

The National Association of Broadcasters

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

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Vol. 3 - - No. 8
 FEB. 7, 1935

BROADCAST ADVERTISING IN 1934

First Comprehensive Report

The 1934 report of broadcast advertising volume makes available for the first time comprehensive data regarding all forms of radio advertising for a full calendar year. Established in July 1933, the statistical reports of the National Association of Broadcasters constitute the only source where information is available for national and local non-network and regional network advertising, in addition to the usual national network figures. The appreciation of the officers and board of the Association is extended to those stations whose cooperation has made possible the compilation and publication of these statistics.

Total Broadcast Advertising in 1934

Total broadcast advertising in 1934 amounted to \$72,887,169 and constituted a gain of 27.0% above the estimated gross time sales of the medium for the preceding year. Advertising revenues of the industry equalled, if they did not actually exceed the previous peak year of 1931, when according to estimates by the Federal Radio Commission, corrected for duplications, the total gross revenues ranged between \$70,000,000 and \$73,000,000.

The proportion of total broadcast advertising represented by national and regional networks, and by national and local non-network business is found in Table I.

TABLE I

TOTAL BROADCAST ADVERTISING (1934)

Class of Business	Gross Time Sales	
National networks.....	\$42,647,081	58.5%
Regional networks.....	717,117	.9%
National spot business.....	13,541,770	18.6%
Local broadcast advertising.....	15,981,201	22.0%
Total	\$72,887,169	100.0%

National network advertising experienced the most rapid rise of any portion of the broadcasting structure. Gross time sales by national networks exceeded the 1933 level by 35.3%, and were 9.2% greater than the volume of advertising experienced during the previous peak year of 1932. Regional network volume declined slightly during the year.

Since data regarding non-network broadcast advertising is available only following July 1933, comparisons in this field must be restricted to the last six months of the year. National non-network advertising, often referred to as national spot advertising, was 16.8% greater during the latter half of 1934 than during the same period of the preceding year.

Local broadcast advertising, on the other hand, failed to register any gains. Gross time sales of this class of business were 3.2% less during the last six months of 1934 than during the corresponding portion of 1933. Improvement occurred during the latter months of the year. Whereas local advertising was 20.4% less in July 1934 than during the same month of the previous year, monthly volume either equalled or slightly exceeded that of 1933 from September to the close of the year. Improvement in retail trade and on the part of the smaller business establishments during the coming year, should aid materially in correcting the present unfavorable local situation.

National network volume has increased in relative importance in the past several years. In 1931 broadcast advertising of this type constituted but 51.2% of total radio advertising, and since then rose to 58.5%. National non-network advertising has increased slightly in importance while the proportion of total broad-

cast advertising represented by local business declined from 26.6% during the latter half of 1933, to 22.0% during 1934.

Comparison with Other Media

With the exception of farm papers, whose advertising revenues increased 29.0%, radio broadcast advertising experienced the greatest improvement of any medium. National magazine advertising rose 21.0% during 1934 as compared with the preceding year, while newspaper advertising increased approximately 10.0%. Radio broadcasting has been the only advertising medium to exceed the level of its previous peak year.

Advertising volume of various major media for the year of 1934 is found in Table II. It should be noted that some estimates of newspaper advertising volume are slightly higher than the one presented here, the *Editor and Publisher* estimate being \$490,000,000.

TABLE II

ADVERTISING BY MAJOR MEDIA (1934)

Advertising Medium	Gross Time Sales	
Radio broadcasting.....	\$72,887,169	10.8%
National magazines ¹	116,268,492	17.1%
National farm papers.....	5,200,067	.8%
Newspapers ²	485,481,718	71.3%
Total	\$679,837,446	100.0%

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 Advertising

The proportion of total broadcast advertising represented by non-network business in 1934 was 40.6%. The distribution of this business among stations of various power and in different sections of the country is found in Tables III and IV, respectively.

