

# The National Association of Broadcasters

NATIONAL PRESS BUILDING \* \* \* \* \* WASHINGTON, D. C.  
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## NAB REPORTS

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### BROADCAST ADVERTISING: FIRST QUARTER 1936

#### Developments of the Month

Broadcast advertising during the first quarter of the current year totaled \$25,509,364, a gain of 11.4% over the corresponding period of 1935. Indications point to the beginning of the stabilization of radio advertising at a post-depression level, in that the aforementioned growth in volume is comparable to one of 19.6% for the first quarter of the preceding year as against the corresponding three months of 1934.

Principal gains during the period under consideration occurred in the regional network and national non-network fields, in keeping with the trends in evidence during the major portion of the past year. National network and local broadcast advertising gained but slightly over the corresponding months of 1935.

Radio continued to show the greatest rate of increase among major media, though it was surpassed with national farm papers, whose volume rose 37.0% as compared to the corresponding period of 1935.

Regional stations showed the greatest gains in non-network volume, reflecting the rise in national non-network business. The South and Middle West continued to experience the most pronounced rise in non-network advertising.

Electrical transcriptions led the field as far as type of rendition was concerned. This was true in both national non-network and local broadcast advertising. Live talent volume gained, while record and announcement business declined as compared to the corresponding quarter of the previous year.

Accessory and gasoline, beverage and tobacco advertising experienced important increases in the national network field. A rise of 117.9% in the miscellaneous classification indicated a continued trend toward more diversified use of network advertising. Drug advertising declined 31.7% as a result of network policies in this field, while confectionery and household equipment advertising also declined materially.

Gains were general in the regional network field, with drug, food, beverage, tobacco and soap and kitchen supply advertising showing the most important increases. Gains likewise were general in the national non-network field, with automotive, food, beverage and tobacco volume experiencing the most significant rise. Local broadcast advertising showed confused tendencies, with automotive volume leading the increases and drug advertising showing the most important decline.

#### Total Broadcast Advertising

Total broadcast advertising during the first quarter of the current year is set forth in Table I.

TABLE I

#### TOTAL BROADCAST ADVERTISING VOLUME

Class of Business	Gross Time Sales First Quarter	
	1935	1936
National networks .....	\$14,107,206	\$14,926,616
Regional networks .....	193,299	300,318
National non-network .....	4,035,182	5,670,550
Local .....	4,545,023	4,611,880
Total .....	\$22,880,710	\$25,509,364

Compared to a gain of 11.4% on the part of the medium as a whole, national network advertising increased 5.8% as compared to the corresponding three months of the preceding year. National network volume seems particularly to be approaching a point of stabilization, since this gain is comparable to a rise of 23.9% during the first three months of last year as against the same period of 1934.

National non-network volume rose 40.5% as against the same quarter of 1935, while regional network advertising increased 55.9%. Gains in 1935 over the corresponding period of the preceding year averaged in the neighborhood of 10.0%. Local broadcast advertising rose but 1.5% as compared to a 1935 increase of 13.3%.

#### Composition of Broadcast Advertising

The marked rise of regional network and national non-network advertising has changed the composition of the medium's business to an interesting degree. Whereas national network volume during the first quarter of 1935 comprised 61.3% of the gross billings of the medium, it comprised but 58.5% during the corresponding months of the current year. Regional network volume increased from 0.8% of the medium's total, while national non-network advertising rose from 17.3% to 22.2%. Local broadcast advertising, on the other hand, declined in importance from 20.6% to 18.1%. This constituted a further decline in relative importance from 22.0% during the first quarter of 1934.

#### Comparison with Other Media

Advertising volume in major media during the period under consideration is found in Table II.

TABLE II

#### ADVERTISING VOLUME BY MAJOR MEDIA

Advertising Medium	Gross Time and Space Sales First Quarter	
	1935	1936
Radio broadcasting .....	\$22,880,710	\$25,509,364
National magazines <sup>1</sup> .....	30,968,794	32,977,625
National farm papers <sup>1</sup> .....	1,333,264	1,826,218
Newspapers <sup>2</sup> .....	117,474,000	124,033,000
Total .....	\$172,656,768	\$184,346,207

<sup>1</sup> Publishers' Information Bureau.

