

RADIO

AS AN ADVERTISING MEDIUM



POLICYHOLDERS SERVICE BUREAU
METROPOLITAN LIFE
INSURANCE COMPANY
HOME OFFICE—NEW YORK

Pacific Coast Head Office - San Francisco
British Isles Head Office - - - - - London
Canadian Head Office - - - - - Ottawa

FOREWORD

IN RESPONSE to requests from numerous institutions, among them many that are not policyholders of the Metropolitan Life Insurance Company, the following survey of radio as an advertising medium was made.

In presenting it to advertisers and others interested in the subject, this Company requests that it be regarded as simply a collation and study of the best experiences and thought obtainable on the subject, and as being unopinionated, from the Metropolitan viewpoint, in every sense of the word.

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METROPOLITAN LIFE INSURANCE COMPANY



R A D I O

AS AN

ADVERTISING MEDIUM

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RADIO as an advertising medium



I. THE RADIO AUDIENCE

THE ACCEPTANCE of radio by the American people and the willingness of American business firms to provide entertainment in this form has brought about a rapid growth in the radio audience. The number of radio sets in use in the United States, estimated to be 60,000 in 1922, had increased to approximately 9,000,000* at the beginning of 1929, indicating that radio programs and radio advertising are being carried into one-third of the homes of the country. From a few dozen business firms sponsoring radio broadcasting during the first years of this decade, the number has grown until, in 1928, more than 200 companies employed the facilities of the two major systems, and a much greater number were using one or more individual stations.

RADIO CIRCULATION

RADIO CIRCULATION is admittedly difficult to measure. No Audit Bureau of Circulation exists in this field; hence the radio space buyer lacks the data, as to auditors, that are available to advertisers who appeal to readers. Sufficient data have been accumulated, however, through the experiences of radio adver-

*The figure 9,000,000 is generally regarded as very conservative; other estimates range up to 12,000,000. The state-by-state distribution of radio sets given on page 7 is based upon a figure of 9,250,000 for the entire country.

tisers and as a result of numerous investigations, to remove much of the uncertainty which characterized the pioneer days of radio advertising.

A study of radio broadcasting made early in 1928 by Dr. DANIEL STARCH, merchandising consultant, revealed much that was informative as to the characteristics of radio circulation. This study was based on personal interviews with an adult member of 17,099 families in the United States. The interviews were distributed geographically, by urban and rural population, and by the occupation of the head of the family in order to yield a representative cross-section of the United States, east of the Rocky Mountains.

SUMMARY OF THE STUDY

Number of Radio Families—The total number of radio families in the United States was estimated as being 9,640,348 (April 1, 1928) and the total radio audience as being approximately 41,000,000. The percentage of families in each population group having radio sets was estimated to be:

| | |
|--------------------------|-----------------|
| Larger cities | 37.16 per cent. |
| Smaller cities | 41.17 per cent. |
| Rural towns | 31.76 per cent. |
| Farms | 28.81 per cent. |

Time Element in Ownership—Over 59 per cent. of the radio families were reported to



have possessed their receiving sets less than two years. Only a little more than 3 per cent. have had their sets more than five years. The average length of time for all families was one year and eight months.

Number of Tubes in Sets—Over 65 per cent. of the total number of radio families interviewed had five or six tube sets. Only a little over 8 per cent. had over six tubes. Approximately 3 per cent. had crystal sets. In respect to the number of tubes in the set, there were no important differences among cities, towns or farms.

Frequency of Use—Over 80 per cent. of the total number of radio families interviewed said that they were in the habit of using their sets daily.

The majority tuned in between the hours of 7 and 11 P.M. The maximum audience was developed between the hours of 8 and 10 P.M. The noon hour 12 to 1 and from 6 to 7 P.M. were nearly equal in number of listeners. The hours from 12 until 2 P.M. were somewhat more popular with farmers than with other groups.

Family Appeal and Favorite Stations—Eighty-four per cent. of the radio families reported that the entire family usually listened in.

Approximately 75 per cent. of the total number of radio families had one or two favorite stations. About one-fifth usually sought distant stations.

Preferences for Particular Evenings—Over 73 per cent. of the radio families reported that they tuned in equally on all evenings. Those reporting that they listened more on

*See table on page 18.

certain evenings than others showed a preference for Saturday and Sunday evenings.

Seasonal Use—Over 78 per cent. of the radio families use their radio sets in the summer time.

*Popularity of Programs**—About 81 per cent. of the radio families had definite preferences as to programs.

About three-fourths of the farmers interviewed indicated that they enjoyed talks on agricultural subjects.

ADVANTAGES TO ADVERTISERS

RADIO CAN BE USED for national appeal, zone appeal, or local appeal. To companies desiring national advertising, chain broadcasting is now available through the stations of two broadcasting companies. The stations of each chain of these systems are placed throughout the country according to a plan of grouping which enables the advertiser to localize his campaign at will, whether it be aimed at the centers of population, the smaller towns, or the suburbs and rural sections. "Hook-ups" of stations in the same geographical area are available; and these enable an advertiser to transmit a zone program to practically every important market in the country.

Local or "spot" broadcasting enables an advertiser to concentrate his efforts in any chosen market. In other words, "spot" broadcasting can be used in the same manner in which newspapers are used for local advertising campaigns. National broadcasting can be used in the same way as national magazines.

The use of radio broadcasting by national advertisers is reported as having grown from an expenditure of \$270,949 during January, 1927 to \$1,258,174 during January, 1929.