TABLE III

NON-NETWORK BROADCAST ADVERTISING BY POWER OF STATION (1934)

Power of Station ¹	Gross Time Sales	
Over 1,000 watts	\$13,408,584	45.4%
250-1,000 watts	12,132,301	41.1%
100 watts	3,982,086	13.5%
Total	\$29,522,971	100.0%

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

TABLE IV

NON-NETWORK ADVERTISING BY GEOGRAPHICAL DISTRICTS (1934)

Geographical District	Gross Time Sales	
New England-Middle Atlantic Area	\$9,815,695	33.2%
South Atlantic-South Central Area	3,944,650	13.5%
North Central Area	10,822,445	36.4%
Pacific and Mountain Area	4,940,181	16.9%
Total	\$29,522,971	100.0%

The non-network business of the smaller transmitters has increased more rapidly than has that of the larger stations. Gross time sales of 100 watt stations rose 20.1%, as measured by a comparison of the last half of 1933 and 1934 respectively, while those of stations in the 250-1,000 watt class increased 17.1%. Non-network revenues of stations over 1,000 watts in power, on the other hand, decreased 9.0%. The marked rise of national network business, in turn concentrated on the larger stations, is partly responsible for this trend.

The most marked gain of the year was made by broadcast advertising in the New England-Middle Atlantic area, other districts either gaining slightly or holding their own as compared with the preceding year.

Non-Network Advertising by Type of Rendition

Non-network advertising represented by electrical transcriptions, live talent programs, announcements and records, respectively, is found in Table V.

Several trends of importance have occurred with regard to the type of rendition used by broadcast advertisers. There has been a rather marked decline in both record and announcement business. Record programs have decreased approximately 50.0% as compared with the latter half of 1933. National announcement volume has declined 34.0%, while local announcement volume experienced a drop of 28.3%. National electrical transcription volume, on the other hand, increased 12.2% as compared with the latter half of 1933, while local transcription volume dropped 24.4% for the same period.

Undoubtedly the outstanding trend in this field has been the remarkable rise in national live talent programs during the year. Business of this type increased 62.7% during the last six months of 1934 as compared to the same period of 1933. The national live talent rise has been a comparatively steady trend since the early months of 1934.

Sponsorship of Broadcast Advertising

Dollar expenditures for time on stations and networks by various classes of business and the proportion of total advertising volume represented by each class during 1934 are found in Table VI.

In the national network field convenience goods still constitute the preponderant majority of advertising volume. In 1934 the proportion of total network advertising represented by these small, low-priced articles of mass consumption was 86.0%. The rise in importance of goods of this type has been steady since the beginning of network advertising in 1927, when they constituted approximately 30.0% of the network total.

The cosmetic industry was the largest network advertiser in 1934, accounting for 24.4% of gross time sales. Foodstuffs ranked second, drugs third, gasoline and accessories fourth and beverages fifth. The rise of cosmetics from third to first and the drop of tobacco advertising from second to sixth constitute the principal trends of importance in the field of network sponsorship since 1932.

In the regional network field convenience goods represented 72.0% of total advertising volume. Gasoline and accessory advertising ranked first, largely due to Pacific Coast volume, and accounted for 31.0% of the regional total. Food advertising ranked second with 25.1% of the entire regional volume.

TABLE V
NON-NETWORK BROADCAST ADVERTISING BY TYPE OF SPONSORING
(1934)

				<i>Gross Time Sales</i>					
Electrical transcriptions.....	\$5,090,925	37.6%		\$1,308,265	8.1%	\$6,399,190		21.7%	
Live talent programs.....	5,798,723	42.8%		8,356,675	52.3%	14,155,399		47.9%	
Records.....	55,847	4.1%		407,280	2.5%	463,127		1.6%	
Spot announcements.....	2,596,275	15.5%		5,908,980	37.1%	8,505,255		28.8%	
Total.....	\$13,541,770	100.0%		\$15,981,201	100.0%	\$29,522,971		100.0%	

