

BUREAU OF ADVERTISING

AMERICAN NEWSPAPER PUBLISHERS ASSOCIATION

370 LEXINGTON AVENUE, NEW YORK 17

AT 41ST STREET

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NEW YORK,

March 10, 1950

Mr. Amon Carter Sr.
Carter Publications Inc.
Fort Worth, Texas

Dear Mr. Carter:

Here, finally, and I am sorry for the delay, is the material we discussed over the phone Wednesday.

Table 1 is an analysis of total national advertising. You'll note it shows a trend for the past three years away from magazines and network radio (the fixed pattern media) towards flexible, local media such as newspapers, spot radio and outdoor. In 1949, for example, advertising in magazines declined 4.41% while newspapers gained 9.25%. This is definite evidence that national advertisers are turning more and more to the concept of 'all business is local' and are placing their advertising dollars in accordance with market potential.

Table 2 is a 1948-1949 comparison of airline expenditures in magazines. For 1949, the total figure amounts to \$2,576,379. It is interesting to note that American Airlines alone spent \$765,890 of this total. In other words, they were responsible for 30% of all the airline advertising.

On the other hand, airlines spent in 1949 an estimated \$5,580,597 in newspapers. American's share of this was approximately \$560,889 or a mere 10%. Table 2A shows a similar breakdown for schedules in newspapers. Because no official figures are available at this time, we have used Media Records estimated projection based on 108 cities.

Actually, when you compare the magazine and newspaper figures, newspapers received about 68.5% of the newspaper-magazine advertising dollars spent by airlines.

In Table 3, we have made a duplication and coverage analysis of Life, Saturday Evening Post, Colliers, and Time (on the phone you indicated this might be AA's list for the coming year). This list shows a total duplication factor of 83.0%, so that the 4 magazines

March 10, 1950

together cover a net total of only 42.7% of U.S. families.

Applying this to what we consider AA's on-line territory as illustrated on the enclosed map, Table 4 shows the unduplicated coverage that this list of magazines provides in these on-line states.

In Table 5, we have taken American Airlines' total expenditures and shown what can be accomplished by a similar expenditure in newspapers employing the largest paper in cities of 25,000 population and over. Table 6 makes a similar analysis to indicate what can be accomplished using all newspapers in all cities in the states showing the combined circulation, family coverage, and the amount it would cost using schedules of 5,000, 10,000, 20,000 and 30,000 lines.

Newspapers obviously give better coverage in high potential areas than do magazines for the same amount of money.

As an added thought, we have included a bar graph which visually illustrates the law of diminishing returns when it comes to buying a number of magazines.

I trust that this material will help bring us closer to the goal of two-thirds of AA's expenditure for newspapers. Please let me know of anything else that might occur to you.

Hoping to see you on your next trip East,

Sincerely,

W. A. Greene
WAG

William A. Greene

jc

Att:

Table 1

EXPENDITURES SIX MAJOR MEDIA 1947-1949
(millions of dollars)

<u>Flexible Media</u>						
	Newspapers		Spot Radio		Outdoor	
	\$	% Gain or Loss*	\$	% Gain or Loss*	\$	% Gain or Loss*
1947	357	+ 32.22	126	+ 7.69	69	+ 25.45
1948	389	+ 8.96	142	+ 12.70	78	+ 13.04
1949	425**	+ 9.25	160	+ 12.68	78	-0-

<u>Fixed Pattern Media</u>						
	Network Radio		Magazines		Farm Journals	
	\$	% Gain or Loss*	\$	% Gain or Loss*	\$	% Gain or Loss*
1947	191	- 1.04	416	+ 15.24	26	+ 30.00
1948	199	+ 4.19	431	+ 3.61	29	+ 11.54
1949	188	- 5.53	412	- 4.41	28	- 3.45

TOTALS						
	Flexible Media		Fixed Pattern Media		Total	
	\$	% Gain or Loss*	\$	% Gain or Loss*	\$	% Gain or Loss*
1947	552	+ 24.89	633	+ 10.28	1185	+ 16.63
1948	609	+ 10.33	659	+ 4.11	1268	+ 7.00
1949	663	+ 8.87	628	- 4.71	1291	+ 1.81

