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BROADCAST ADVERTISING DURING THE FIRST HALF OF 1936

Principal Developments

Broadcast advertising during the first half of the current year showed an increase of 12.7% over the corresponding period of 1935. Gross time sales of the medium amounted to \$50,802,179 during the six-month period.

Advertising trends during the period were principally a continuation of those in evidence recently throughout the medium. Regional network and national non-network volume continued to show the greatest rate of growth. Radio broadcasting as a whole continued to hold its own with other major media as to percentage of increase over corresponding periods of previous years.

Local station non-network advertising volume again showed the greatest relative increase, while non-network business in the South and mid-West increased to a greater extent than that in other portions of the country.

A new trend of interest has been the marked growth of transcription volume in both the national and local fields. National transcription business showed an increase of 52.3% over the corresponding six months of 1935, while local volume increased by 41.8%. Live talent volume continued strong in both the national and local fields, while announcement business again declined.

Several trends of importance have developed as to radio advertising sponsorship. There has been a marked gain in automotive advertising throughout the entire medium. National and regional network beverage advertising increased to a considerable degree. National network and local drug advertising fell off markedly, while national non-network and regional network drug volume increased. Regional network and national non-network food advertising rose to an important degree. There were heavy declines in some of the minor national network classifications.

Broadcast Advertising Volume

Advertising volume with regard to various portions of the radio broadcasting medium during the first half of the current and preceding year is set forth in Table I.

TABLE I

TOTAL BROADCAST ADVERTISING

Class of Business	Gross Time Sales	
	1935	1936
National networks.....	\$26,120,410	\$28,181,976
Regional networks.....	465,899	644,473
National non-network.....	8,591,053	11,527,860
Local.....	9,898,610	10,447,870
Total.....	\$45,075,972	\$50,802,179

Regional network volume continued to show the greatest relative gain over the preceding year, rising 38.0%. National non-network business gained 34.1%, while local broadcast advertising, after exhibiting weakness for several months, revived sufficiently to show an increase of 5.5% over the corresponding period of last year. National network advertising gained 7.9% as compared to the first half of 1935.

Comparison with Other Media

Advertising volume by major media during the first half of 1935 and 1936 is set forth in Table II.

TABLE II

ADVERTISING BY MAJOR MEDIA

Advertising Medium	Gross Time and Space Sales	
	1935	1936
Radio broadcasting.....	\$45,075,972	\$50,802,179
National magazines ¹	67,954,820	74,756,884
National farm papers ¹	2,973,225	3,730,765
Newspapers ²	254,551,000	275,706,000
Total.....	\$370,555,017	\$404,995,828

¹ Publishers' Information Bureau.

² Estimated.

Compared to a rise of 12.7% on the part of radio broadcasting, national magazine advertising increased 10.0% as against the first six months of last year, while newspaper lineage rose 8.3%. Farm paper volume alone exceeded radio advertising in rate of increase, gaining 25.3% over the corresponding period of 1935.

Non-Network Advertising

General non-network advertising rose 18.8% as compared to the first half of the preceding year. Local station volume continued to show the greatest relative increase. Gross time sales of 100-watt stations from non-network sources rose 34.5% over the corresponding period of 1935. Regional station non-network business increased 21.6%, while that of clear channel and high powered regional stations rose 16.0%. Non-network business by power of station is found in Table III.

TABLE III

NON-NETWORK BROADCAST ADVERTISING BY POWER OF STATION

Power of Station	Gross Times Sales	
	1935	1936
Over 1,000 watts.....	\$8,808,965	\$9,864,340
250-1,000 watts.....	7,234,055	8,798,750
100 watts.....	2,446,653	3,312,640
Total.....	\$18,489,673	\$21,975,730

Non-network volume in the South and mid-West continued to show the greatest strength. Business of this type in the South Atlantic and South Central States during the first half of 1936 exceeded that of the previous year by 48.4%. North Central States non-network volume showed a gain of 24.3% over the corresponding six-month period of last year.

Non-network advertising in the Mountain and Pacific States gained 12.6%, while that in the New England-Middle Atlantic area declined 1.6%. Rising network volume still seems to be the principal explanation of the last-mentioned trend.

Non-network advertising by major geographical districts is found in Table IV.

TABLE IV
NON-NETWORK ADVERTISING BY
GEOGRAPHICAL DISTRICTS

<i>Geographical District</i>	<i>Gross Time Sales</i>	
	<i>First Half</i>	
	<i>1935</i>	<i>1936</i>
New England-Middle Atlantic Area..	\$4,887,087	\$4,802,650
South Atlantic-South Central Area..	2,900,708	4,304,570
North Central Area.....	6,975,707	8,676,930
Pacific and Mountain Area.....	3,726,171	4,191,580
Total.....	\$18,489,673	\$21,975,730

Advertising by Type of Rendition

The marked rise of electrical transcription volume in both the national and local fields has been the principal development of

interest during the period in question. Total transcription volume for the first six months of the year exceeded 1935 by 50.4%. National electrical transcription business increased 52.3% and local volume 41.8%.