NUMBER AND PERCENTAGES OF FAMILIES OWNING RADIO SETS

| State | Radio Sets (in thousands) | Percentage of Families Having Radio Sets as of March, 1929 | State | Radio Sets (in thousands) | Percentage of Families Having Radio Sets as of March, 1929 |
|-------------------------|------------------------------|---|--------------------------|------------------------------|---|
| New York | 1,203 | 44.29 | Rhode Island | 76 | 49.02 |
| California | 1,007 | 90.73 | Georgia | 76 | 10.32 |
| Illinois | 728 | 42.14 | District of Columbia . . | 72 | 54.61 |
| Pennsylvania | 670 | 29.24 | Tennessee | 71 | 12.04 |
| Ohio | 580 | 36.12 | Kentucky | 63 | 10.75 |
| Massachusetts | 443 | 44.29 | North Carolina | 63 | 9.03 |
| Michigan | 430 | 37.84 | Arkansas | 62 | 13.76 |
| New Jersey | 311 | 34.83 | Alabama | 60 | 9.89 |
| Missouri | 297 | 36.12 | West Virginia | 59 | 14.62 |
| Texas | 250 | 18.92 | Maine | 55 | 29.67 |
| Washington | 241 | 65.79 | South Dakota | 53 | 33.11 |
| Indiana | 239 | 31.82 | Utah | 49 | 39.56 |
| Wisconsin | 221 | 32.25 | North Dakota | 42 | 24.94 |
| Iowa | 213 | 35.26 | Montana | 37 | 20.21 |
| Minnesota | 164 | 25.80 | Mississippi | 33 | 7.74 |
| Connecticut | 157 | 39.99 | New Hampshire | 33 | 31.39 |
| Oregon | 152 | 72.24 | Arizona | 32 | 26.23 |
| Nebraska | 139 | 42.14 | Vermont | 31 | 38.27 |
| Kansas | 134 | 30.96 | South Carolina | 30 | 6.88 |
| Oklahoma | 125 | 21.50 | Idaho | 29 | 21.93 |
| Colorado | 118 | 46.44 | Wyoming | 22 | 37.41 |
| Florida | 85 | 28.81 | Delaware | 20 | 34.83 |
| Louisiana | 83 | 18.06 | New Mexico | 19 | 20.21 |
| Maryland | 79 | 20.64 | Nevada | 16 | 96.75 |
| Virginia | 78 | 17.20 | | | |



II. OBJECTIVES AND RESULTS OF RADIO ADVERTISING

RADIO BROADCASTING has made it possible for an advertiser to appeal directly to people in the privacy of their homes. At the same time it has presented a problem: that of utilizing the unmistakable advantages of direct appeal in such a way that they can be capitalized in terms of sales and merchandising accomplishment. Radio, in other words, is still new as an advertising medium, and to quote a recognized authority on the subject:

Here is an art, new in details, but old in principle, which is little more than a reversion to the spoken word and the direct appeal of the pre-historic days of the tribal camp fires. Once more we have the forum of the people, gathered to hear their speakers. Again we have the spokesman, delivering his own words by means of his own voice. We are back to the direct word-of-mouth contact between leader and followers, which civilization lost during a period of thousands of years while substituting more elaborate means.

The use of radio for advertising purposes, therefore, involves the question of the desired objective. Should this advertising be employed only for purposes of gaining trade-name or slogan publicity and good will? Or may it be used effectively to stimulate dealer cooperation and as an adjunct to direct selling effort?

There is the problem, too, of coordinating radio advertising with other forms of advertising and selling effort; and finally there are

the results of radio advertising to be considered. Not only the ease of attainment of whatever objective may be set up for it, but also its relative cost—in so far as it is possible to determine it—are to be considered and, on that score, the experiences of prominent radio advertisers afford the best available testimony. The section that follows presents the results of a survey made with the cooperation of business concerns that have made use of radio broadcasting to an extent which equips them to furnish dependable data.

RADIO ADVERTISING AS A BUILDER OF GOOD WILL

IT WAS CONCEDED by practically all companies which have used radio for advertising purposes that the outstanding value of the medium lies in building good will. Most of the advertisers contacted in the course of this survey were using radio primarily for this purpose. Practically none of them was using radio for direct selling; they regarded their efforts as comparable to what is variously termed "reminder," "institutional," or "good will" advertising. The experiences of nearly all of these companies seemed to indicate that radio is effective for indirect selling.

With reference to radio advertising, one advertising executive declared that "good will is nothing more than the expression of



approval for a product which comes in the form of sales sooner or later." Another stated that radio was extremely useful in educational effort and, "since all selling is essentially educational, we think that radio may properly be considered as a selling medium even though no direct sales solicitation may be used on it."

The readiness of listeners to commend radio programs by letter or telegram seems to be generally accepted as evidence of the power of radio in building good will. Although it is no longer so customary as formerly for radio advertisers to attempt to stimulate such acknowledgments, appreciations of the unsolicited variety are received in impressive numbers by firms sponsoring radio programs.

Attempts to check the popularity of programs in this way have often led to remarkable results. As an example, a program consisting chiefly of dialogue that had been broadcast for a few months only on a small network of eastern stations is cited. One evening, an entertainer stepped out of his character and said frankly: "We have been doing these programs for several months. The sponsor can do any kind of program that you like best. Do you want us to continue these programs or would you want a change of some kind? Please tell us what you want."

Within a week more than 10,000 letters of commendation had been received. A number of them were signed by groups of ten or more people, who gathered together once a week regularly to hear the program. All through this correspondence ran reference to the fact that the writers of the letters had come to feel so cordially toward the company that they were now using its product.

In an effort to determine whether radio advertising does more than build good will, a

number of leading radio advertisers were questioned. The following comments are representative of this phase of the survey.

One response, which seems to express the general attitude of advertising executives on this point, was from the manager of the advertising division of an internationally prominent institution, who said:

Radio advertising does more than build good will. However, the other advantages . . . which it obtains for its sponsors are not anywhere near sufficient to justify the expenditure on any other basis than that of the good will which is obtained.

The comment of the advertising manager of a large shoe manufacturing company is particularly interesting because fifty per cent. of his company's advertising appropriation is devoted to radio broadcasting. Radio is the principal national advertising medium of the company, while the rest of the appropriation is devoted to dealer tie-ups, window displays, booklets, etc. In speaking of the company's experience, this executive said:

We believe that radio advertising is mighty valuable in building good will, but we do not think that this is its only power. In addition to making the audience feel more kindly toward our shoes, there is no doubt in our minds but that radio advertising does more to make them better known than any other publicity method. We certainly believe that radio is a very powerful factor and, while it probably never will make the direct closing sale, it is bound to be of considerable assistance in making that sale if the proper dealer identification can be put over.

