

TABLE II
RADIO NET TIME SALES—1935-1949

Year	Class of Business		National Network		Regional Network		Local		Total	
	Network	Increase over previous year %	Network	Increase over previous year %	Network	Increase over previous year %	Network	Increase over previous year %	Network	Increase over previous year %
1935 ¹	\$39,737,887	....	.....	....	\$13,805,200	....	\$26,074,476	....	\$79,617,543	....
1936 ²	.....	....	.....	....	.....	....	.....	....	.....	....
1937	56,192,395	41.4	2,354,047	.....	23,117,136	67.4	35,745,394	37.1	117,908,973	48.1
1938	56,612,925	0.7	.....	.....	28,109,185	21.6	32,657,348	(-8.7)	117,379,459	0.6
1939	62,621,689	10.6	.....	.....	30,030,563	6.8	37,315,774	14.2	129,968,026	10.7
1940*	71,919,428	13.1	1,869,583	.....	37,140,444	23.8	44,756,792	20.0	155,636,247	20.5
1941	79,621,534	10.7	2,752,073	47.2	45,681,959	23.0	51,697,651	15.5	179,753,217	15.4
1942	81,744,396	2.7	3,444,581	25.2	51,059,159	11.8	53,898,916	4.2	190,147,052	5.8
1943	89,389,177	21.6	6,256,508	81.6	59,352,170	16.2	64,104,309	18.9	228,102,164	20.0
1944	121,757,135	22.5	7,612,366	21.7	73,312,899	23.5	84,960,347	29.3	287,642,747	26.1
1945	125,671,834	3.2	8,301,702	9.1	76,696,468	4.6	99,814,042	17.5	310,484,046	7.9
1946	126,737,727	0.8	8,043,381	-3.1	82,917,505	8.1	116,380,301	16.6	334,078,914	7.6
1947	127,713,942	0.8	7,012,689	-12.8	91,581,241	10.4	147,778,814	27.0	374,085,686	12.0
1948	133,723,098	4.5	7,329,255	4.3	104,759,761	14.4	170,908,165	15.6	416,720,279	11.4
1949 [†]	127,590,000	-4.6	7,500,000	2.3	112,000,000	7.0	181,900,000	6.4	428,990,000	3.0

¹ Nation-wide and regional networks combined.
² Data not available.

* Figures prior to this date not comparable in all categories.
[†] 1949 figures estimated.

Local advertising's 6.4% gain is remarkable, even though it is a smaller gain than that reported in 1948 for this type of advertising. Small businessmen, who use local advertising extensively, are prone to shave slim advertising budgets drastically at any sign of economic down-turn. Instead, in 1949, local advertising surpassed its record of \$171 million in 1948, by about \$11 million.

Network advertising showed its first decline in 1949. After a bad summer, in which time sales dropped to 10% below the 1948 level, the networks rallied in the fall to gain some of the lost revenue back. Nevertheless, it is estimated that network revenues dropped about 4.6% during the year.

Network time sales have never shown astounding gains or losses, and have increased steadily to a peak of \$133 million in 1948. The 1949 total is estimated to be about equal to the 1947 figure.

Estimates of network receipts are based on net time sales less certain duplications inherent in network operations but which are not usually determined until publication of FCC data later in the year.

Regional network revenues show a slight rise in 1949, to reach an estimated \$7,500,000. This figure includes revenues of some of the miscellaneous football and baseball networks. Regional networks have not returned to their peak of \$8,300,000 reached in 1945, but have added a million dollars in revenue since the postwar low of \$6,600,000 reached in 1947.

Local advertising accounted for 42.2% of the total net time sales of broadcasters in 1949. It was an increase of 1.1% in this respect. Spot advertising is coming close to

TABLE III
ESTIMATED GROSS BILLINGS—1949

Class of Business	Estimated Gross Billings
National Network	\$192,500,000
Regional & Miscellaneous Network	10,100,000
National Non-Network	160,000,000
Local	274,600,000
Total	\$637,200,000

TABLE IV
ESTIMATED RADIO GROSS BILLINGS
1927-1949
(000's omitted)

Year	National network	Others	Total
1927	53,833	\$987	\$4,820
1928	10,227	3,873	14,100
1929	19,196	7,604	26,800
1930	27,694	12,806	40,500
1931	37,502	18,498	56,000
1932	39,107	22,793	61,900
1933	31,516	25,484	57,000
1934	42,659	30,228	72,887
1935	49,315	33,209	87,524
1936	59,671	47,880	107,551
1937	68,828	75,314	144,142
1938	71,728	78,390	150,118
1939	83,114	88,000	171,114
1940	96,456	123,344	219,800
1941	106,900	154,274	261,174
1942	118,200	167,280	285,480
1943	151,791	200,499	352,290
1944	190,677	256,033	446,710
1945	190,747	288,563	479,310
1946	193,010	319,400	512,410
1947	190,930	364,470	555,400
1948	198,996	417,600	616,500
1949	192,500	444,700	637,200

network as a percentage of the total radio revenues. Spot advertising total of \$112 million is about 26.2% of the total net revenues from time sales.

Network revenues as a percent of the total revenues were down in 1949 by about 2.3%.

