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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		Total	
			Local			
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
Total	\$37,254,366.00	\$550,733.00	\$12,603,433.00	\$16,258,575.00	\$66,671,107.00

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%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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.