RADIO PUBLICITY

FOR TRADE NAMES AND SLOGANS

ONE OF THE principal accomplishments of radio advertising is that of trade name publicity. It is easy to understand how anyone listening to any of the regular weekly programs sponsored by well known firms unconsciously develops a very friendly feeling



toward those firms and how easy it is for those listeners to remember the trade names of the sponsoring firms. Experience of leading radio advertisers indicates that through this medium a friendly interest is developed for trade names which otherwise might be only meaningless words to thousands of people. In this connection the comment of one of the chief executives of a well known firm of manufacturing chemists is pertinent. He states:

As a good will builder and auditory billboard the radio has served a very unique purpose in our advertising scheme. It might be dangerous to generalize too much on the subject of radio broadcasting, but our own experience leads me to believe that it is a very effective and essential collateral medium to use along with any other advertising of the sales-building type. It has given us a form of publicity that it might otherwise have taken us a far greater length of time to secure, and it has been a splendid means of securing proper name pronunciation when the spelling left such pronunciation in doubt.

An advertising executive of a prominent rubber tire company pointed out that their use of radio served to build a "name consciousness" and that it had been found possible to mention the name of the firm in the continuity of their program as often as twenty-four times in one-half hour in so unobtrusive a manner that the audience is scarcely conscious of the repetition.

The radio likewise serves to publicize slogans as effectively as trade names. This is illustrated by the response of a company which declared:

In our case we believe that we have got to the point where the . . . trademark, which identified every retailer's store that carries (this product) is being recognized by the radio audience, as is also our slogan which we have put in to identify the quality of our product. . . . For getting over statements such as these the radio is unequalled.

RELATION OF RADIO ADVERTISING TO OTHER FORMS OF ADVERTISING

RADIO ADVERTISING is commonly regarded by advertising executives as supplementary to other forms of advertising. The experience of most companies sponsoring programs over the air has been that radio advertising ordinarily does not function well by itself. It has just as sharp limitations as other forms of advertising. Most firms sponsoring national radio programs use practically all other forms of advertising, including newspaper, magazine, billboard, direct mail, and dealer helps. It is apparent that each medium plays its own part in a well-rounded advertising campaign. There is a prevailing opinion that newspaper and magazine advertising should serve as a foundation for any successful radio advertising campaign.

In the course of this survey a number of leading radio advertisers were questioned regarding the effect of radio advertising upon publication advertising and the relationship between the two. The consensus of opinion thus obtained warrants the following summary of the most commonly expressed opinions:

1. *Radio advertising makes publication advertising more effective through attracting a greater amount of reader attention.*
2. *Radio advertising serves to "personalize" publication advertising.*
3. *The two forms of advertising may be tied together by cross-reference with good results. A number of companies, however, make no attempt thus to coordinate their radio and publication advertising.*

The vice-president of one of the largest investment houses in the country, a firm



which advertises extensively in magazines and newspapers, as well as by radio, commented as follows upon the relationship of radio to publication advertising:

We think there can be little doubt but that radio advertising does make publication advertising more effective. In fact, we have recently compiled some statistics comparing the results of our publication advertising since we began the use of radio and in the corresponding period of the preceding year. The results show some increase which, considering the fact that last year was a poor bond year, we think justifies our feeling that the increase was, in part at least, attributable to the use of radio. We refer in all of our publication advertising to our radio activities and *vice versa* in the radio advertising, we refer to our publication advertising.

The advertising manager of a well known manufacturer says:

We feel that the accumulative feature is greater in broadcasting than in magazine or newspaper advertising. The radio program becomes a part of the family thinking habit. I have not seen any magazine campaign which was comparable in this respect. *[He also states, however, that, without question, the benefits of radio advertising and magazine advertising are reciprocal.]*

The executive of another company which is well satisfied with the results of its radio advertising gives the following reasons for believing that radio should be supplementary to publication advertising:

When considering a purchase we like to sit down quietly with all the facts before us, and study over all the various features which recommend the prospective purchase before we actually buy.

This, of course, cannot be done when the story comes over the radio and in this respect the radio will, to our mind, be always more or less lacking.

We believe, however, that radio and publication advertising are going to work out very well together, radio being generally supplementary to publication advertising.

COORDINATING THE USE OF RADIO WITH OTHER ADVERTISING

AN EXAMPLE of the successful coordination of radio publicity with other forms of advertising is presented by the manufacturer of a popular food product distributed by grocery stores throughout the country. In a certain town during the same week the company:

1. Conducted a local newspaper campaign featuring pumpkin pie.
2. Broadcast from the local radio station an instructive talk on how to make good pumpkin pie. An announcement of this radio program appeared in local newspapers and on the posters.
3. Had a full color magazine advertisement, which had previously appeared, reproduced in the form of window posters and displayed in dealers' stores and windows.

An executive of the company stated that the results obtained by following this procedure were ample testimony to the practicability of "tying-in" the radio with the general campaign.

Another interesting example of coordination is furnished by an oil company which follows the plan of carrying the same theme through both their radio and publication advertising:

Our radio advertising makes our publication advertising more effective, because we carry through all of our advertising a definite theme. In our newspaper advertising, we carry through, in picture and word, the incidents brought out in our radio program, following up with a product story. The same holds true for our magazine advertising. Radio, by laying the groundwork for the rest of our media, is a very integral part of our advertising program and makes our magazine, newspaper and poster advertising more productive. Further than this, it personalizes our advertising and builds up for us an audience of very faithful listeners-in to our program. Therefore, they



pay particular attention to our advertising and as a result we feel that we are getting more than the average reader interest.

The most common method of "tying" radio to publication advertising is by simple cross-reference of one to the other. As an illustration, the following testimony:

Our advertising carries announcements as to the character of our programs and the stations through which the hour can be heard. On the other hand, in the necessarily brief announcement and enumeration of products, the listener can be referred to current advertising for further details.