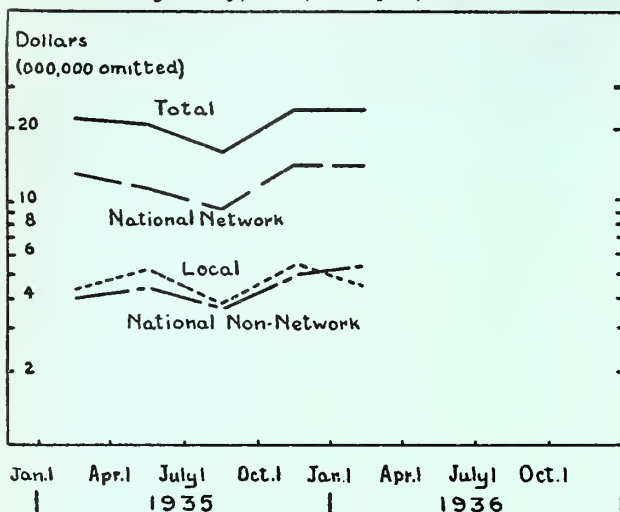
<sup>2</sup> Estimated.

Compared to a rise of 11.4% in broadcast advertising during the period under consideration, national magazine volume increased 6.5%, while newspaper lineage rose 5.6%. National farm paper volume showed the greatest relative increase, rising 37.0% above the level of the first quarter of 1935.

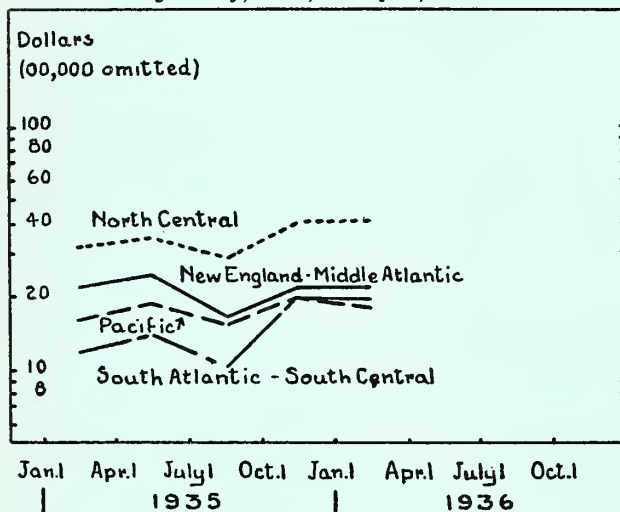
#### Non-network Advertising

General non-network advertising rose 19.7% during the period under consideration. As noted previously, national non-network advertising was responsible for practically all of this gain. Regional stations experienced the most marked increase in non-network advertising, and in doing so reflected the rising national non-network volume. Non-network revenues for this class of transmitter rose 20.2% as compared to the corresponding period

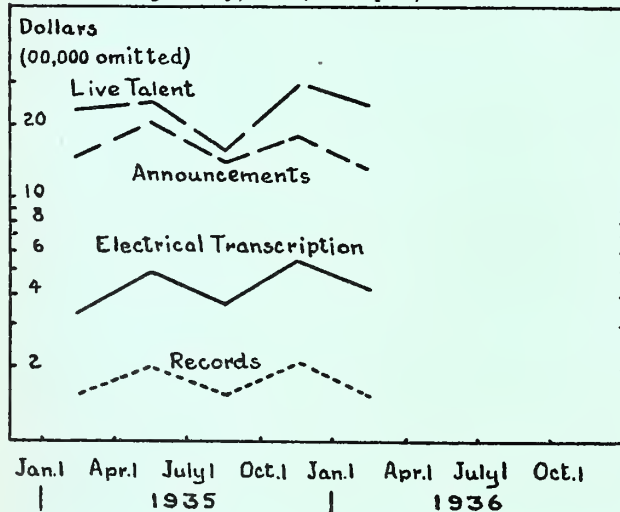
# RADIO BROADCAST ADVERTISING VOLUME BY QUARTERS January, 1935, to April, 1936



