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PHILIP G. LOUCKS, Managing Director

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BROADCAST ADVERTISING: FIRST QUARTER, 1935

Developments of the Period

Broadcast advertising gained materially during the first quarter of the current year. Increased volume of the early winter was continued and added to. Total gross time sales of the medium during the first three months of the year were \$22,880,710, a gain of 19.6% over the corresponding quarter of 1934.

National network volume showed a gain of 23.9% as compared to the first three months of 1934. Other gains were as follows: regional networks, 10.4%; national non-network advertising, 10.1%; and local broadcast advertising, 13.3%. The gain in the local field is especially encouraging since, at the outset of the season, broadcast advertising of this type lagged materially behind the preceding year's level.

A comparison of gross time sales of various portions of the broadcasting structure during the first quarter of 1934 and 1935, respectively, is found in Table I.

TABLE I

TOTAL BROADCAST ADVERTISING (First Quarter)

Class of Business	Gross Time Sales	
	1934	1935
National networks.....	\$11,365,157	\$14,107,206
Regional networks.....	175,026	193,299
National non-network.....	3,664,591	4,035,182
Local	3,943,995	4,545,023
Total	\$19,148,769	\$22,880,710

The swiftly growing volume of national network advertising during the first quarter of 1934, as well as during the three preceding months, has resulted in changes in the proportion of total advertising volume represented by various parts of the medium. Whereas, during 1934, national network advertising constituted 58.5% of total gross time sales, it accounted for 61.3% of the volume of the medium during the first three months of the current year.

The proportion represented by regional networks remained comparatively unchanged, national non-network advertising dropped from 18.6% of total medium revenues to 17.3%, while local broadcast advertising declined from 22.0% to 20.6%.

Comparison with Other Media

Compared to the 19.6% gain on the part of broadcast advertising over the corresponding quarter of 1934, national magazine advertising rose 20.6%, newspaper advertising 7.8% and national farm paper advertising 6.0%. Advertising revenues for the various media during the periods under consideration are found in Table II.

TABLE II

ADVERTISING VOLUME BY MAJOR MEDIA (First Quarter)

Advertising Medium	Gross Time and Space Sales	
	1934	1935
Radio broadcasting.....	\$19,148,769	\$22,880,710
National magazines.....	25,695,372	30,968,794
National farm papers.....	1,257,590	1,333,264
Newspapers	108,743,000	117,474,000
Total	\$154,844,731	\$172,656,768

Non-network Advertising Trends

Encouragement is found for the general economic progress of broadcasting in the marked rise in advertising on local stations in the 100 watt class. Gross time sales of this group were 22.0% ahead of those for the first quarter of the preceding year. Stations of from 250 to 1,000 watts in power experienced an increase of 5.5% in non-network revenues while those over 1,000 watts in power gained 14.0%.

Non-network advertising by power of station is found in Table III.

TABLE III

NON-NETWORK ADVERTISING BY POWER OF STATION (First Quarter)

Power of Station	Gross Time Sales	
	1934	1935
Over 1,000 watts.....	\$3,593,448	\$4,186,955
250-1,000 watts.....	3,072,552	3,244,755
100 watts.....	942,586	1,148,495
Total	\$7,608,586	\$8,580,205

Marked difference existed in the rise of non-network advertising in various parts of the country. Gross time sales in the New England-Middle Atlantic area remained practically unchanged from those of the preceding year. Increased network advertising, concentrated in part in this section and reducing available time for non-network business, undoubtedly was at least partly responsible for this trend.

Non-network advertising in the South Central-South Atlantic district increased 16.3% as compared to the same period of 1934. Mid-western non-network volume rose 8.1%, and Mountain and Pacific broadcast advertising gained 42.6%. Details in this field are found in Table IV.

TABLE IV

NON-NETWORK ADVERTISING BY GEOGRAPHICAL DISTRICTS (First Quarter)

Geographical District	Gross Time Sales	
	1934	1935
New England-Middle Atlantic Area..	\$2,240,608	\$2,245,050
South Atlantic-South Central Area..	1,147,130	1,335,080
North Central Area.....	2,966,217	3,209,960
Pacific and Mountain Area.....	1,254,631	1,790,115
Total	\$7,608,586	\$8,580,205

Advertising by Types of Rendition

The trend in the non-network field by types of rendition is particularly interesting. Electrical transcription advertising fared relatively poorly in both the national and local fields. National non-network advertising of this type was 10.7% lower than during the first quarter of last year, while local transcription volume experienced a gain of but 2.0%.