EFFECT OF RADIO ADVERTISING UPON THE DEALER ORGANIZATION

ADMITTEDLY, one of the most important factors to be considered in any advertising plan which involves merchandising is the dealer. Since cooperation and the good will of the retail dealer are of vital importance to any company which distributes its product through the customary trade channels, the reaction of the dealer to radio advertising is of prime importance. Nearly all the radio advertisers contacted in this survey were favorably impressed by the power of radio advertising to build dealer good will and cooperation. A large merchandising organization with a chain of stores distributed throughout the country reported that the units of the chain were thoroughly satisfied with their broadcasting activities. A typical expression of the attitude of radio advertisers upon this point was furnished by the vice-president of a company manufacturing toothpaste:

In our particular case radio advertising has materially assisted us in gaining dealer good will. Either the dealers became enthusiastic personally about our broadcasting because they enjoyed our entertainment or they became

conscious of this advertising in their behalf. In both cases the good will objective was maintained.

In this connection a comment of an official of a prominent oil company is interesting:

A good indication of the dealer good will that has been built through our radio broadcasting activities is the amount of mail that has been directed to the radio stations by the resellers of our products favorably commenting on the programs. Personal contact with our resellers has also given us an opportunity to learn of their enthusiasm and support to our programs.

Some radio advertisers have merchandised their programs aggressively to the trade with noteworthy success in building and stimulating their dealer organization. An outstanding illustration of this is furnished by a company which exploited its singers' broadcast for sixty days before the feature actually went on the air. Within four months from the first announcements the company added 2,000 dealers to its existing dealer organization. In addition, the radio campaign aroused remarkable dealer enthusiasm.

For five years this company had offered dealers with which it affiliated a "50-50" cooperative advertising plan. Its local dealer "tie-up" showed an increase of approximately 40 per cent. in 1928—an increase which was regarded by executives of the company as "a good index of dealer belief in the power of radio advertising."

A number of companies follow the plan of furnishing their dealers with radio tie-ups, usually in the form of posters, program announcements, or window cards. Thus, the manufacturer of toothpaste quoted above, supplies drug stores a poster illustrating the feature of their program along with the name and illustration of their toothpaste.



The company attribute much of their success in gaining dealer good will to the policy of using point-of-sale tie-ups with their radio publicity. With somewhat the same object an investment house which broadcasts an educational program places reprints of their programs at the dealers' disposal for distribution.

EFFECT OF RADIO ADVERTISING UPON THE SALES ORGANIZATION

IN ADDITION to stimulating the cooperation of dealers, radio advertising apparently produces a decidedly favorable effect upon the sales organization. According to the experience of many companies reported in this survey, salesmen manifest decided enthusiasm for radio programs.

Some advertising executives were inclined to discount the showing of radio upon this point on the grounds that it was the novelty of the medium which impressed the salesmen. The greater number thought that the attitude had been generated by the favorable reactions which the salesmen had encountered in contacting their customers.

That radio appeared to be giving a personality to any company which sponsored a popular program impressed many executives as of definite advantage to salesmen. Illustrative of this point is the statement of a company which manufactures laundry products:

Our sales force was more enthusiastic and has reacted more favorably to this medium as an advertising tool than anything we had ever used. It gave them a tangible and understandable ground on which to talk to the grocer, who had personally listened to our program and talked it over with our men throughout the country—on a personalized basis.

An oil producing and refining company, whose sales organization has given radio advertising hearty support, reported that the salesmen "have been a factor in supplying material upon which these programs are built." In another case the salesmen of a chemical firm were said to have appreciated the news value of the radio programs sponsored by their firm which they could discuss with their trade.

A company sponsoring a very well known program wrote:

We have had evidence that our salesmen have been received perhaps more readily by the dealer when he is aware that a representative of the (*name of the radio program*) was in the store.

RESULTS ACHIEVED BY RADIO ADVERTISING

GENERALLY FAVORABLE experiences of radio advertisers contacted in this survey, in so far as the use of radio in building good will and stimulating dealers and salesmen is concerned, coincides with the contention that radio advertising is profitable. Against the contention that the value of sponsored radio programs would diminish as the novelty of radio wore off and competition in radio advertising increased, there appears to be much evidence. For example, the action of one company, which after being on the air for several years thought their radio advertising program had been successful and discontinued it on the ground that competition on the air had become too keen to justify their continuance, is believed to be offset by the experience of many prominent radio advertisers who asserted that their use of radio had been of material assistance to their progress and that its influence in increasing sales of their products had been profitable.



Since it is difficult to determine accurately the influence of any single factor upon sales, comparatively few firms had available figures which they believed were dependable in measuring the results of their radio activities. A firm manufacturing a popular food product wrote:

We have definite evidence as to its influence in increasing sales, but this is not revealed in comparative sales figures over areas, since we use the large network, covering sixteen stations, and therefore have no concentrated areas upon which to base our calculations. We base our belief on the questionnaire which we sent out to 1,000 women who replied to our talks throughout the year, in which we found that some 30 per cent. had begun using our product for the new use advertised and were continuing as satisfied users.

A widely known manufacturer and national advertiser, when asked if his firm had any definite evidence of the influence of radio advertising in increasing sales, replied:

Yes. For the past year the ratio of sales credit to radio advertising expenditure has varied from 2 to 1 to 3 to 1. In other words our return in sales creditable to radio has been in proportion of from 2 to 3 dollars return in sales for each dollar spent in radio broadcasting. The sales quoted are manufacturers' selling prices.

A number of firms, which were unable to supply generalized data, related specific instances in which radio advertising was credited in making sales. Thus a company manufacturing automobile tires wrote:

In many of our programs we have told listeners about our new tire, in giving them a few facts as to why we believe it represents a step forward in tire construction and in tire service. Hardly a program is given but that some dealer or dealers write to us telling us about the number of people who have been in to inquire about the . . . tire, stating that they had heard about it over the air.

Likewise an advertising executive of a well-known oil company, after relating a case in which their radio advertising had impressed a customer and he had begun using their product, made the following comment about the response of their listeners.

I will also say that in about 25 per cent. of the fan mail we receive, which incidentally is quite a healthy volume, the writer comments on our products by name and states that they are now being used as a result of good will created by our interesting program.