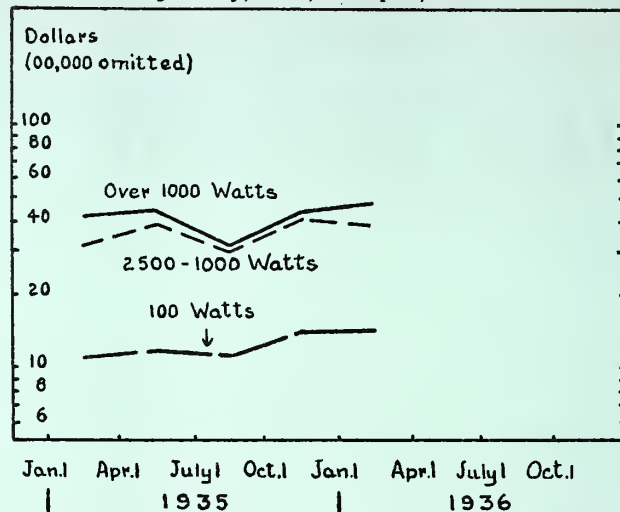
## NON-NETWORK ADVERTISING BY GEOGRAPHICAL DISTRICTS (QUARTERLY) January, 1935, to April, 1936



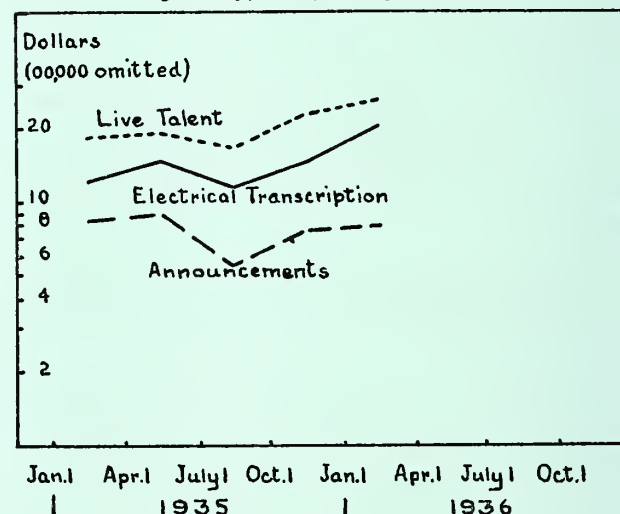
## LOCAL ADVERTISING BY TYPE OF RENDITION (QUARTERLY) January, 1935, to April, 1936



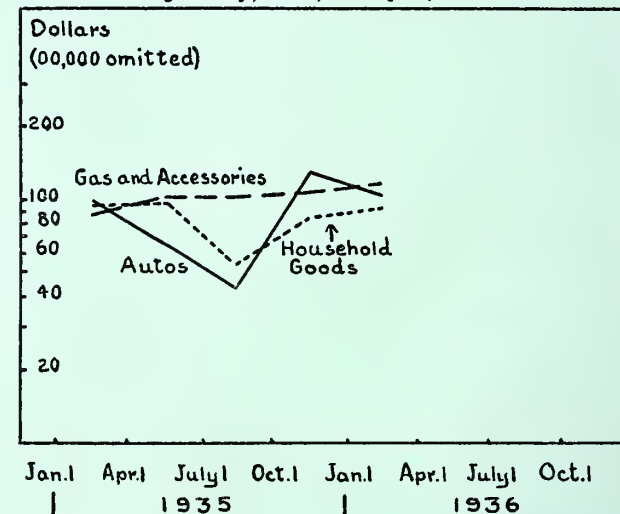
# NON-NETWORK ADVERTISING BY STATION POWER (QUARTERLY) January, 1935, to April, 1936



