. Total retail advertising rose 36.3% during the month. Principal gains were as follows: automobile dealers 25.0%, clothing 23.0%, hardware doubled, and department and general store advertising up 66.0%.

Business Conditions

Business continues in uncertain fashion. Some slight gains are to be recorded in instances. However, the most encouraging factor is the degree to which industrial and commercial activity seems to have stabilized itself at certain levels. This, after all, is the first pre-requisite to any permanent recovery.

The *New York Times* index of business activity on October 13, stood at 75.4 as compared with 71.8 on September 15, indicating a slight increase in general economic activity. Prices, on the whole, tended to recede slightly. The general price index of the Bureau of Labor Statistics was 76.4 on October 13 as compared with 77.5 a month earlier. During the same period the agricultural commodity price index declined from 73.7 to 71.0 and the food price index from 76.2 to 74.8.

The car loading index decreased from 67.1 to 66.3 during the period September 15-October 13. During the same period the electric power index rose from 98.1 to 99.5. Steel production rose from 27.6% of the 1923-35 level on September 15 to 31.6% on October 20, while automobile production, during the same period, declined from 56.3% to 38.1%. Both stock and bond prices, however, rose slightly.

Slight gains were experienced in department store sales during August, variety store sales also increasing. New car sales in August were approximately 9.0% above the preceding year. It seems as if no great upswing in business may be expected in the near future.

RADIO BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS (September, 1934)

Type of Sponsoring Business	National Networks	Regional Networks	National Spot	Gross Receipts	
				Local	Total
1a. Amusements	—	—	\$1,530	\$35,870	\$37,400
1-2. Automobiles and Accessories:					
(1) Automobiles	\$152,953	—	31,425	41,665	226,043
(2) Accessories, gas and oils	262,272	\$14,145	112,462	59,288	448,167
3. Clothing and apparel	39,135	4,103	20,080	128,795	192,113
4-5. Drugs and toilet goods:					
(4) Drugs and pharmaceuticals	344,248	1,145	137,030	51,507	533,930
(5) Toilet goods	647,695	1,336	59,821	20,064	728,916
6-8. Food products:					
(6) Foodstuffs	475,816	14,032	132,922	144,298	767,068
(7) Beverages	194,319	2,700	29,721	66,648	293,388
(8) Confections	9,340	200	4,945	1,940	16,425
9-10. Household goods:					
(9) Household equipment and furnishings	30,198	424	42,625	116,927	190,174
(10) Soap and kitchen supplies	183,614	—	39,832	6,200	229,646
11. Insurance and financial	40,368	2,675	13,780	36,517	93,340
12. Radios	56,168	—	1,800	12,540	70,508
13. Retail establishments	—	—	1,480	118,854	120,334
14. Tobacco products	46,072	—	12,960	735	59,767
15. Miscellaneous	78,459	17,188	139,490	333,867	559,004
Total	\$2,560,657	\$57,948	\$781,903	\$1,175,715	\$4,576,223

RETAIL ADVERTISING OVER INDIVIDUAL STATIONS

(September, 1934)

Type of Sponsoring Business	1934 Gross Receipts	
	August	September
Automobiles and accessories:		
Automobile agencies and used car dealers	\$33,750	\$41,906
Gasoline stations, garages, etc.	31,467	34,586
Clothing and apparel shops	109,420	134,130
Drugs and toilet goods:		
Drug stores	7,157	7,857
Beauty parlors	3,180	7,208
Food products:		
Grocery stores, meat markets, etc.	30,450	35,938
Restaurants and eating places ¹	14,113	16,035
Beverage retailers	716	280
Confectionery stores, etc.	1,487	670
Household goods:		
Household equipment retailers ²	29,800	26,060
Furniture stores	54,231	46,150
Hardware stores	7,363	13,065
Radio retailers	5,462	6,540
Department and general stores	72,645	120,334
Tobacco shops	2,075	—
Miscellaneous	36,700	59,050
Total	\$439,716	\$549,809

¹ Exclusive of hotels.