Perhaps the most conclusive evidence discovered in the investigation, of the general satisfaction of advertisers with the medium, is found in the data developed by one of the foremost broadcasting systems showing the length of time that radio advertisers stay on the air. The data in the table and in the bar chart on pages 16 and 17, represent the quarterly appropriations of broadcast advertisers which have continuously used one or the other of the two major networks of the country. These appropriations are classified according to the time when the companies began sponsoring a program and include only the companies which have been on the air each month since beginning their radio advertising. Thus the solid black portion of the bars represents fluctuations in the money invested in radio advertising during the last twenty-seven months by the group of companies which began using the principal radio broadcasting networks during the first quarter of 1927 and have broadcast each month since then. The analysis embraces the broadcasting of 214 accounts which spent \$17,357,166 during this period. It excludes political advertising and special one-time announcements.

A study of these data indicates that companies sponsoring radio programs are generally satisfied with the results achieved.



THE STABILITY OF BROADCAST ADVERTISING

Showing, in nine periods of three months each, the money invested consecutively by the same advertisers over the networks of the two nation-wide broadcasting companies. For example, the black sections show the money spent during each period by those companies who started during the first quarter of 1927 and have broadcast each month ever since. This analysis comprises the broadcasting of 214 accounts which spent \$17,357,166 during these 27 months. It excludes political advertising and special one-time announcements.

\$4,000,000

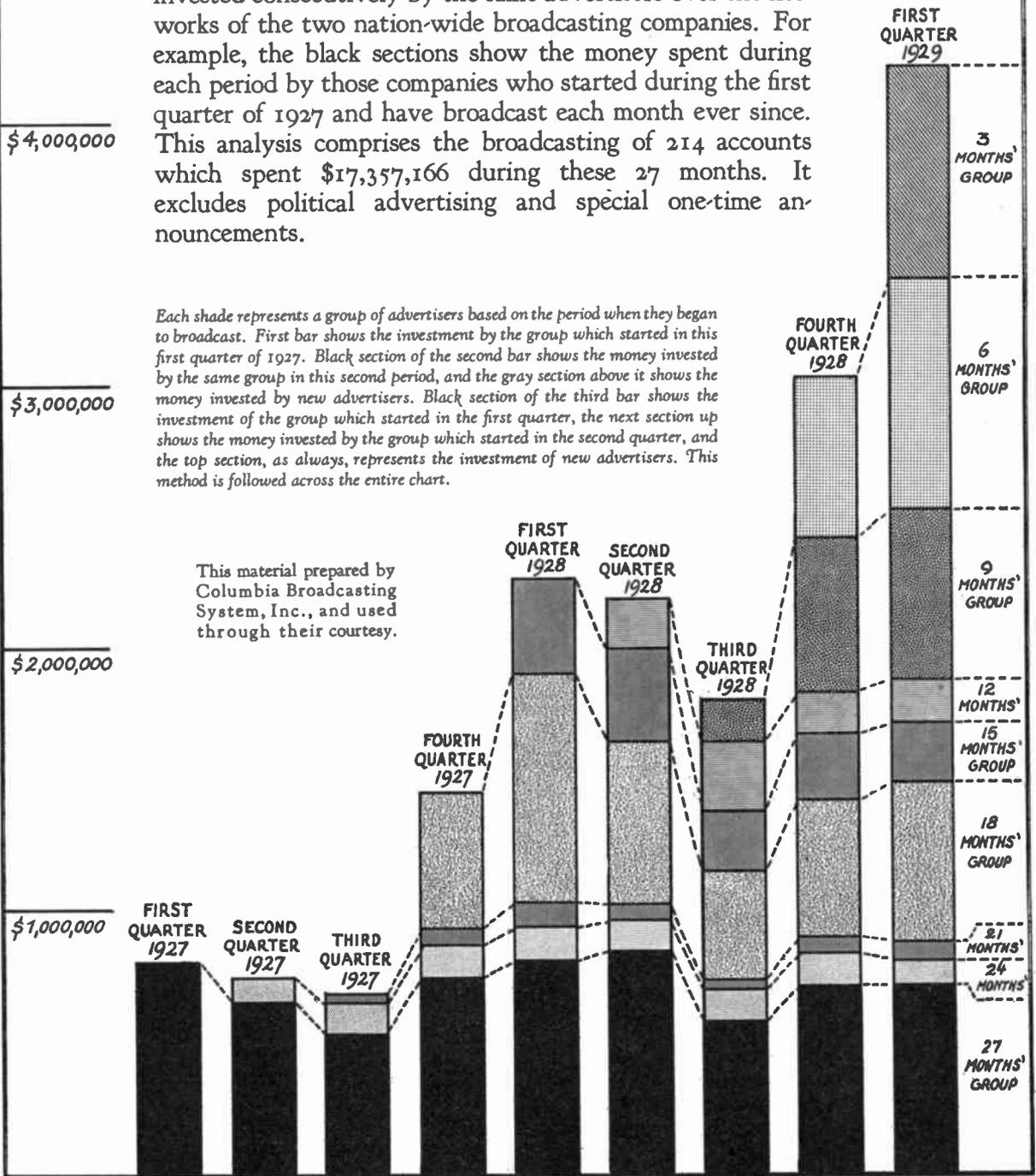
\$3,000,000

\$2,000,000

\$1,000,000

Each shade represents a group of advertisers based on the period when they began to broadcast. First bar shows the investment by the group which started in this first quarter of 1927. Black section of the second bar shows the money invested by the same group in this second period, and the gray section above it shows the money invested by new advertisers. Black section of the third bar shows the investment of the group which started in the first quarter, the next section up shows the money invested by the group which started in the second quarter, and the top section, as always, represents the investment of new advertisers. This method is followed across the entire chart.

This material prepared by Columbia Broadcasting System, Inc., and used through their courtesy.