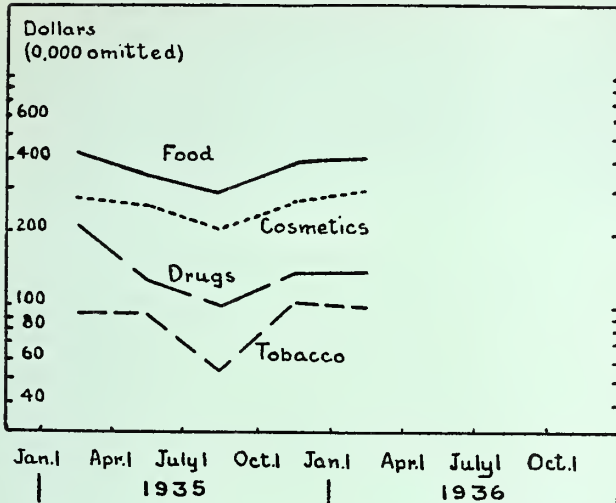
## NATIONAL NON-NETWORK ADVERTISING BY TYPE OF RENDITION (QUARTERLY) January, 1935, to April, 1936



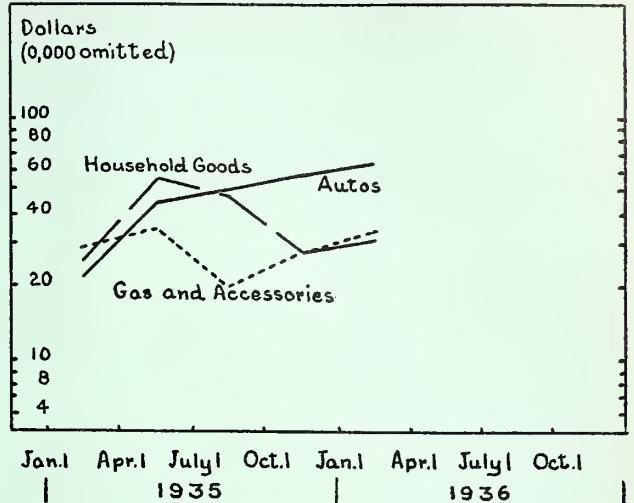
## NATIONAL NETWORK ADVERTISING BY PRODUCT CLASSES (QUARTERLY) January, 1935, to April, 1936



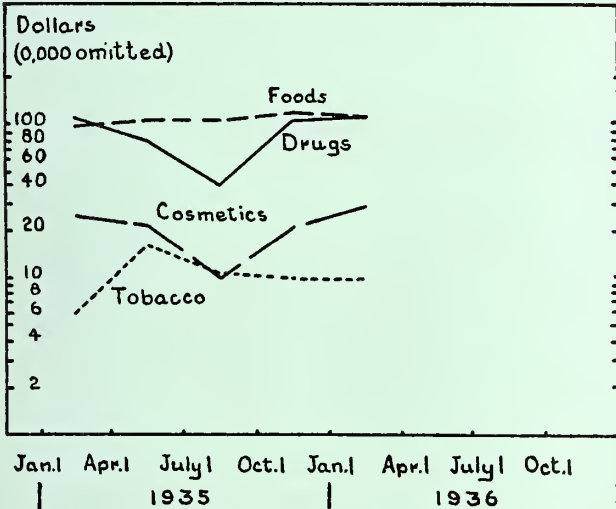
NATIONAL NETWORK ADVERTISING BY  
PRODUCT CLASSES (QUARTERLY)  
January, 1935, to April, 1936



