

Analysis

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network advertising is bought by food and food products manufacturers.

This type of advertising showed a slight dollar drop, but as a percent of total network business, it gained a tenth of a percent.

Toiletries accounted for another 16.3% of the total network gross billings. Last year Toiletries ac-

counted for just 16.1% of the total. Here again, though, there was a slight drop in dollar volume from the previous year.

Drug advertising is estimated to be about \$400,000 off its 1948 total, accounting for about 11.5% of the total gross network time sales. This compares with 11.3% for 1948.

Tobacco advertising accounted for 10.2% of the total, compared with the same amount in 1948; and Soap, Cleaners and Polishes

dropped dollarwise from \$20.7 million to \$19.8 estimated, and as a result declined in percent of total from 10.4% to 10.3%.

Auto advertising on the networks dropped from \$7.6 million in 1948 to an estimated \$6.9 million in 1949. Some of this loss is thought to be the result of higher national spot usage among the automobile advertisers.

Confectionery and soft drink advertising remained relatively constant from 1948 to 1949. As a per-

cent of total network business, this group dropped off fractionally.

Considering the network advertising picture as a whole, it can be seen that the five top product groups—food advertising, toiletries, drugs, soap cleaners and polishes, and tobacco advertising—taken together accounted for 72.1% of all network time sales.

In 1948, these same product groups were responsible for an even larger share of the total network revenues—74.3%.

Radio's Payroll and Operating Costs

INCREASE of 17% in employment during a one-year period was shown by the FCC's latest tabulations. The figures cover a sample work week in October 1948 compared with a sample week for the

same month in 1947.

The FCC reported figures covering 1,618 AM stations, four nationwide networks and three regional networks, who employed 39,572 persons fulltime.

During the year aggregate week-

ly payrolls rose about 20%, or from \$2,508,000 in 1947 to \$3,003,111 in 1948. The average weekly pay was \$71.22 in the 1948 week compared to \$72.40 the previous year. Total work hours averaged 40.27 in 1948 compared to 39.4

hours in 1947. These figures do not include hours of work for executives because data were not reported.

At networks and their key stations average weekly pay was (Continued on page 536)

WHERE DO YOUR BROADCAST DOLLARS GO? By Class of Station Income As Analyzed by NAB

A. Broadcast Revenue = 100%; major items of operating expense and profit margin (before taxes) shown as percent of revenue for each class of station income.

	Below \$50,000	\$50,000 to \$75,000	\$75,000 to \$100,000	\$100,000 to \$125,000	\$125,000 to \$150,000	\$150,000 to \$200,000	\$200,000 to \$350,000	\$350,000 to \$1,000,000	Over \$1,000,000
Total Broadcast Revenue	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total Operating Expenses	88.70	86.67	85.05	83.65	83.47	85.19	81.45	76.02	74.00
Miscellaneous Expenses	17.83	17.28	14.59	13.98	12.43	12.29	13.20	11.48	11.46
Other Administrative Expenses	13.07	11.37	12.32	11.83	13.09	12.45	10.87	10.79	10.40
Depreciation	5.17	4.52	5.13	4.42	3.59	5.01	4.32	3.38	3.07
Professional Services	.99	1.15	1.07	1.49	1.76	1.29	1.06	1.21	1.09
Administrative Salaries	10.89	11.26	11.62	12.54	12.88	12.87	11.86	8.33	7.11
Other Selling Expenses	2.32	2.53	2.84	3.91	3.15	4.45	4.42	5.87	6.49
Sales Salaries	7.68	7.82	8.38	8.91	7.49	8.67	7.38	5.05	3.44
Talent	1.48	1.61	1.94	2.74	3.41	2.96	3.48	9.88	12.74
Program Salaries	16.48	15.68	15.02	13.16	14.04	15.52	13.70	10.28	8.72
Technical Salaries	12.79	13.47	12.14	10.67	11.65	9.68	10.56	9.75	9.48

Sherman & Marquette

ADVERTISING



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