INVESTMENT BY PERIODS

| Length of Time on the Air | First Quarter 1927 | Second Quarter 1927 | Third Quarter 1927 | Fourth Quarter 1927 | First Quarter 1928 | Second Quarter 1928 | Third Quarter 1928 | Fourth Quarter 1928 | First Quarter 1929 |
|---------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| 27 Months .. | \$823,202 | \$645,587 | \$537,580 | \$749,691 | \$821,397 | \$854,080 | \$591,681 | \$705,399 | \$713,566 |
| 24 Months .. | | 111,279 | 115,784 | 141,433 | 142,775 | 136,139 | 141,539 | 139,465 | 113,443 |
| 21 Months .. | | | 16,212 | 72,733 | 84,203 | 46,196 | 41,726 | 54,843 | 52,561 |
| 18 Months .. | | | | 504,352 | 888,693 | 609,132 | 429,444 | 524,707 | 618,702 |
| 15 Months .. | | | | | 347,165 | 373,338 | 215,333 | 254,494 | 229,099 |
| 12 Months .. | | | | | | 198,072 | 262,780 | 147,789 | 168,634 |
| 9 Months .. | | | | | | | 169,055 | 601,635 | 642,254 |
| 6 Months .. | | | | | | | | 617,530 | 885,499 |
| 3 Months .. | | | | | | | | | 816,945 |
| | \$823,202 | \$756,866 | \$669,576 | \$1,468,209 | \$2,284,233 | \$2,216,957 | \$1,851,558 | \$3,045,862 | \$4,240,703 |



III. THE RADIO PROGRAM AND ITS ADVERTISING MESSAGE

CONSIDERABLE effort has been devoted to investigations of what kind or kinds of programs the radio audience prefers. The best evidence obtainable to date indicates that orchestra music is the most popular kind of entertainment, with popular enter-

tainers ranking second and dance music third.

The figures below, based upon the survey made by Dr. STARCH,* show the percentage of families in each group mentioning each type of program among their first five preferences:

| TYPES OF PROGRAM | Farm Families PER CENT. | Town Families PER CENT. | Small City Families PER CENT. | Large City Families PER CENT. | Total Families— All Groups PER CENT. | Total Number of Families East of Rockies |
|-------------------------------------|----------------------------|----------------------------|----------------------------------|----------------------------------|--|--|
| Orchestra | 56.99 | 64.53 | 62.49 | 64.19 | 62.05 | 5,598,999 |
| Popular Entertainers | 53.32 | 55.36 | 49.06 | 55.19 | 52.23 | 4,803,138 |
| Dance | 38.17 | 47.48 | 42.92 | 54.32 | 45.72 | 4,125,483 |
| Musical | 46.68 | 54.39 | 34.07 | 36.16 | 42.82 | 3,863,805 |
| Semi-Classical Music | 24.10 | 41.02 | 48.89 | 44.52 | 39.63 | 3,575,960 |
| Short Talks on Interesting Subjects | 46.51 | 42.57 | 34.15 | 36.22 | 39.86 | 3,596,714 |
| Religious Service | 47.85 | 35.66 | 35.22 | 27.16 | 36.47 | 3,290,822 |
| Classical Music | 17.29 | 27.58 | 41.03 | 43.20 | 32.30 | 2,914,547 |
| Athletic Reports | 21.06 | 26.61 | 28.26 | 22.93 | 24.72 | 2,230,576 |
| Grand Opera | 10.93 | 16.60 | 27.85 | 31.75 | 21.78 | 1,963,289 |
| Comedy | 19.00 | 15.18 | 16.22 | 12.88 | 15.82 | 1,427,497 |
| Crops and Market Reports | 45.16 | 11.63 | 5.65 | 4.59 | 16.76 | 1,512,316 |
| Plays | 14.43 | 11.18 | 11.79 | 13.81 | 12.80 | 1,154,991 |
| Educational Service | 13.98 | 12.21 | 13.10 | 7.66 | 11.74 | 1,059,343 |
| Children's Programs | 14.25 | 8.27 | 8.03 | 6.85 | 9.35 | 843,685 |
| Domestic Science Service | 9.14 | 9.43 | 9.75 | 5.17 | 8.37 | 755,256 |
| Drama | 4.57 | 5.68 | 6.55 | 6.38 | 5.80 | 523,355 |
| Physical Exercises | 3.67 | 4.20 | 3.19 | 4.88 | 3.99 | 360,032 |
| Uncertain | 3.86 | 3.30 | 2.71 | 4.24 | 3.53 | |

*See page 6 for more detailed discussion of this survey.



The same investigation has shown:

Preferences for most of the different types of program are practically the same on the part of farm and city families. There are significant differences, however, with respect to several types of program—semi-classical and classical music and grand opera are preferred less by farm and small town families than by city families, whereas religious services, crops and market reports and children's programs are preferred more by farm families than by city families.

It has been generally accepted that a large part of the radio audience habitually tunes in upon a few outstanding programs. In the survey just referred to, the people interviewed were asked if they preferred programs like those of a half dozen well-known radio advertisers who were mentioned by name. The response to this question indicated that approximately four-fifths of the families interviewed preferred those or similar programs.

Furthermore, the older programs appear to be the most popular. This may be due in part to the fact that it takes time to gather a radio audience. It has been suggested also that another reason for the apparent relationship between length of time a program has been on the air and its popularity lies in the fact that a successful program is not often changed.

A survey bearing upon these points was recently recounted in an address made by an advertising agency executive of note before the Association of National Advertisers, part of which is quoted below:

There is significance in the fact that wherever a survey is made, and no matter by whom, the results seem to group just about the same programs among the first ten and almost certainly the same ones among the first twenty.

Almost a year ago it was decided in one quarter that most radio surveys made a mistake when they interviewed people face to face. People get self-conscious when you ask

them what programs they like. It's only human to want to appear well educated and high-brow. Yet somehow we must pursue this matter of asking people to tell us how they like it while we advertise to them. So a plan was worked out to send out a list of all network programs, asking the recipient to check the three he or she liked best. The list was on a return post card with a blind address.

These cards were mailed to 25,000 persons first; later to a second 25,000. The names were obtained from newspapers which were asked merely to supply a list of people known to have radio sets.

To make it even fairer, the alphabetical list of programs was shifted by placing the top ten at the bottom after each thousand had been run.

Incidentally nearly 20 per cent. returns were obtained. And—the same old favorites bobbed up again pretty much in the order shown on any of the house-to-house surveys. There is undoubtedly a direct relationship between the length of time that a program has been on the air and its popularity. It takes time to gather a radio audience.