* Gain or loss over previous year

** Indicated Volume according to Zeisel Index

Table 2

AIRLINE ADVERTISING

Comparison of Expenditures
in Magazines

Year 1948—Year 1949

	Type	1948	1949	% Gain or Loss
American Airlines	Freight	\$29,900	\$78,400	+ 162.2%
	Passenger	407,321	729,294	+ 79.0
American Overseas Airlines	Passenger	21,740	-	-
Braniff International	Passenger	26,150	36,596	+ 39.9
British Commonwealth & Pacific Airlines	Passenger	3,940	27,920	+ 608.6
British Overseas	Passenger	172,465	116,555	- 32.4
Chicago & Southern Airline Cruise	Passenger	2,165	6,917	+ 219.5
Colonial Airlines	Passenger	3,680	10,431	+ 183.5
Delta Air Lines	Passenger	30,460	15,600	- 48.8
Eastern Airlines	Passenger	3,990	3,990	00.0
Air France Airlines	Passenger	63,898	68,343	+ 7.0
Irish Airlines	Passenger	12,903	-	-
KLM Royal Dutch	Passenger	14,596	-	-
	Passenger & Freight	4,868	8,927	+ 83.4
Linea, Aeropostal, Venezolana	Passenger	-	2,280	+
Northwest Airlines	Passenger	22,735	38,300	+ 68.5
Pan American Clipper Cargo Service	Freight	13,305	14,175	+ 6.5
Pan American World	Passenger	530,545	560,283	+ 5.6
Pan American World & Pan American Grace	Passenger	8,880	102,720	+1056.8
Phillipine Pal Airlines	Passenger	14,290	10,118	- 29.2
Railway Express Agency	Freight	78,360	56,000	- 28.5
Air Express	Freight	79,865	100,085	+ 25.3
Sabena Belgian	Passenger	16,905	7,660	- 54.7
Scandinavian Airlines	Passenger	6,944	16,345	+ 135.4
Southwest Airlines	Passenger	560	-	-
Swissair Airlines	Passenger	1,309	2,740	+ 9.3
TACA Airlines	Passenger	8,240	2,060	- 75.0
Transcontinental	Freight	-	10,525	+
Transcontinental & Western Airlines	Passenger	274,490	312,955	+ 14.0
United Air Freight	Freight	3,150	1,575	- 50.0
United Air Lines	Passenger	242,270	218,785	- 9.7
Western Airlines	Passenger	6,300	16,800	+ 166.7
Total		\$2,106,224	\$2,576,379	+ 22.3%

Prepared by Research Department
Bureau of Advertising, A.N.P.A.

February 21, 1950

COMPARISON OF 1948-1949 AIRLINE NEWSPAPER ADVERTISING IN 108 CITIES

Table 2A

	<u>Newspaper Expenditures 1949</u>	<u>Rank 1949</u>	<u>Newspaper Expenditures 1948</u>	<u>Rank 1948</u>
Eastern Airlines	\$703,154	1	\$599,256	2
American Airlines	560,889	2	1,034,959	1
Northwest Airlines	522,495	3	285,484	6
Trans-World Airways	458,825	4	335,761	5
United Airlines	452,258	5	525,663	3
Pan American Airways	443,363	6	345,963	4
Capital Airlines	425,574	7	250,666	7
National Airlines	249,075	8	86,372	16
Delta Airlines	240,986	9	225,852	8
Trans-Canada Airlines	160,931	10	160,062	9
Chicago & Southern	150,755	11	95,727	13
British Overseas Airways	141,906	12	131,223	10
Braniff Airways	114,405	13	124,002	11
Continental Airlines	108,015	14	89,473	14
Western Airlines	105,233	15	103,523	12
Mid-Continent Airlines	103,185	16	89,080	15
American & Delta	73,797	17	-	--
Royal Dutch Airlines	70,632	18	31,575	22
Pioneer Airlines	63,582	19	69,850	17
Trans Texas Airways	59,268	20	12,101	28
Colonial Airlines	42,013	21	34,317	21
Northeast Airlines	38,223	22	40,858	19
All American Airways	36,382	23	-	--
French Airlines	30,768	24	35,847	20
Piedmont Airlines	25,938	25	-	--
Calif., Central Airlines	24,777	26	-	--
Canadian Pacific Airlines	23,817	27	-	--
Monarch Airlines	21,983	28	26,810	23
Scandinavian Airlines	21,840	29	56,497	18
Southern Airways	15,333	30	-	--
Transocean Airlines	13,668	31	-	--
Lansa Airlines	11,128	32	-	--
Sabena Belgian Airlines	10,590	33	9,210	29
Southwest Airlines	9,150	34	21,896	26
Robin Airlines	8,697	35	-	--
Viking Airlines	7,008	36	-	--
Phillippine Airlines	6,904	37	16,835	27
Robinson Airlines	6,784	38	-	--
Buffalo, N.Y. Skyline	4,574	39	-	--
Taca Airways	3,961	40	4,916	31
Swissair Airlines	3,683	41	-	--
British Commonwealth & Pacific Airways	3,084	42	627	33