National live talent business continued to show important increases and rose 37.2% as compared to the corresponding period of 1935. Local live talent volume gained 8.3%. Local record business increased 1.6%.

Of particular interest has been the continued decline of announcement volume in contrast to the rise in transcription and live talent programs. National announcement business decreased 11.2% as compared to the first half of last year, while local volume dropped off 5.8%.

Non-network advertising by type of rendition is presented in Table V.

TABLE V
NON-NETWORK BROADCASTING BY TYPE OF RENDITION

<i>Type of Rendition</i>	<i>Gross Time Sales</i>					
	<i>National Non-network</i>		<i>Local</i>		<i>Total</i>	
	<i>1935</i>	<i>1936</i>	<i>1935</i>	<i>1936</i>	<i>1935</i>	<i>1936</i>
Electrical transcriptions.....	\$2,971,754	\$4,542,695	\$833,984	\$1,181,255	\$3,805,738	\$5,723,950
Live talent programs.....	3,830,994	5,244,910	4,986,251	5,398,860	8,817,245	10,643,770
Records.....	56,924	39,340	378,217	383,780	435,141	423,120
Announcements.....	1,731,381	1,700,915	3,700,158	3,483,975	5,431,539	5,184,890
Total.....	\$8,591,053	\$11,527,860	\$9,898,610	\$10,447,870	\$18,489,663	\$21,975,730

Broadcast Advertising Sponsorship

One of the outstanding developments as to advertising sponsorship has been the marked growth of automotive advertising with regard to all portions of the medium. National network volume increased 28.6%, national non-network business 106.0%, and local automotive advertising 47.3%.

Regional network and national non-network gasoline and accessory business gained 47.3% and 34.4%, respectively. Regional network and national non-network drug advertising rose 88.3% and 21.1%, respectively, while national network and local drug volume declined 29.1% and 34.2%, respectively.

National network beverage advertising rose 38.7%, while regional network volume rose more than fourfold. With the exception of national network business, which declined 2.0%, all phases of food advertising increased to an important degree. Marked gains were experienced in national non-network radio set and tobacco advertising.

There were few declines of importance though some heavy decreases occurred in several of the less important categories of national network sponsorship. Broadcast advertising by various product and service classes is set forth in Table VI.

TABLE VI
RADIO BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS

<i>Type of Sponsoring Business</i>	<i>1936 Gross Time Sales</i>				
	<i>First Half</i>				
	<i>National Networks</i>	<i>Regional Networks</i>	<i>National Non-network</i>	<i>Local</i>	<i>Total</i>
1a. Amusements.....	—	\$325	\$56,210	\$217,150	\$273,685
1-2. Automobiles and accessories:					
1. Automobiles.....	\$2,152,900	—	1,439,050	732,645	4,324,595
2. Accessories, gas and oils.....	2,356,850	90,017	886,450	469,985	3,803,302
3. Clothing and apparel.....	191,589	2,316	232,620	1,401,300	1,827,825
4-5. Drugs and toilet goods:					
4. Drugs and pharmaceuticals.....	2,515,368	62,878	2,343,010	386,500	5,307,756
5. Toilet goods.....	5,792,116	19,770	525,030	125,870	6,462,786
6-8. Food products:					
6. Foodstuffs.....	5,296,284	183,381	2,369,020	1,392,390	9,241,075
7. Beverages.....	2,115,612	56,501	301,660	592,380	3,066,153
8. Confections.....	665,422	19,605	201,950	51,940	938,917
9-10. Household goods:					
9. Household equipment and furnishings.....	230,128	29,701	495,235	1,105,835	1,860,899
10. Soaps and kitchen supplies.....	1,809,459	38,556	499,240	52,850	2,400,105
11. Insurance and financial.....	246,532	4,194	131,400	455,700	847,826
12. Radios.....	637,575	1,328	82,770	81,000	802,673
13. Retail establishments.....	—	2,730	63,965	815,550	882,245
14. Tobacco products.....	2,262,747	55,890	340,940	44,525	2,704,102
15. Miscellaneous.....	1,909,394	77,281	1,559,310	2,522,250	6,068,235
Total.....	\$28,181,976	\$644,473	\$11,527,860	\$10,447,870	\$50,812,179

Details as to broadcast advertising trends in various fields of business are as follows:

1a. **Amusements.** National non-network volume increased 94.4% over the corresponding period of 1935, while local volume declined 19.6%. Total business decreased 7.7%.