CHARACTERISTICS OF A GOOD RADIO PROGRAM

ALTHOUGH it is beyond the scope of this report to attempt a discussion of the technique of building a radio program, the following analysis will be valuable in judging the effectiveness of entertainment programs from a sponsor's standpoint. The general qualities of successful radio programs may be described as:

1. *Attention-Compelling Power*

The attention-compelling power of a broadcasting feature is the degree to which it attracts public attention by reason of its novel or outstanding character.

2. *Continuity*

Having won attention for a feature, the next thing which must be accomplished is to make all those who hear it regular listeners.



This is accomplished by the pursuance of a definite program policy, employing the same sustaining artists.

3. *Distinctiveness*

Distinctiveness is an obviously necessary quality if the feature is to make headway in constantly increasing its audience. Because of the numerous programs on the air each evening and generally at the same hour, the program which is to obtain the largest audience must be distinctive.

4. *Fitness of Program to Sponsor's Character*

This is a quality difficult to define. Music picked up from hotels and cabarets is decidedly characteristic of the place which it represents because it is, perhaps, the most important factor in creating an atmosphere. But if you are a manufacturer of tooth paste or collars, for example, it is a little difficult to define a program fitting the concern. In other cases, when the prospective customers of a concern are representative of a definite class of society or when the reputation of the concern represents a definite characteristic, whether it be dignity, frivolity, exclusiveness, prompt service, or what not, there is a basis upon which to establish the fitness of a proposed feature to the nature of the product or the character of its prospects. Conversely, general products, appealing to every class of society and having no outstanding basis of character except general worth, should capitalize their widespread field of prospects by seeking a program of the most general appeal.

5. *Adaptability to the Station's General Character*

The character of a program should take into account the established reputation of the

station where it is to be presented. A station which has concentrated upon dance music and vaudeville artists for its program features would not be the station through which to broadcast a concert by a symphony orchestra.

6. *Directing Attention to the Sponsor*

The method used to direct attention to the sponsor, through which the good will gained is capitalized, is the most delicate phase of program preparation. In this respect more than in any other must the attitude of the listener be kept scrupulously in mind. The most successful programs are those in which the name of the feature itself is indelibly tied in with the name of the product.

7. *Acceptability to the Radio Audience*

The acceptability of a program to the audience is largely a product of the six qualities already described and the skill in showmanship displayed. Certain broadcasting ineptitudes, committed freely and frequently, destroy the acceptability of any feature, no matter what its other merits may be. They irritate and annoy, and are, therefore, effective antidotes to good will. One of them is lack of naturalness in announcing. Any studied effort to make an artist appear bigger than he is, or any reference to the excessive generosity of the sponsor in making a feature possible does not find favor with the radio audience.

8. *Necessity of a Radio Personality in Radio Advertising*

It is a well known fact that radio has played a vital part in popularizing certain individuals and groups and has made them nationally known figures. It is also well



known that radio is doing the same thing for the products with which they are identified. In other words, under the present status of broadcasting, a radio personality is essential to the success of any radio advertising campaign. Generally a radio campaign without the personality factor is virtually without life. It is comparatively "flat." As a result, one of the most important objectives of the campaign, namely, the establishing in the minds of the radio audience of a distinct individuality for the product of the sponsor, is lost. Radio advertising has accomplished what was at one time thought impossible by merchandising authorities, namely, the giving of a real personality to inanimate products such as tires, ginger ale, tooth paste and others well known to the radio audience.

THE ADVERTISING MESSAGE

THE SUCCESS of a radio advertising campaign apparently depends to a great extent upon the content and direction of the entertainment program. In order to make his advertising effective, the sponsor of a radio program not only must please the audience, but must also make it remember his product. The radio audience seems to have accepted the advertising message as a necessary part of the excellent radio entertainment furnished by business concerns, providing the advertising is not blatant.

That it is difficult to combine an advertising appeal of value with artistic entertainment, appears to be well evidenced in the fact that many radio advertisers have been content with an occasional mention of the name of the sponsor. Among advertising executives, though, there appears to be a feeling that the technique of the collateral

appeal, as a part of the entertainment program, is not as yet fully developed. A few statements upon this point are quoted:

A sponsor of a program who contents himself with merely announcing that he is sponsoring the program and calling the orchestra by his name or the name of his product, is not beginning to capitalize on the audience he has before him. That is like buying full-page space in a newspaper and putting only your name and address on it.

We were successful in working into our program enough of our story to have many people write us after our last program requesting us to continue them, and at the same time to have others actually look us up three months later because they had heard of our product on the radio. Apparently we came near hitting the proper balance that interested our audience.

* * * * *

If the program is designed properly, it can give a suggestion of quality for one's merchandise just as surely as a beautiful oil painting can be reproduced by four-color process on a printed magazine page. Like any other advertising, it requires aggressive merchandising and local point of sale personal follow-up—*although the specific service offer made in our own programs actually brings hundreds of buyers into our dealers' stores.*

Many advertising executives, however, agree with the following opinion:

I have no doubt but what straight "reason why" copy could be administered in small doses by radio. However, that advantage is so slight compared to the good will to be gained, and the risk of spoiling the general effect is so great, that I do not believe I would attempt to expound the merits of the product to the extent of more than a sentence or two during the broadcast program.

DIRECT SELLING BY RADIO

IT IS THE opinion of quite a number of business executives that direct selling cannot be successfully accomplished over the radio. It



is their contention that the sponsor is the invited guest of every member of the radio audience and, through his program, he should conduct himself accordingly. It is claimed that any effort to talk shop will automatically eliminate a large part of the radio audience because the desire of the radio audience is for entertainment. It is obvious, of course, that by a mere turn of a dial a listener can dismiss any program which does not please him.

In some cases, however (which may be regarded, perhaps, as due largely to local conditions), direct selling by radio has been conspicuously successful. The broadcasting of an Iowa seed merchant presents an example of direct selling. In this case the advertiser is a showman as well as a salesman and gives his audience what it wants, namely "friendly stuff," old fiddler tunes, hymns, and the old songs. His programs are very informal; 80 per cent. of his time on the air is devoted to monologue. He quotes prices and solicits orders in as direct a manner as possible.