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

TOTAL BROADCAST ADVERTISING VOLUME

Class of Business	1934 Gross Receipts		
	August	September	Cumulative Jan.-July
National networks	\$2,248,870	\$2,560,657	\$29,303,103
Regional networks	42,694	57,948	450,832
National spot business	598,122	781,903	9,758,639
Local broadcast advertising	1,039,070	1,175,715	11,589,348
Total	\$3,928,756	\$4,576,223	\$51,101,922

ADVERTISING VOLUME BY MAJOR MEDIA

Advertising Medium	1934 Gross Receipts		
	August	September	Cumulative Jan.-Sept.
Radio broadcasting	\$3,928,756	\$4,576,223	\$51,101,922
National magazine ¹	7,141,669	9,548,298	86,246,829
National farm papers	288,526	431,957	3,931,644
Newspapers ²	35,321,000	39,929,000	352,248,150
Total	\$46,679,951	\$54,485,478	\$493,528,545

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.

NON-NETWORK BROADCAST ADVERTISING BY POWER OF STATION

Power of Station ¹	1934 Gross Receipts		
	August	September	Cumulative Jan.-Sept.
Over 1,000 watts	\$625,060	\$821,938	\$9,649,470
250-1,000 watts	737,332	851,180	8,807,141
100 watts	274,800	284,500	2,891,376
Total	\$1,637,192	\$1,957,618	\$21,347,987

¹ This includes high-powered regional and clear channel stations ranging from 5 kilowatts upwards in power.

NON-NETWORK BROADCAST ADVERTISING BY GEOGRAPHICAL DISTRICTS

Geographical Districts	1934 Gross Receipts		
	August	September	Cumulative Jan.-Sept.
New England-Middle Atlantic Area	\$565,678	\$758,314	\$7,232,877
South Atlantic-South Central Area	162,600	172,976	2,742,819
North Central Area	637,404	663,661	8,025,572
Pacific and Mountain Area	271,500	362,667	3,346,719
Total	\$1,637,192	\$1,957,618	\$21,347,987

NON-NETWORK BROADCAST ADVERTISING BY TYPE OF RENDITION

Type of Rendition	National Spot		Local		Total		Cumulative Jan.-Sept.
	August	September	August	September	August	September	
Electrical transcriptions	\$176,810	\$253,473	\$77,045	\$78,145	\$254,215	\$331,618	\$4,674,692
Live talent programs	245,855	376,265	539,265	620,435	785,120	996,700	9,979,437
Records	1,067	1,070	27,250	33,860	28,317	34,930	357,297
Spot announcements	174,390	151,095	395,150	443,275	569,540	594,370	6,336,561
Total	\$598,122	\$781,903	\$1,039,070	\$1,175,715	\$1,637,192	\$1,957,618	\$21,347,987

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Vol. 2 - - No. 52
NOV. 9, 1934

BROADCAST ADVERTISING (Third Quarter, 1934)

Comparison with Previous Periods

Total broadcast advertising during the third quarter of the current year amounted to \$12,880,442. Revenues were 31.6% below those of the previous quarter. This decline approximates the usual seasonal trend at this time of the year. The 42.1% drop in national spot volume, however, exceeds the usual seasonal decrease.

Completion of the current quarter's figures makes possible the first comparison of a quarterly period for two consecutive years on the part of the broadcasting industry.

Broadcast advertising for the third quarter of 1934 was 10.2% greater in volume than during the same period of 1933. The situation with regard to various portions of the broadcasting structure is indicated in Table I.

TABLE I
TOTAL BROADCAST ADVERTISING VOLUME
(July-September, 1934)

<i>Class of Business</i>	<i>Gross Receipts</i>	<i>Percentage Increase or Decrease as Compared with 1933</i>
National networks	\$7,304,237	+ 25.4%
Regional networks	133,581	+114.5%
National spot business	2,147,775	+ 10.8%
Local broadcast advertising....	3,294,849	- 12.0%
Total	\$12,880,442	+ 10.2%

The gain on the part of national spot advertising would have been greater had it not been for the abnormally severe decline in business of this type during the quarter.

Local broadcast advertising has been the only form of broadcast advertising to decline as compared with the same period of 1933. The failure of small business and retail trade to improve materially during the intervening months is most probably the cause for the decline.

Comparison with Other Media

The increase in national magazine advertising as compared with the third quarter of 1933 was 19.8%, a smaller gain than that experienced by the national networks, which constitute their radio counterpart. Farm paper advertising registered a gain of 26.4% over the same period of last year. Newspaper, lineage rose but 0.9%, again exhibiting the same tendency shown by local broadcast advertising.

