

The National Association of Broadcasters

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BROADCAST ADVERTISING DURING THE FIRST HALF OF 1934

Principal Developments

Broadcast advertising during the first half of the current year showed a gain of 17.9% as compared to the corresponding period of 1934. Important gains were recorded by all phases of the medium, with regional networks making an especially strong showing. Radio as a whole fared better than any major medium during the period.

Non-network advertising increased on all sizes of stations. The largest gain in non-network volume occurred in the Southern states where volume rose 32.1% as compared with the first half of the previous year.

A gain of 26.7% in national non-network live talent volume, and a decline of 2.4% in national transcription business were the principal developments of importance in the rendition field.

Specialty and shopping goods advertising showed important increases during the period, with automotive, clothing and housefurnishing volume showing marked gains. In the convenience goods field, soap and kitchen supply advertising increased materially in the national and regional network and national non-network fields. Tobacco advertising showed most important gains in the regional network and national non-network fields.

General retail advertising experienced an increase of 50.3% as compared with the corresponding six months of the preceding year. Department store volume rose 41.7%. Automobile dealer advertising and that of clothing stores and similar shops and housefurnishing retailers showed the most important increases.

Broadcast Advertising Volume

Broadcast advertising volume over various portions of the medium during the first half of the current year is found in Table I.

TABLE I
TOTAL BROADCAST ADVERTISING
(First Half)

Class of business	Gross Time Sales	
	1934	1935
National networks	\$21,998,866	\$26,120,410
Regional networks	317,251	465,899
National non-network	7,610,864	8,591,053
Local	8,294,499	9,898,610
Total	\$38,221,480	\$45,075,972

The greatest relative gain experienced by any portion of the medium, as compared with the corresponding period of 1934, occurred in the regional network field where volume rose 47.0%. National network advertising increased 18.2%, national non-network business 13.2% and local broadcast advertising 19.3%.

Comparison with Other Media

Radio broadcast advertising showed the greatest improvement in volume of any major medium during the period under consideration. As contrasted to a gain of 17.9% on the part of radio, national magazine advertising increased 10.7%, national farm paper volume 3.5% and newspaper advertising 5.0%.

Details regarding major media are found in Table II.

TABLE II
ADVERTISING BY MAJOR MEDIA
(First Half)

Advertising Medium	Gross Time and Space Sales	
	1934	1935
Radio broadcasting	\$38,221,480	\$45,075,972
National magazines	61,409,805	67,954,820
National farm papers	2,870,927	2,973,225
Newspapers ¹	242,535,000	254,551,000
Total	\$345,037,212	\$370,555,017

¹ Estimated.

Non-network Advertising

Non-network advertising, national and local combined, increased 16.1% as against the same period of 1934. Non-network volume placed over stations of more than 1,000 watts in power rose 18.9%. Volume over stations of between 250 and 1,000 watts increased 12.6% and that of 100 watt stations experienced a gain of 17.7%. Non-network volume by various power groups is shown in Table III.

TABLE III
NON-NETWORK ADVERTISING BY POWER OF STATION
(First Half)

Power of Station	Gross Time Sales	
	1934	1935
Over 1,000 watts	\$7,404,648	\$8,808,965
250-1,000 watts	6,426,929	7,234,055
100 watts	2,073,786	2,446,653
Total	\$15,905,363	\$18,489,673

Viewed from the geographical angle, non-network advertising in the South Atlantic-South Central area showed the greatest gains. Non-network volume in this region experienced a gain of 32.1% over the corresponding period of 1934. Advertising in the North Central states rose 15.1% and 8.6% in the Pacific and Mountain area. Non-network business declined 6.8% in the New England-Middle Atlantic area, probably due in part to increased network volume.

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

TABLE IV
NON-NETWORK ADVERTISING BY GEOGRAPHICAL DISTRICTS
(First Half)

Geographical District	Gross Time Sales	
	1934	1935
New England-Middle Atlantic Area	\$5,250,501	\$4,887,087
South Atlantic-South Central Area	2,195,123	2,900,708
North Central Area	6,051,911	6,975,707
Pacific and Mountain Area	2,407,828	3,726,171
Total	\$15,905,363	\$18,489,673

Advertising by Types of Rendition

The growing use of live talent programs, produced in station studios, by national advertisers has been the principal development of interest in the national non-network field. Volume of this type of advertising has increased 26.7% as compared with

the first half of last year. Transcription volume, on the other hand, has fallen off by 2.4%. Recorded programs, using regular phonograph records, increased 42.5% but constitute an unimportant portion of national business. Announcement volume increased 17.6%.

In the local field, transcription volume rose 15.2%, live talent business 18.4% and announcements 25.2%. Record volume dropped 30.0%.