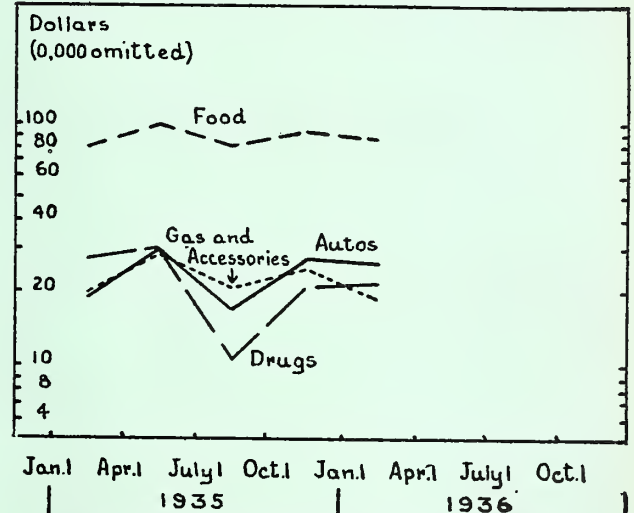
NATIONAL NON-NETWORK ADVERTISING  
BY PRODUCT CLASSES (QUARTERLY)  
January, 1935, to April, 1936



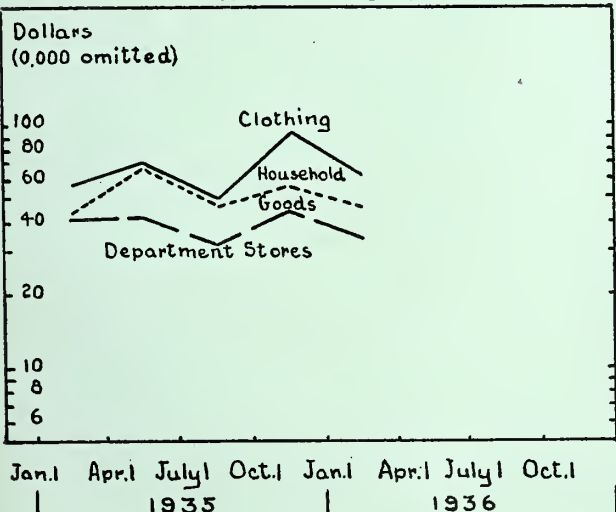
NATIONAL NON-NETWORK ADVERTISING  
BY PRODUCT CLASSES (QUARTERLY)  
January, 1935, to April, 1936



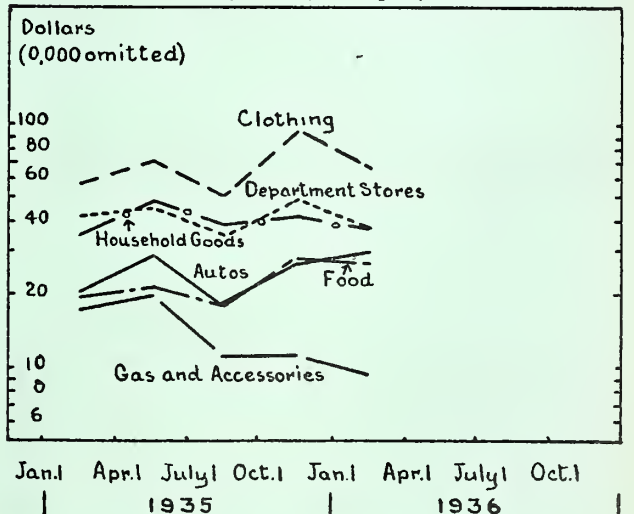
LOCAL ADVERTISING BY PRODUCT CLASSES  
(QUARTERLY)  
January, 1935, to April, 1936



LOCAL ADVERTISING BY PRODUCT CLASSES  
(QUARTERLY)  
January, 1935, to April, 1936



BROADCAST ADVERTISING BY RETAIL  
ESTABLISHMENTS (QUARTERLY)  
January, 1935, to April, 1936





of last year. Clear channel and high-powered regional station non-network business increased 16.0%, while local station volume gained 2.4%. The relatively slight gain with regard to the last-mentioned class of transmitter was due to the confused tendencies in the local broadcast advertising field. Broadcast advertising by power of transmitter is found in Table III.