- continued -

Comparison of 1948-1949 Airline Newspaper Advertising in 108 Cities

Continued -2-

	<u>Newspaper Expenditures 1949</u>	<u>Rank 1949</u>		<u>Newspaper Expenditures 1948</u>	<u>Rank 1948</u>
Wiggins Airlines	\$ 1,964	43	\$	- -	--
Irish Airlines	- -	--		2,402	32
Linea, Aeropostal Venesdava	- -	--		8,025	30
Peruvian Airlines	- -	--		26,252	25
Trans-Atlantic Airways	- -	--		26,632	24
TOTAL	\$5,580,597			\$4,907,766	

*Media Records 108 cities lineage reports for the years 1948 and 1949 converted by average line rate of \$.45.

Prepared By: Bureau of Advertising, A.N.P.A.

ANALYSIS OF THE AMERICAN AIRLINES LIST OF MAGAZINES - 1950

(Current and Non-Current Issues Included)

	<u>Duplicated With Preceding Magazines On List</u>	<u>Unduplicated</u>	<u>Unduplicated Cover- age of all U.S. Families</u>
	<u>%</u>	<u>%</u>	<u>%</u>
Life	- -	100.0	26.9
Saturday Even. Post	47.2	52.8	36.3
Colliers	60.7	39.3	41.4
Time	83.0	17.0	42.7

Prepared By: Bureau of Advertising, A.N.P.A.

Table 4

NET COVERAGE OF MAGAZINES IN ON-LINE STATES

<u>ON-LINE STATES</u>	<u>Families 1949</u>	<u>Unduplicated Coverage 1950</u>
Mich.	1,774,800	757,840
Me.	251,000	107,177
N. H.	159,400	68,063
Vt.	101,900	43,511
Mass.	1,294,700	552,837
R. I.	214,600	91,634
Conn.	572,400	244,415
N. Y.	4,205,700	1,795,834
N. J.	1,329,900	567,867
Del.	86,800	37,064
Md.	596,400	254,663
D. C.	238,800	101,968
Va. (Part)	192,600	82,240
W. Va.	473,300	202,099
Ohio	2,311,300	986,925
Ind.	1,170,200	499,675
Ill.	2,584,700	1,103,667
Ky.	734,400	313,589
Tenn.	830,800	354,752
Mo.	1,194,200	509,923
Ark.	531,100	226,780
Okla.	673,300	287,499
Texas	2,083,700	889,740
Ariz.	184,100	78,611
Calif.	3,222,600	1,376,050
TOTAL	27,012,700	11,534,423

These figures are based on the national duplication analysis made by the Bureau of Advertising of the 1949 & 1950 American Airlines list. Inasmuch as this figure is based on total coverage of the U.S., there is no question but that it will differ from state to state. The above data should be considered with that in mind. However, as no more precise figures were available, this national duplication, i.e. 55.0% - 1949, 42.7% - 1950, has been applied to the various "on-line" states individually.

LARGEST PAPER IN CITIES OF 25,000 POPULATION AND OVER.