1. **Automotive.** National network advertising in the automo-

tive field rose 28.6% as compared to the first half of last year. There was no regional network volume as compared to \$6,490 in 1935, automotive advertising always having been a minor item in the regional field. National non-network advertising increased 106.0%, while local volume rose 47.3%.

2. **Gasoline and accessories.** National network volume

gained 18.8% during the period in question as compared to the preceding year. Regional network advertising increased 47.3%, and national non-network business 34.4%. Local broadcast advertising declined 5.7%.

3. **Clothing.** National network advertising declined 28.6%, while regional non-network advertising decreased 80.0%. National non-network volume rose 30.0% and local broadcast advertising 7.7%.

4. **Drugs and pharmaceuticals.** National network drug volume decreased 29.1% as a result of the gradual discontinuance of this type of business by the networks. Local volume also decreased, dropping off 34.2%. Regional network drug volume rose 88.3%, while national non-network business increased 21.1%.

5. **Toilet goods.** National network business increased 8.0% and national non-network advertising gained 9.1%. Regional network volume declined 3.4%. Local business decreased 6.7% as compared to the corresponding period of the preceding year.

6. **Foodstuffs.** National network advertising declined 2.0% as against the first half of last year. Increases in other fields were as follows: regional networks 51.5%, national non-network 47.5%, local 13.3%.

7. **Beverages.** National network advertising rose 38.7% and regional network volume more than quadrupled. National non-network business gained 7.0%. Local beverage advertising increased 18.8%.

8. **Confectionery.** With the exception of the tripling of regional network volume, due to a rise in this type of advertising by several more important branded lines, all forms of confectionery advertising declined. National network business decreased 21.5%, national non-network volume 30.4%, and local advertising 33.0%.

9. **Household goods.** Declines of 41.5% and 46.3%, respectively, occurred in the national and regional network fields. National non-network advertising increased 26.6%, while local volume rose 2.2%.

10. **Soaps and kitchen supplies.** National network advertising in this class increased 14.1%. Regional volume more than doubled. National non-network business rose 11.1%, and local broadcast advertising gained 19.5%.

11. **Insurance and financial.** General increases occurred throughout all portions of the medium. National network business rose 7.1% and regional network volume more than tripled. National non-network business increased 19.8%, while local financial advertising rose 32.8%.

12. **Radios.** The principal increase in this field was a seven-fold rise in national non-network radio set advertising. National network business increased 12.6%, while local set advertising gained 12.5%.

13. **Department and general stores.** National non-network volume gained 24.0%, while local business decreased 4.9%. Total department store volume declined 2.8%.

14. **Tobacco products.** National network advertising gained

20.8% as against the first half of 1935. Regional network business declined 9.7%. National non-network business rose 46.3%, while local advertising increased 10.0%.

15. **Miscellaneous.** Increases in this classification were as follows: national networks 11.2%, regional networks 35.4%, national non-network 29.3%, local 6.5%.

Retail Broadcast Advertising

Broadcast advertising by various types of retail establishments gained 7.7% as compared to the corresponding period of the preceding year. Principal gains included the following: automobile dealers, 46.1%; clothing and apparel shops, 11.3%; grocery stores, meat markets, etc., 42.6%; furniture stores, 11.8%.

Significant declines were as follows: gasoline stations and accessory stores, 32.4%; drug stores, 11.9%; household equipment dealers, principally electrical household equipment, 7.1%; hardware stores, 19.1%; and department stores, 2.8%.

Broadcast advertising by retail establishments is set forth in Table VII.

TABLE VII
RETAIL BROADCAST ADVERTISING OVER
INDIVIDUAL STATIONS

Type of Sponsoring Business	Gross Time Sales	
	First Half 1935	1936
Automobiles and accessories:		
Automobile agencies and used car dealers	\$521,280	\$760,600
Gasoline stations, garages, etc. . . .	385,430	259,000
Clothing and apparel shops.	1,324,932	1,475,040
Drugs and toilet goods:		
Drug stores.	118,408	104,645
Beauty parlors.	60,413	55,500
Food products:		
Grocery stores, meat markets, etc.	278,620	398,610
Restaurants and eating places. . . .	120,995	127,080
Beverage retailers.	23,299	22,810
Confectionery stores.	11,315	17,430
Household goods:		
Household equipment dealers.	351,169	325,530
Furniture stores.	514,569	575,360
Hardware stores.	136,908	110,190
Radio retailers.	73,636	69,990
Department and general stores. . . .	907,532	881,881
Tobacco shops.	6,632	3,090
Miscellaneous.	499,195	555,140
Total.	\$5,334,333	\$5,741,896