**TABLE III**  
**NON-NETWORK BROADCAST ADVERTISING BY**  
**POWER OF STATION**

<i>Power of Station</i>	<i>Gross Time Sales</i> <i>First Quarter</i>	
	1935	1936
Over 1,000 watts .....	\$4,186,955	\$4,858,520
250-1,000 watts .....	3,244,755	3,903,180
100 watts .....	1,148,495	1,520,730
<b>Total .....</b>	<b>\$8,580,205</b>	<b>\$10,282,430</b>

The most pronounced gains in non-network advertising continued to occur in the South and the Middle West. Non-network advertising in the South Atlantic-South Central States rose 54.5% as compared to the first quarter of 1935, while revenues in the North Central States increased 27.2%. Mountain and Pacific State non-network volume gained 5.9%, while non-network advertising in the New England-Middle Atlantic States dropped 0.4%. Broadcast advertising, other than network, for major geographical districts is presented in Table IV.

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

<i>Geographical District</i>	<i>Gross Time Sales</i> <i>First Quarter</i>	
	1935	1936
New England-Middle Atlantic Area....	\$2,245,050	\$2,235,450
South Atlantic-South Central Area....	1,335,080	2,065,670
North Central Area.....	3,209,960	4,084,730
Pacific and Mountain Area.....	1,790,115	1,896,580
<b>Total .....</b>	<b>\$8,580,205</b>	<b>\$10,282,430</b>

#### Advertising by Type of Rendition

Electrical transcriptions and live talent programs were the only forms of rendition to gain as compared to the first quarter of the preceding year. Of the two, transcriptions showed the greater gain, increasing 55.3% in volume. Increases occurred in both the national and local fields, rising 64.0% in the former and 21.8% in the latter. National live talent volume continued its marked rise of more than a year's duration, increasing 44.5% as against the corresponding three months of 1935. Local live talent volume rose 6.7%. Total live talent business increased 23.1% during the period under consideration.

Records declined 6.2%, while announcements dropped 7.5%. National announcement business decreased 3.1%, while local volume dropped 9.8%.

Broadcast advertising volume by type of rendition is set forth in Table V.

**TABLE V**  
**NON-NETWORK BROADCAST ADVERTISING BY TYPE OF RENDITION**  
**(First Quarter)**

<i>Type of Rendition</i>	<i>National Non-network</i>		<i>Gross Time Sales</i> <i>Local</i>		<i>Total</i>	
	1935	1936	1935	1936	1935	1936
Electrical transcriptions .....	\$1,300,745	\$2,133,735	\$341,391	\$415,835	\$1,642,136	\$2,549,570
Live talent programs.....	1,886,008	2,716,880	2,402,467	2,563,260	4,288,475	5,280,140
Records .....	17,666	15,370	178,477	168,600	196,143	183,970
Announcements .....	830,763	804,565	1,622,688	1,464,185	2,453,451	2,268,750
<b>Total .....</b>	<b>\$4,035,282</b>	<b>\$5,670,550</b>	<b>\$4,545,023</b>	<b>\$4,611,880</b>	<b>\$8,580,205</b>	<b>\$10,282,430</b>

The continued rise of electrical transcription and live talent volume and the decline, especially in the announcement field, have resulted in marked changes in the composition of non-network advertising with regard to type of rendition. These changes are presented in Table VI. The rise in local transcription business is the direct result of the development of transcription libraries, so prominent during the fall and winter of the current season.

**TABLE VI**  
**RELATIVE PROPORTION OF VARIOUS TYPES**  
**OF RENDITION USED IN NON-NETWORK**  
**BROADCAST ADVERTISING**

(First Quarter)

<i>Type of Rendition</i>	<i>Percentage Represented by</i> <i>Rendition Type</i>			
	<i>National Non-network</i>		<i>Local</i>	
	1935	1936	1935	1936
Electrical transcriptions ..	32.1%	37.6%	7.5%	9.0%
Live talent programs.....	44.2%	47.9%	52.8%	55.6%
Records .....	.4%	.3%	3.9%	3.7%
Announcements .....	23.3%	14.2%	35.8%	31.7%
<b>Total .....</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

#### Broadcast Advertising Sponsorship

Trends in broadcast advertising sponsorship during the period under consideration were largely the continuation of tendencies previously noted in the current season. Automotive advertising continued to experience marked gains, especially in the national non-network and local fields. Food advertising rose materially, as did beverage volume. Drug and pharmaceutical advertising declined in the national network and local fields, though rising materially with regard to regional networks and national non-network volume. Tobacco advertising increased generally.