With television in the picture it is hard to estimate future trends within the broadcasting medium itself, but it is thought that spot revenues will go right on increasing within the next few years. Spot has shown a rapid post-war rise in popularity among advertisers, and there is nothing in the broadcasting picture which would indicate that this trend would be halted in the immediate future.

FM has troubles. Yet, it is gaining slowly year by year as a revenue source. Some successful FM stations in both rural and metropolitan areas have managed to keep well above water in 1949. Total FM revenues would fall between \$6 and 7.5 million, according to most experts. It is difficult to gain any insight into the FM revenue picture without having a complete division of revenues where AM and FM stations are op-

erated in conjunction with each other. Of course many AM-FM stations sell FM as a bonus to AM broadcasting. With these difficulties present, any time sales figure is a very rough estimate.

Radio Gross Billings
(Tables III and IV)

Estimated gross billings for radio advertising time in 1949 were \$637,200,000. Gross billings represent radio advertising volume at the one time rate, and therefore are of limited value in comparing radio advertising volume with other media. Discount structures vary greatly from medium to medium and comparisons of gross billings by no means accurately reflect media positions or trends.

Estimated gross billings for 1949 are given in Table III and network billings for 1927-49 are given in Table IV.

Comparison With Other Media

Ten-month figures for newspaper advertising show that newspaper advertising increased 2% over the same period in 1948. This increase

is far below the 1948 increase of 13%.

Among the various classes of newspaper advertising, automotive advertising was the biggest gainer, showing a 27.8% increase over the previous year. Minor gains were shown in other categories of newspaper advertising, notably classified advertising, 7.6%; and general advertising, which increased 6%.

No type of newspaper advertising showed a loss compared to the same ten-month period in the previous year. In most categories, however, the gains were minor over 1948.

These figures are from Media Records Inc.'s 52-city summary of newspaper advertising lineage.

General magazine advertising dropped off about 3%, farm paper advertising remained nearly the same as in 1948 and Sunday magazine space sales showed a modest increase.

These ten-month trends are shown in reports from Publishers Information Bureau.

Network Advertising by Class of Product (Table V)

There was no significant change in the spread of the network advertising dollar by product groups from 1948 to 1949. On the basis of a PIB report for the first ten months of 1949, the figures in Table V are estimated for the year 1949.

Note that the table shows the new categories of product groups adopted by PIB two years ago, expanding the total number of groups from 21 to 29. The new classification allows for a more careful distinction between some of the major advertisers. Drug and Toilet Goods advertising, which was formerly in one category, is now separated into two groups, one for Drugs and Remedies, the other for Toiletries of all kinds.

Food products lead the list among network radio advertisers. Nearly one fourth (23.8%) of all

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TABLE V

Product Groups	1948		1949	
	Gross Billings	%* Total	Est. Gross Billings	%* Total
1 Agriculture & Farming	1,531,531	.8	1,540,000	.8
2 Apparel, Footwear & Access	1,431,589	.7	1,350,000	.7
3 Automotive, Automotive Equip. & Access.	7,696,776	3.9	6,930,000	3.6
4 Aviation, Aviation Access & Equip.	.....	.....	.....	.....
5 Beer, Wine & Liquor	1,116,697	.6	1,550,000	.6
6 Building Material, Equipment & Fixtures	988,686	.5	770,000	.4
7 Confectionary & Soft Drinks	7,655,484	3.8	7,500,000	3.9
8 Consumer Service	2,549,586	1.3	2,310,000	1.2
9 Drugs & Remedies	22,566,488	11.3	22,140,000	11.5
10 Entertainment & Amusements	5,215	.....	.....	.....
11 Food & Food Products	47,208,282	23.7	45,800,000	23.8
12 Gasoline, Lubricants & Other Fuels	5,969,057	3.0	5,582,000	2.9
13 Horticulture	98,946	.1	.....	.....
14 Household Equip. & Supplies	3,626,306	4.3	8,280,000	4.3
15 Household Furnishings	1,331,640	.7	1,350,000	.7
16 Industrial Materials	1,747,826	.9	1,540,000	.8
17 Insurance	4,238,745	2.1	4,040,000	2.1
18 Jewelry, Optical Goods & Cameras	1,201,942	.6	960,000	.5
19 Office Equipment, Writing Supplies & Stationery	2,317,072	1.2	2,310,000	1.2
20 Political	1,213,282	.6	1,550,000	.6
21 Publishing & Media	1,450,097	.7	1,540,000	.8
22 Radios, Phonographs, Musical Instruments & Access.	1,560,098	.8	1,540,000	.8
23 Retail Stores & Shops	.....	.....	.....	.....
24 Smoking Materials	20,323,300	10.2	19,635,000	10.2
25 Soaps, Cleansers & Polishers	20,787,870	10.4	19,830,000	10.3
26 Sporting Goods & Toys	81,469	.1	.....	.....
27 Toiletries	32,145,225	16.1	31,380,500	16.3
28 Transportation, Travel & Resorts	333,616	.2	190,500	.1
29 Miscellaneous	2,836,308	1.4	2,850,000	1.6
TOTAL	198,995,742		192,500,000	

* % will not necessarily add to 100 because of rounding.