Table 5

<u>ON - LINE STATES</u>	<u>Circulation</u>	<u>Circulation Added Thru Combination</u>	<u>Families</u>	<u>Percent Family Coverage</u>	<u>Cost Per 1000 Lines</u>
Mich.	992,538	- -	770,882	128.8	\$2650
Me.	137,235	47,419	58,040	236.4	640
N. H.	46,618	22,501	55,044	84.7	335
Vt.	24,540	- -	27,199	90.2	125
Mass.	992,716	312,945	683,264	145.3	3170
R. I.	206,627	- -	116,380	177.5	595
Conn.	437,375	34,357	273,384	160.0	1525
N. Y.	3,469,034	121,339	2,907,494	119.3	6090
N. J.	758,247	19,573	465,424	162.9	2585
Del.	60,875	20,186	29,293	207.8	240
Md.	264,011	18,571	260,142	101.5	750
D.C.	265,393	- -	173,445	153.0	600
Va.	<u>Est.</u> 86,764	55,356	218,737	39.7	408 (Part of State)
W. Va.	184,521	68,652	114,975	160.5	820
Ohio	1,486,293	23,557	1,083,739	137.1	3940
Ind.	688,482	112,281	490,472	140.4	2410
Ill.	1,510,963	140,044	1,356,394	111.4	3815
Ky.	243,025	200,133	169,133	143.7	1005
Tenn.	439,443	215,150	236,280	186.0	1565
Mo.	769,001	441,651	502,956	152.9	2050
Ark.	107,364	16,229	90,000	119.3	340
Okla.	224,240	179,948	227,171	98.7	1150
Texas	846,905	317,408	673,694	125.7	3640
Ariz.	80,936	50,611	40,042	202.1	450
Calif.	1,568,227	99,047	1,501,038	104.5	5105
Total	15,891,373	2,516,958	12,524,622	126.9	\$46,003

American Airlines budget	<u>1949</u>
Newspapers	\$560,889
Magazines (freight & pass.)	<u>807,694</u>
TOTAL	\$1,368,583

- a) 29,750 lines in all the above cities using 100% of the total budget in newspapers.
- b) 22,312 lines in all the above cities using 75% of the total budget in newspapers.

All The Above Data From "How Much Will It Cost?" - Bureau of Advertising, ANPA - 1949

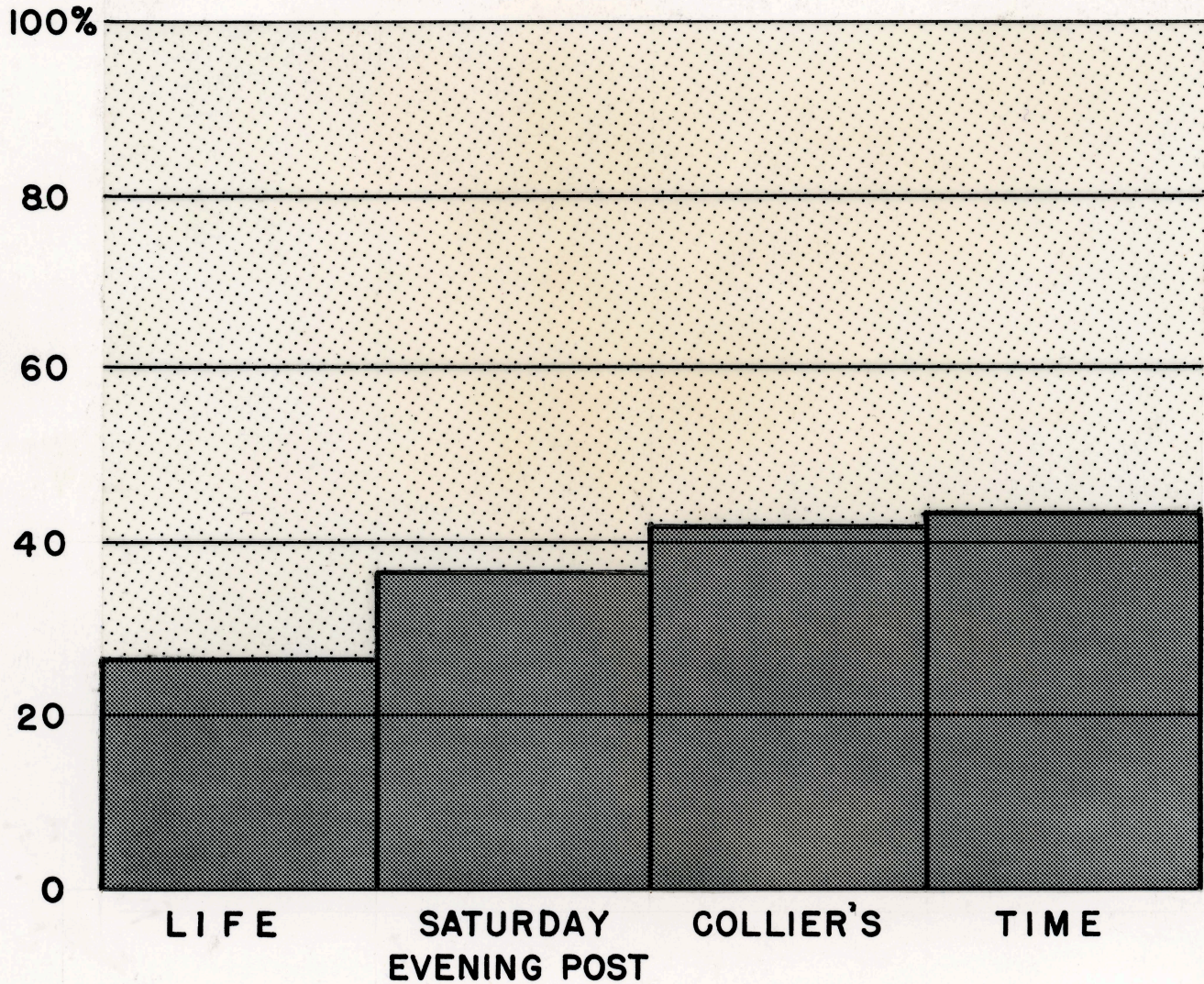
ALL NEWSPAPERS IN ALL CITIES IN THE STATE