TABLE VI
BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS
(1934)

	<i>National Networks</i>		<i>Regional Networks</i>		<i>Gross Time Sales</i>		<i>Local</i>		<i>Total</i>	
					<i>National Spot</i>					
1a. Amusements.....	—	—	—	—	\$35,742	.3%	\$514,986	3.2%	\$550,728	.8%
1-2. Automobiles and Accessories:										
1. Automobiles.....	\$2,785,685	6.2%	\$5,853	.9%	721,743	5.3%	644,545	4.1%	4,157,826	5.7%
2. Accessories, gas and oils.....	3,827,158	8.6%	222,266	31.0%	1,287,053	9.5%	901,302	5.6%	6,237,779	8.6%
3. Clothing and apparel..	372,776	.8%	15,723	2.2%	301,563	2.2%	1,690,076	10.6%	2,380,138	3.2%
4-5. Drugs and toilet goods:										
4. Drugs and pharmaceuticals...	4,804,381	11.1%	23,922	3.2%	3,134,909	23.1%	1,012,440	6.3%	8,975,652	12.3%
5. Toilet goods.....	9,400,764	24.2%	7,883	1.1%	795,945	5.8%	305,868	1.9%	10,510,460	14.4%
6-8. Food products:										
6. Foodstuffs.....	8,450,701	20.1%	178,726	25.1%	2,778,730	20.5%	2,404,898	15.1%	13,813,055	19.0%
7. Beverages.....	3,358,805	7.5%	71,319	10.0%	517,721	3.8%	774,948	4.8%	4,722,793	6.4%
8. Confections.....	1,081,363	2.4%	9,210	1.3%	335,975	2.4%	46,514	.3%	1,473,062	2.0%
9-10. Household goods:										
9. Household equipment and furnishings.....	417,168	.9%	20,502	2.8%	535,848	3.9%	1,345,497	8.4%	2,319,015	3.2%
10. Soaps and kitchen supplies.....	2,210,178	5.1%	796	.1%	515,415	3.7%	94,403	.6%	2,820,791	3.8%
11. Insurance and financial	611,822	1.3%	21,904	3.0%	201,369	1.5%	497,758	3.1%	1,332,853	1.8%
12. Radios.....	656,090	1.4%	—	—	50,382	.4%	138,938	.9%	845,410	1.0%
13. Retail establishments.	—	—	—	—	56,256	.5%	1,295,026	8.1%	1,351,282	1.9%
14. Tobacco products.....	3,181,988	7.1%	3,835	.5%	125,544	.9%	35,853	.2%	3,347,220	4.6%
15. Miscellaneous.....	1,488,202	3.3%	135,178	18.8%	2,147,575	16.2%	4,278,149	26.8%	8,049,105	11.3%
Total.....	\$42,647,081	100.0%	\$717,117	100.0%	\$13,541,770	100.0%	\$15,981,201	100.0%	\$72,887,169	100.0%

In the national non-network field, drugs ranked first in 1934 with 23.1% of the total volume. Food ranked second, the miscellaneous group third, gasoline fourth and cosmetics fifth. The principal change in composition of national non-network advertising which occurred as compared to the latter half of the preceding year was the marked decline in cosmetic advertising.

Local advertising remained comparatively stable as to composition. The miscellaneous group still comprises the largest single category of local advertising. In 1934 it comprised 28.6% of total local volume and embraced the widest possible variety of business. It is estimated that over 200 different kinds of business advertise locally over the radio each month. In 1934 retail advertising of various types comprised 44.9% of the total local business.

Trends in Sponsorship

With very few exceptions, national network advertising increased markedly over the preceding year. The greatest gain was in the soap and kitchen supply field, where 1934 revenues exceeded those of the preceding year by 134.5%. Automotive advertising rose 107.2% as compared with the preceding year. This followed a 73.0% rise in 1933 as compared with 1932.