The result of these trends has been to materially change the relative importance of various forms of rendition in the national field. Transcription volume has declined from 40.0% of total national business to 34.6% while live talent business has increased from 39.7% to 44.7%. The structure of local advertising rendition has remained comparatively static.

Details regarding broadcast advertising by types of rendition are found in Tables V and VI.

TABLE V
NON-NETWORK BROADCASTING BY TYPE OF RENDITION
(First Half)

<i>Type of Rendition</i>	<i>National Non-network</i>		<i>Local</i>		<i>Gross Time Sales</i>		<i>Total</i>
	<i>1934</i>	<i>1935</i>	<i>1934</i>	<i>1935</i>	<i>1934</i>	<i>1935</i>	
Electrical transcriptions	\$3,044,571	\$2,971,754	\$723,548	\$833,984	\$3,768,119	\$3,805,738	
Live talent programs	3,029,315	3,830,994	4,210,888	4,986,251	7,240,203	8,817,245	
Records	39,512	56,924	221,955	378,217	261,467	435,151	
Announcements	1,497,466	1,731,381	3,138,108	3,700,158	4,635,574	5,431,539	
Total	\$7,610,864	\$8,591,053	\$8,294,499	\$9,898,610	\$15,905,363	\$18,489,673	

TABLE VI
RELATIVE PROPORTION OF VARIOUS TYPES
OF RENDITION USED IN NON-NETWORK
BROADCAST ADVERTISING
(First Half)

<i>Type of Rendition</i>	<i>Percentage represented by rendition type</i>			
	<i>National Non-network</i>		<i>Local</i>	
	<i>1934</i>	<i>1935</i>	<i>1934</i>	<i>1935</i>
Electrical transcriptions	40.0%	34.6%	8.7%	8.5%
Live talent programs	39.7%	44.7%	50.7%	50.4%
Records5%	.7%	2.7%	3.8%
Announcements	19.8%	20.0%	37.9%	37.3%
Total	100.0%	100.0%	100.0%	100.0%

Broadcast Advertising Sponsorship

Principal developments in this regard during the first half of the current year have been an increase in all forms of automotive advertising; a rise in national network, regional network and local clothing advertising; an increase in all forms of house-furnishing volume and in national and regional network and national non-network soap and kitchen supply advertising; a most marked increase in national non-network and regional network tobacco advertising, and some gains in national and regional network confectionery advertising.

Volume of advertising placed by various types of sponsors is found in Table VII.

TABLE VII
RADIO BROADCAST ADVERTISING BY TYPE OF SPONSORING BUSINESS
(First Half)

<i>Type of Sponsoring Business</i>	<i>National Networks</i>	<i>1935 Gross Time Sales</i>			<i>Total</i>
		<i>Regional Networks</i>	<i>National Non-network</i>	<i>Local</i>	
1a. Amusements	—	—	\$28,840	\$268,555	\$297,395
1-2. Automobiles and accessories:					
(1) Automobiles	\$1,667,287	\$6,490	697,043	496,951	2,867,771
(2) Accessories, gas and oils	1,983,275	61,565	659,203	498,408	3,202,260
3. Clothing and apparel	268,758	25,051	163,600	1,301,051	1,758,460
4-5. Drugs and toilet goods:					
(4) Drugs and pharmaceuticals	3,546,961	33,401	1,936,110	588,589	6,105,061
(5) Toilet goods	5,359,048	20,450	480,631	135,140	5,995,269
6-8. Food products:					
(6) Foodstuffs	5,406,082	121,546	1,597,768	1,229,151	8,354,547
(7) Beverages	1,535,216	9,924	281,482	497,737	2,324,359
(8) Confections	842,117	6,640	294,778	77,522	1,221,057
9-10. Household goods:					
(9) Household equipment and furnishings	391,658	44,456	391,401	1,082,764	1,910,279
(10) Soap and kitchen supplies	1,583,371	16,883	449,636	44,078	2,093,968
11. Insurance and financial	229,992	1,338	109,584	343,917	684,831
12. Radios	540,163	—	11,675	71,883	623,721
13. Retail establishments	—	—	49,615	857,917	907,532
14. Tobacco products	1,867,050	61,213	232,795	40,926	2,201,984
15. Miscellaneous	899,432	56,943	1,207,072	2,364,031	4,527,478
Total	\$26,120,410	\$465,899	\$8,591,053	\$9,898,610	\$45,075,972

A detailed analysis of the trends in the various field of sponsorship is as follows:

1a. *Amusements.* National network volume experienced a gain of 45.0% as compared to the first six months of 1934 while local advertising declined 3.0%. Gains and losses offset each with total volume remaining comparatively unchanged.