Principal gains in the national network field, as compared to the first quarter of last year, were as follows: automotive, 12.1%; accessories and gasoline, 43.4%; beverages, 27.2%; tobacco 14.8% and miscellaneous, 117.9%. The latter is a significant indication of a widening variety of sponsorship of national network advertising. Drug and pharmaceutical volume declined 31.7%, while confectionery advertising dropped 37.4%.

Regional network volume rose quite generally, principal increases being the following: drugs and pharmaceuticals, 179.5%; foodstuffs, 50.3%; beverages, 178.4%; soaps and kitchen supplies, 229.8%; tobacco, 132.1%. Gains likewise were general in the national non-network field. Automotive advertising rose 185.6%, while other increases were as follows: foodstuffs, 51.3%; beverages, 77.8%; and tobacco, 67.9%.

Local broadcast advertising registered considerably smaller gains. Automotive advertising rose 41.3%, food volume 11.5% and clothing business 6.6%. Drug volume decreased 23.2%, and gasoline and accessory advertising 8.4%.

Broadcast advertising by various sponsoring product and service groups is found in Table VII.



**TABLE VII**  
**RADIO BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS**  
**(First Quarter)**  
**1936**

<i>Type of Sponsoring Business</i>	<i>National Networks</i>	<i>Regional Networks</i>	<i>Gross Time Sales</i>		<i>Total</i>
			<i>National Non-network</i>	<i>Local</i>	
1a. Amusements .....	—	—	\$28,580	\$95,980	\$124,560
1-2. Automobiles and accessories:					
1. Automobiles .....	\$1,136,853	—	682,310	273,725	2,092,888
2. Accessories, gas and oils .....	1,274,598	\$32,785	376,100	189,825	1,873,308
3. Clothing and apparel .....	105,741	1,848	118,320	626,080	851,989
4-5. Drugs and toilet goods:					
4. Drugs and pharmaceuticals .....	1,454,898	41,622	1,396,000	219,870	3,112,390
5. Toilet goods .....	3,076,412	9,680	310,010	63,550	3,459,652
6-8. Food products:					
6. Foodstuffs .....	2,799,343	89,654	1,131,790	634,150	4,654,937
7. Beverages .....	1,063,495	15,085	162,920	233,810	1,475,310
8. Confections .....	353,217	17,231	137,750	25,800	533,998
9-10. Household goods:					
9. Household equipment and furnishings .....	127,031	16,727	192,335	440,905	776,998
10. Soaps and kitchen supplies .....	831,904	16,090	140,230	21,690	1,009,914
11. Insurance and financial .....	136,791	2,524	68,040	219,210	436,565
12. Radios .....	310,971	—	42,140	37,890	391,001
13. Retail establishments .....	—	728	43,175	351,240	395,143
14. Tobacco products .....	1,078,213	21,840	101,970	15,475	1,217,498
15. Miscellaneous .....	1,177,149	34,504	738,880	1,162,680	3,113,213
<b>Total .....</b>	<b>\$14,926,616</b>	<b>\$300,318</b>	<b>\$5,670,550</b>	<b>\$4,611,880</b>	<b>\$25,519,364</b>

Details as to trends in the various sponsoring product and service groups are as follows:

1a. **Amusements.** National non-network business increased 105.1% as compared to the first quarter of last year. Local volume decreased 19.9%.

1. **Automotive.** National network advertising rose 12.0%. National non-network advertising increased 185.6%, while local volume gained 41.3%.

2. **Accessories and gasoline.** National network volume rose 43.1% over the level of the first quarter of the preceding year. Regional network advertising increased 29.6%, national non-network business 29.1%, while local advertising decreased 8.4%.

3. **Clothing.** National network advertising dropped off 26.6% from the level of the first three months of 1935, while regional network advertising decreased 80.8%. National non-network business rose 59.4% and local advertising 6.6%.