Other important increases included the following: Gasoline and accessories, 10.3%; drugs and pharmaceuticals, 94.3%; cosmetics, 83.3%; foodstuffs, 49.5%; confectionery, 32.5%; radio receiving sets, 60.7%; tobacco, 56.8%, and miscellaneous, 53.0%.

National network advertising declined in but four fields. These decreases were as follows: Clothing, 3.7%; beverages, 9.5%; household equipment, 54.2%, and financial advertising, 49.2%.

Regional network advertising has experienced an increasing variety of sponsorship during the year. Automotive, beverage, confectionery, household equipment and tobacco advertisers have made important use of regional network facilities during the year for what is at least the first time in some months.

Miscellaneous advertising of regional networks rose 165.0% during the latter half of 1934 as compared with the same period of the preceding year, increased political programs being the cause of this trend. Other important gains included 45.0% in gasoline and accessory advertising, 73.0% in clothing advertising, 82.0% in the drug and pharmaceutical field, 23.8% in cosmetic advertising and 34.9% in the food field. The principal decrease was in soap and kitchen supply advertising, which was almost completely eliminated from the regional field.

In the national non-network field the most spectacular rise was in the tobacco field. Gross time sales to this industry were 165.0% greater during the latter half of 1934 than during the corresponding period of 1933. Other important increases included the following: Gasoline and accessories, 2.3%; clothing, 72.6%; drugs and pharmaceuticals, 52.6%; foodstuffs, 33.7%; household equipment, 76.0%; soap and kitchen supplies, 64.7%; financial advertising, 46.2%; radio receiving set advertising, doubled; and miscellaneous, 11.2%.

The following declines occurred in the national non-network field:

Amusements, 25.0%; automotive, 31.0% cosmetics, 53.0%; beverages, 46.7%; confectionery, 54.5%; and department and retail store, 37.0%.

Increases in the local broadcast advertising field included clothing, 2.1%; cosmetics, 3.0%; beverages, 18.2%; household equipment, 17.2%; radio sets, 74.1%; and miscellaneous, 8.8%. The following fields declined: Amusements, 25.3%; automotive, 10.3%; gasoline and accessories, 7.3%; drugs and pharmaceuticals, 31.4%; foodstuffs, 12.5%; confectionery, 46.5%, soap and kitchen supplies, 58.7%; financial, 7.8%; and department stores, 13.5%. It will be noted that, for the most part, the smallest declines took place in the more important fields of local broadcast advertising. Local tobacco advertising remained unchanged in volume.

A comparison of retail advertising in 1934 with any previous period is impossible due to the fact that the retail classification was first undertaken during the late months of 1933. Retail broadcast advertising during the year just passed is found in Table VII.

TABLE VII
RETAIL BROADCAST ADVERTISING
(1934)

<i>Type of Sponsoring Business</i>	<i>Gross Time Sales</i>	
Automobiles and accessories:		
Automobile agencies and used car dealers..	\$594,400	8.3%
Gasoline stations, garages, etc.....	525,997	7.3%
Clothing and apparel shops.....	1,681,573	23.3%
Drugs and toilet goods:		
Drug stores	180,220	2.5%
Beauty parlors	59,358	.8%
Food products:		
Grocery stores, meat markets, etc.....	568,157	7.9%
Restaurants and eating places ¹	222,461	3.1%
Beverage retailers.....	11,187	.2%
Confectionery stores, etc.....	23,535	.3%
Household goods:		
Household equipment retailers ²	413,340	5.7%
Furniture stores	612,223	8.5%
Hardware stores.....	134,525	1.8%
Radio retailers	145,805	2.0%
Department and general stores.....	1,351,282	18.7%
Tobacco shops.....	8,896	.1%
Miscellaneous	650,109	9.5%
Total	\$7,183,069	100.0%

¹ Exclusive of hotels.

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