Trends in Non-Network Advertising

No very definite trends have been revealed in the field of station power with the exception of a slight tendency for the regional stations, 250-1,000 watts in power, to fare better than other classes.

With regard to geographical districts, the Pacific-Mountain area and the New England-Middle Atlantic district have shown the greatest gains over the corresponding period of last year. Revenues of the former area were 44.5% above the third quarter of 1933, while those of the eastern section were 35.6% greater than during the same portion of last year.

Middle Western broadcast advertising increased 7.8% as against the same period of the preceding year, while, following a marked increase during a portion of 1933, broadcast advertising in the South declined materially.

Trends as to Type of Rendition

Electrical transcription volume was 2.0% greater than during the third quarter of 1933, while live talent volume rose 2.6%. On the other hand, record volume decreased 48.1% and spot announcement business declined 14.0%.

The significance of these trends becomes more evident when totals are broken down by national spot and local broadcast advertising. In the national spot field electrical transcription volume was 1.2% less than during the same period of last year. Spot announcement volume was 17.6% less, while the small amount of record programs in this field shrank materially. In striking comparison to these trends is the 46.4% rise in live talent spot.

In the local field electrical transcriptions gained 11.8%, live talent dropped off 14.1% as compared with the third quarter of 1933, record volume showed a decrease of 34.4% and spot announcements of 17.9%. It seems clear that it has been the smaller retailer, especially, who has been forced to curtail his broadcast advertising.

Trends in Broadcasting Sponsorship

A comparison of broadcast advertising sponsorship during the third quarter of the years 1934 and 1933 show marked changes. In the national network field there has been a marked increase in pharmaceutical and cosmetic advertising, both of these classes more than doubling in volume as compared with the same period of the preceding year. Cosmetic advertising was second only to the general food group during the period.

Other shifts of importance include a marked gain in clothing advertising over national networks, a marked rise in soap and kitchen supply advertising, a decrease in automotive broadcasting sponsorship, and a decline in tobacco advertising.

In the individual station field, other changes of interest have occurred. Beverage advertising has increased 36.5% as against last year, due mainly to a doubling in national spot volume. Household equipment advertising has risen 22.9%. Increased local volume is responsible principally for the increase. Tobacco advertising has increased 43.6%, due to a greater use of national spot broadcasting by some of the smaller tobacco companies. Radio set advertising also has increased materially.

Decreases have occurred in several fields. Non-network cosmetic advertising is only half as much as during the third quarter of 1933, declining national spot volume being the principal cause. Automotive advertising has dropped off 17.9%, both national spot and local volume decreasing. Department and general store advertising has decreased 9.3% as against the same period of last year. Non-network confectionery advertising declined materially due to national spot decreases.

The relative gain or loss of advertising volume during the third quarter of 1934 as compared with the preceding year on the part of various industrial groups is found in Table II.

TABLE II

COMPARATIVE DEGREE OF BROADCAST ADVERTISING BY PRINCIPAL INDUSTRIAL GROUPS DURING THIRD QUARTER 1933 AND 1934

Type of Sponsoring Business	Percentage increase or decrease in time sales	
	National Networks	Non-network Business
1a. Amusements	—	+ 5.0%
1-2. Automobiles and accessories:		
(1) Automobiles	— 27.6%	—17.9%
(2) Accessories, gas and oils	+ 4.2%	— 1.0%
3. Clothing and apparel	+133.3%	+ 6.3%
4-5. Drugs and toilet goods:		
(4) Drugs and pharma- ceuticals	+105.5%	+10.0%
(5) Toilet goods	+105.7%	—52.8%
6-8. Food products:		
(6) Foodstuffs	+ 31.0%	+ 2.0%
(7) Beverages	(no change)	+36.5%
(8) Confections	— 10.0%	—76.6%
9-10. Household goods:		
(9) Household equipment and furnishings	— 21.3%	+22.9%
(10) Soaps and kitchen supplies	+ 87.5%	+ 2.3%
11. Insurance and financial	— 18.7%	—12.0%
12. Radios	— 16.1%	+45.1%
13. Retail establishments	—	— 9.3%
14. Tobacco products	— 61.8%	+43.6%
15. Miscellaneous	+ 23.1%	— 6.4%
Total	+ 25.4%	— 4.1%