4. **Drugs and pharmaceuticals.** National network volume decreased 31.7% and local volume 23.2%. Regional network advertising increased 179.5%, while national non-network volume rose 24.3%.

5. **Toilet goods.** National network advertising rose 12.3% and national non-network business 18.8%. Regional network volume decreased 3.9% and local volume 13.6%.

6. **Foodstuffs.** Increases were as follows: Regional networks 50.3%, national non-network 51.3%, and local 11.5%. National network volume decreased 3.9%.

7. **Beverages.** General increases occurred in the field and were as follows: National networks 77.2%, regional networks 178.4%, national non-network 77.8%, local 12.9%.

8. **Confectionery.** Regional network advertising increased 211.0% as against the corresponding period of last year. Other portions of the medium decreased as follows: National networks 37.4%, national non-network 13.0%, and local 3.6%.

9. **Household equipment.** National network advertising decreased 35.9%. Regional network volume rose 53.2%, while national non-network business gained 24.4%. Local advertising increased 1.3%.

10. **Soaps and kitchen supplies.** Increases were as follows: National networks 6.7%, regional networks 229.8%, national non-network 22.6%, local 120.0%.

11. **Insurance and financial.** National network advertising increased 1.5% and regional network volume rose more than fivefold. National non-network advertising gained 21.2% and local advertising 25.0%.

12. **Radios.** National network advertising gained 9.9%. National non-network volume increased practically tenfold. Local advertising declined 1.6%.

13. **Department and general stores.** National non-network advertising rose 162.1%, while local volume declined 16.5%. Total department store advertising decreased 9.6%.

14. **Tobacco products.** General increases occurred in this field

and were as follows: National networks 14.8%, regional networks 132.1%, national non-network 67.9%, local 46.2%.

15. **Miscellaneous.** National network advertising rose 117.9% and regional network volume 12.2%. National non-network advertising gained 19.2%, while local volume dropped 1.8%.

#### Retail Broadcast Advertising

Broadcast advertising by retail establishments during the first quarter of the current year is presented in Table VIII.

**TABLE VIII**  
**RETAIL RADIO ADVERTISING OVER**  
**INDIVIDUAL STATIONS**  
**(First Quarter)**

<i>Type of Sponsoring Business</i>	<i>Gross Time Sales</i>	
	<i>1935</i>	<i>1936</i>
Automobiles and accessories:		
Automobile agencies and used car dealers .....	\$215,620	\$304,210
Gasoline stations, garages, etc. ....	184,285	95,880
Clothing and apparel shops .....	589,320	668,450
Drugs and toilet goods:		
Drug stores .....	50,430	56,415
Beauty parlors .....	29,983	21,370
Food products:		
Grocery stores, meat markets, etc. ....	128,011	204,880
Restaurants and eating places .....	47,630	62,040
Beverage retailers .....	17,129	19,220
Confectionery stores, etc. ....	6,465	11,950
Household goods:		
Household equipment retailers .....	112,977	108,670
Furniture stores .....	254,954	250,950
Hardware stores .....	36,618	26,940
Radio retailers .....	38,506	34,860
Department and general stores .....	437,202	395,143
Tobacco shops .....	4,814	3,090
Miscellaneous .....	239,145	241,110
<b>Total .....</b>	<b>\$2,393,089</b>	<b>\$2,505,178</b>

General retail broadcast advertising rose 4.7% as compared to the corresponding quarter of the preceding year. Gains were as follows: automotive, 41.1%; clothing, 13.4%; drugs and pharmaceuticals, 11.9%; grocery and delicatessen stores, 60.0%; restaurants, 30.3%; beverage retailers, 12.2%; confectionery stores, 84.8%; and miscellaneous retailers, 0.8%.

Decreases in the retail field were as follows: filling stations and accessory stores, 48.0%; beauty parlors, 28.7%; household equipment dealers, 3.8%; furniture stores, 1.6%; hardware dealers, 26.4%; radio retailers, 9.5%; department and general stores, 9.6%.