The outstanding gains of the period were made in the live talent field. National non-network volume of this type rose 25.0% as compared to the first three months of 1934, while local broadcast advertising employing talent in studio programs increased 20.1%. Announcement volume rose 20.3% in the national non-network field and 7.8% in the local field. Records declined materially in national non-network advertising and increased 71.8% in the local field.

Details regarding the volume of broadcast advertising employing various types of rendition during the first quarter of the current and preceding years are found 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>Total</i>	
	<i>1934</i>	<i>1935</i>	<i>Local</i>	<i>1934</i>	<i>1934</i>	<i>1935</i>
Electrical transcriptions.....	\$1,439,825	\$1,300,745		\$334,429	\$1,774,254	\$1,642,136
Live talent programs.....	1,510,498	1,886,008		1,999,897	3,510,395	4,288,475
Records	22,910	17,666		103,789	126,699	196,143
Announcements	691,358	830,763		1,505,880	2,197,238	2,453,451
Total	\$3,664,591	\$4,035,282		\$3,943,995	\$7,608,586	\$8,580,205

A comparison of the relative proportion of various types of rendition utilized in non-network broadcasting during the first quarter of 1934 and 1935 respectively, is found in Table VI.

TABLE VI
RELATIVE PROPORTION OF VARIOUS TYPES OF RENDITION USED IN NON-NETWORK BROADCAST ADVERTISING
(First Quarter, 1934-1935)

<i>Type of Rendition</i>	<i>Percentage represented by rendition type</i>		<i>Local</i>	
	<i>National</i>	<i>Non-network</i>	<i>1934</i>	<i>1935</i>
Electrical transcriptions...	39.0%	32.1%	8.7%	7.5%
Live talent programs.....	41.3%	44.2%	50.7%	52.8%
Records	6%	4%	2.6%	3.9%
Announcements	20.1%	23.3%	38.0%	35.8%
Total	100.0%	100.0%	100.0%	100.0%

Trends in Sponsorship

The outstanding developments in the volume of broadcast advertising sponsored by different product and service groups are as follows:

National network automotive advertising increased 43.5% as compared with that of the first quarter of last year. National non-network and local volume increased only slightly in spite of the March rise, advertising of this type coming later in 1935 than it did in the preceding year.

Clothing advertising rose 80.0% in the network field, doubled in the national non-network field and rose 54.0% in the local field.

National network food advertising rose 31.7%, confectionery advertising 52.0% and soap and kitchen supply volume 62.8%. National non-network advertising in the last-mentioned field increased 78.1% as compared with the corresponding quarter of 1934.

National non-network household equipment advertising rose 47.6%, while local advertising increased 60.0% in this field. Department and general store advertising increased 58.6%.

The gross time sales of various sponsoring product and service groups during the first quarter of the current year are found in Table VII.

TABLE VII
RADIO BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS
(First Quarter, 1935)

<i>Type of Sponsoring Business</i>	<i>Gross Time Sales</i>				<i>Total</i>
	<i>National Networks</i>	<i>Regional Networks</i>	<i>National Non-network</i>	<i>Local</i>	
1a. Amusements	—	—	\$13,938	\$119,845	\$133,783
1-2. Automobiles and accessories:					
(1) Automobiles	\$1,015,043	\$6,490	239,275	193,652	1,454,460
(2) Accessories, gas and oils.....	890,824	25,288	291,365	207,218	1,414,695
3. Clothing and apparel.....	144,070	9,612	74,245	587,066	814,993
4-5. Drugs and toilet goods:					
(4) Drugs and pharmaceuticals.....	2,130,879	14,895	1,123,130	286,226	3,555,130
(5) Toilet goods.....	2,739,139	10,070	260,895	73,547	3,083,651
6-8. Food products:					
(6) Foodstuffs	2,911,488	59,646	748,090	568,823	4,288,047
(7) Beverages	836,024	5,400	91,629	207,115	1,140,168
(8) Confections	564,197	5,540	158,342	26,767	754,846
9-10. Household goods:					
(9) Household equipment and furnishings.....	198,281	10,919	154,556	435,327	799,083
(10) Soap and kitchen supplies.....	779,979	4,878	114,380	9,860	909,097
11. Insurance and financial.....	134,700	410	64,373	175,327	374,810
12. Radios	282,898	—	3,835	38,505	325,238
13. Retail establishments.....	—	—	16,470	420,732	437,202
14. Tobacco products.....	939,434	9,410	60,732	10,585	1,020,161
15. Miscellaneous	540,250	30,741	619,927	1,184,428	2,375,346
Total	\$14,107,206	\$193,299	\$4,035,182	\$4,545,023	\$22,880,710