According to an account of his activities in *Business*, as a result of one broadcast he has received orders for four carloads of dried fruit, two carloads of ham and bacon, three tons of coffee and large amounts of shoes, clothing, automobile accessories and other merchandise. Many of his listeners send cash in advance. On the second anniversary of his station, he received over 225,000 telegrams, in addition to thousands of congratulatory letters complimenting him on his anniversary program. On one occasion, when there was a move to suppress him from using the radio as a means of direct selling, his former audience is alleged to have risen *en masse* to his defense. They seem to regard his station as their station.

A department store in North Dakota presents another case of the successful use of radio in direct selling. This store has a trading area with a radius of about seventy-five miles and it is estimated that there are about 3,000 receiving sets in the area. A ten-minute program of direct selling talk is broadcast several mornings each week. In addition to the selling talks covering merchandise of the store, news of bargains in other stores in the town and neighboring towns is also broadcast each morning. According to the reports of principals, radio broadcasting has produced more favorable comment and direct results for this store than any other form of advertising.

They feel that the directness of appeal, the lack of exertion on the part of the customer to absorb the knowledge of the store's merchandise, the ability to describe goods more convincingly by word of mouth, and the power to arouse enthusiasm by the sound of one's voice accounts for the effectiveness of direct-by-radio advertising.

As stated in another paragraph, many other department stores in various sections of the country use morning programs which are direct selling efforts.

ATTITUDE OF WOMEN TOWARD DIRECT APPEAL

THERE IS evidence that direct selling talks to women over the air are frequently successful, particularly during the morning hours. It has been remarked that women apparently regard these hours as they do the advertising pages of women's magazines; that is, they look to them for new ideas upon methods of home management, with the result that they are in a receptive mood toward programs featuring such subjects. Evidence that women listen in to daytime broadcast-



ing is found in the number of letters they write to companies sponsoring such programs.

One excellent example is that of a utility company which has been broadcasting a morning household hour through a Chicago station for the past five years. It is reported that an average of 11,000 letters are received every month from housewives who listen in on the programs. The letters from housewives which a baking powder company receives as a result of a half-hour program devoted to cooking for the past several years appear to prove conclusively that women are interested in daytime programs. Daytime programs directed to women may be instructive and entertaining. Instructive talks can be used as a background for the sponsor's advertising message in the same manner as musical features are used in evening programs. And as in the evening programs, the advertising included in daytime instruction talks can be woven into the instructive talk in an unobtrusive manner.

The advertising manager of a company manufacturing a product for use in the home wrote:

We decided to experiment with morning radio which gave us a more direct opportunity to talk to our prospect—the *housewife*—and after experimenting for about eight months with morning radio while we still continued with our evening program, we discontinued the evening radio in favor of the morning entertainments.

The experience of a well-known food manufacturer with broadcasting to women during morning hours is interesting.

We feel that the expenditure of radio advertising has been more than justified this year. This conclusion is based on the very tangible results which we got. For example, in one broadcast, delivered December 12th, we re-

ceived 5,000 replies. This, of itself, is significant to us, as we do not maintain an entertainment program, but all of our talks are straight domestic science or recipe programs, given at 11:15 in the morning, with the frank purpose of instructing the housewife how to use our product.

Similarly, a number of large department stores in various sections of the country broadcast morning programs directed to women in which merchandise is described, bargains announced, prices mentioned, and store policies explained. Occasionally afternoon hours are used for this purpose.

LISTENER RESPONSE

IN THE EARLY days of broadcasting, listener response ordinarily meant the letters, cards and telegrams which the radio audience sent to the sponsor of radio programs. In those pioneer days many of the sponsors actively solicited applause letters, cards and telegrams, but the practice gradually was abandoned by the far-seeing companies who realized that it was creating antagonism on the part of the radio audience.

Today the situation is reversed. Thousands of unsolicited letters may pour in any day into the offices of sponsors and broadcasting companies as a result of fine programs.

An excellent example of this voluntary listener response is indicated in the number of letters received by the Metropolitan Life Insurance Company as a result of broadcasting daily its program of morning exercises. During the month of October, 1928, a total of 18,326 individuals wrote letters to the company commending the exercises or asking for health literature. This figure exceeds by more than 3,000 the number of letters received in the corresponding month of 1927 and by more than 8,000 the number



received in 1926 and by more than 10,000 the number received in October, 1925. The total number of letters received by the Metropolitan since the exercises went on the air in 1925 is now well over half a million.

Practically all of the sponsors of prominent programs are constantly receiving letters of commendation from the radio audience, without employing any solicitation of such letters.

USE OF SAMPLES, BOOKLETS, ETC.

IN THE COURSE of the broadcasting of an orchestra, sponsored by a prominent rubber company, an offer of a cross word puzzle book was made to the radio audience, with the result that more than 200,000 people asked for the book. Since the number of requests caused difficulties at the local post office, the company changed its offer, requesting the members of its radio audience to call on its dealers for the book. Over 3,000,000 books were distributed through 40,000 company dealers.

Occasionally a well known manufacturer announces special novelty offers via the radio, offering bridge score pads, radio time tables and similar articles to listeners. The plan has

met with excellent results. On one occasion the company offered a piano copy of numbers broadcast by the advertiser's orchestra through 12 stations, resulting in requests for the copy from 55,000 individuals.

ADVERTISING THE RADIO PROGRAM

THE AUDIENCE for any radio program can be increased by advertising the program in magazines, newspapers and by means of direct mail. Just as radio advertising makes publication and other forms of advertising more effective, so apparently it is to be claimed that advertising in those mediums make radio advertising more effective.

Advertising of the radio program seems naturally to intensify the interest of the public in that particular program.

The policy of advertising the radio program has been successfully carried out by a number of prominent companies. An excellent example of such advertising is that conducted by a prominent national advertiser who directs the attention of the readers of newspapers and magazines to the quality of his program. Some companies make simple announcement of the evening and hour on which their radio program is broadcast.



INTERNATIONAL BUREAU OF RADIOGRAPHY
NEW YORK, U.S.A.
1937