1. *Automotive.* National network volume increased 26.0% during the period under consideration. Regional network advertising

rose 22.6%, national non-network business 32.5% and local broadcast advertising 42.3%.

2. *Gasoline and accessories.* National network volume increased 2.5% as compared with the same period of last year. Regional network advertising declined 50.0%. National non-network business rose 11.2% while local volume increased but 1.4%.

3. *Clothing.* Marked gains occurred in this field. National network advertising increased 57.6%, regional network volume in-

creased nearly five times the amount during the first half of last year, national non-network volume rose 18.6% and local advertising 56.2%.

4. *Drugs and pharmaceuticals.* National network volume gained 11.0% as compared with the first half of last year. Regional network advertising increased 13.3%, national non-network business 13.6% and local advertising 16.1%.

5. *Toilet goods.* National network business rose 10.0% during the period as compared with the corresponding months of 1934. Regional network advertising increased from \$450 to \$20,450. National non-network business dropped off by 3.6% and local advertising decreased 23.0%.

6. *Foodstuffs.* National network volume alone gained, rising 22.4%. National non-network advertising fell off by 2.0%, local broadcast advertising by 9.0% and regional network business by 50.0%.

7. *Beverages.* Local advertising was the only field to show increases, rising 10.0%. National network volume declined 20.0%, regional network business 74.5% and national non-network business 2.8%.

8. *Confectionery.* Marked gains occurred in practically all fields. National network business increased 40.6%, regional network advertising rose nearly four-fold, national non-network advertising increased 13.0% and local broadcast advertising more than tripled.

9. *Household equipment.* Important increases also occurred in all fields in this instance. National network advertising increased 24.6%, regional advertising rose nearly six-fold, national non-network volume gained 36.2% and local advertising 55.3%.

10. *Soaps and kitchen supplies.* This field also showed important gains as compared with the corresponding six months of 1934. National network advertising rose 47.0%. Regional volume, of which there was none last year for the period, developed to \$16,883. National non-network volume increased by more than 100%. Local advertising, a minor factor in this field, declined 24.8%.

11. *Insurance and financial.* Regional network advertising increased five-fold. National non-network volume rose 14.6% and local advertising 30.0%. National network advertising declined 40.7%.

12. *Radio.* National network volume more than doubled, while local advertising increased 58.7%. National non-network advertising declined 32.3%.

13. *Department and general stores.* National non-network advertising, principally mail order department stores with branches in various cities, increased 72.0%. Local department and general store advertising rose 40.1%.

14. *Tobacco products.* National network advertising increased 10.8%. Regional network volume developed from nothing to

\$61,223, and national non-network advertising from \$25,549 to \$232,795. Local advertising more than doubled.

15. *Miscellaneous.* National network volume increased 17.0%, regional network advertising 37.0%, national non-network business 22.7% and local broadcast advertising 12.3%.

Retail Broadcast Advertising

General retail advertising increased 50.3% as compared to the preceding period. Gains were recorded in all fields except food. Increases were as follows: automotive, 60.0%; gasoline and accessory retailers, 41.0%; clothing and apparel shops, 71.2%; drug stores, 38.8%; beauty parlors, 116.0%; restaurants, 2.5%; household equipment retailers, 46.2%; furniture stores, 73.6%; hardware stores, 110.7%; radio retailers, 30.0%; department stores, 41.7%; tobacco shops, 37.0%, and miscellaneous, 61.3%. Grocery stores declined 17.8% and confectionery shops, 15.3%. Retail broadcast advertising volume is found in Table VIII.

TABLE VIII
RETAIL BROADCAST ADVERTISING OVER
INDIVIDUAL STATIONS
(First Half)

<i>Type of Sponsoring Business</i>	<i>Gross Time Sales</i>	
	1934	1935
Automobiles and accessories:		
Automobile agencies and used car dealers	\$326,207	\$521,280
Gasoline stations, garages, etc.....	227,216	385,430
Clothing and apparel shops.....	794,753	1,324,932
Drugs and toilet goods:		
Drug stores	85,127	118,408
Beauty parlors	27,972	60,413
Food products:		
Grocery stores, meat markets, etc.....	340,155	278,620
Restaurants and eating places.....	117,705	120,995
Beverage retailers	5,043	23,299
Confectionery stores	13,413	11,315
Household goods:		
Household equipment dealers.....	240,428	351,169
Furniture stores	294,143	514,569
Hardware stores	64,842	136,908
Radio retailers	56,472	73,636
Department and general stores.....	641,296	907,532
Tobacco shops	4,769	6,632
Miscellaneous	309,114	499,195
Total	\$3,545,565	\$5,334,333