A detailed analysis of the trends in these various fields is as follows:

1a. *Amusements.* A very slight increase over the same period of last year.

1. *Automotive.* National network volume showed an increase of 43.5% over the first quarter of 1934. Regional networks advertising gained slightly, national non-network advertising rose 5.3%, and local advertising increased 5.2%.

2. *Gasoline and accessories.* Network volume declined 6.6%. National non-network advertising rose 1.8%, and local dropped 8.0%.

3. *Clothing.* National network advertising rose 80.0%, regional volume tripled, national non-network advertising doubled, and local advertising increased 54.0%.

4. *Drugs and pharmaceuticals.* National network advertising dropped 11.8%, regional volume doubled, national non-network volume gained 25.6%, and local advertising decreased 25.2%.

5. *Toilet goods.* National network advertising increased 14.5%, national non-network rose 10.7%, and local broadcast advertising dropped 14.4%. The regional network advertising in this field is new.

6. *Foodstuffs.* Network advertising increased 31.7%, regional network advertising 22.0%, and national non-network volume 2.0%.

Local broadcast advertising dropped 19.1% as compared with the same period of 1934.

7. *Beverages.* National network volume remained practically unchanged, with national non-network advertising declining 14.8% and local volume gaining 5.0%.

8. *Confectionery.* Network advertising increased 52.0%. Regional network advertising in this field increased very materially. National non-network advertising dropped 15.0%, and local broadcast advertising tripled.

9. *Household equipment.* Network volume increased 13.8%. Regional network advertising again was new. National non-network advertising rose 47.6%, and local volume rose 60.0%.

10. *Soap and kitchen supplies.* National networks increased their advertising in this field by 62.8% and national non-network volume rose 78.1%. Local advertising declined materially. Regional volume again constitutes a new sponsor for this field as far as any marked quantity is concerned.

11. *Insurance and financial.* There was a slight increase in national network volume. National non-network advertising rose 42.2%, and local 48.3%.

12. *Radio.* National network volume more than doubled, with local increasing practically to the same degree.

13. *Department and general stores.* Advertising of this type rose 58.6% as compared with the first quarter of 1934.

14. *Tobacco products.* National network advertising decreased 24.6%. Regional network advertising rose materially, while national non-network advertising tripled.

15. *Miscellaneous.* Network volume rose 38.7%, and local advertising increased 19.1%. National non-network advertising dropped 20.3%.

Retail Advertising

General retail advertising gained 48.5% as compared with the same quarter of 1934. Principal gains were as follows: automobile dealer advertising, 21.8%; gasoline and accessories more than

doubled; clothing stores, 50.1%; household equipment retailers, 35.5%; furniture stores, 86.0%; and hardware store advertising more than doubled. Retail advertising during the first quarter of the current year is found in Table VIII.

TABLE VIII
RETAIL RADIO ADVERTISING OVER
INDIVIDUAL STATIONS
(First Quarter, 1935)

<i>Type of Sponsoring Business</i>	<i>Gross Time Sales</i>
Automobiles and accessories:	
Automobile agencies and used car dealers.....	\$215,620
Gasoline stations, garages, etc.....	184,285
Clothing and apparel shops.....	589,320
Drugs and toilet goods:	
Drug stores	50,430
Beauty parlors.....	29,983
Food products:	
Grocery stores, meat markets, etc.....	128,011
Restaurants and eating places.....	47,630
Beverage retailers	17,129
Confectionery stores.....	6,465
Household goods:	
Household equipment retailers.....	112,977
Furniture stores.....	254,954
Hardware stores.....	36,618
Radio retailers.....	38,506
Department and general stores.....	437,202
Tobacco shops.....	4,814
Miscellaneous	239,145
Total	\$2,393,089