Table 6

<u>ON - LINE STATES</u>	<u>Combined Circulation All Papers</u>	<u>Families</u>	<u>Percent Family Coverage</u>	<u>5000 Lines</u>	<u>10,000 Lines</u>	<u>20,000 Lines</u>	<u>30,000 Lines</u>
Mich.	2,125,936	770,882	275.8	\$31,650	\$63,150	\$126,300	\$189,450
Me.	232,541	58,040	400.7	5,250	10,500	21,000	31,500
N. H.	101,220	55,044	183.9	2,875	5,600	11,200	16,800
Vt.	87,168	27,199	320.5	2,775	5,550	11,100	16,500
Mass.	2,705,402	683,264	396.0	33,650	67,000	134,000	201,000
R. I.	266,748	116,380	229.2	4,200	8,400	16,800	25,200
Conn.	602,982	273,384	220.6	10,600	21,150	42,300	63,450
N. Y.	8,652,071	2,907,494	297.6	98,830	196,960	391,920	584,880
N. J.	1,065,144	465,424	228.9	18,425	36,850	73,700	110,550
Del.	81,061	29,293	276.7	1,200	2,400	4,800	7,200
Md.	682,701	260,142	262.4	8,300	16,600	33,200	49,800
D. C.	762,654	173,445	439.7	9,550	19,100	38,200	57,300
Va.	671,553	218,737	307.1	11,800	23,550	47,100	70,650
W. Va.	482,068	114,975	419.3	9,775	19,500	39,000	58,500
Ohio	2,996,584	1,083,739	276.5	46,075	91,950	183,700	275,250
Ind.	1,472,637	490,472	300.3	30,400	60,800	121,600	182,250
Ill.	3,734,581	1,356,394	275.3	46,020	91,540	183,080	273,120
Ky.	532,583	169,133	314.9	9,125	18,250	36,500	54,750
Tenn.	883,716	236,280	374.0	14,390	28,780	57,560	86,340
Mo.	1,834,994	502,956	364.8	23,570	47,140	94,280	141,420
Ark.	302,058	90,000	335.6	8,125	16,250	32,400	48,600
Okla.	632,348	227,171	278.4	16,375	32,750	65,500	98,100
Texas	2,088,980	673,694	310.1	41,700	83,400	166,700	250,050
Ariz.	173,435	40,042	433.1	4,700	9,400	18,800	28,200
Calif.	3,950,109	1,501,038	263.2	67,740	135,480	270,960	406,440
TOTAL	37,121,274	12,524,622	296.4	\$557,100	\$1,112,050	\$2,221,700	\$3,327,300

All The Above Data From "How Much Will It Cost?" - Bureau of Advertising, A.N.P.A., 1949

*** Per Cent of Net U.S. Family Coverage Accumulated**



***U.S. FAMILIES— U.S. DEPT. OF COMMERCE ESTIMATE (APR. 1947) 39,138,000**

***CURRENT MAGAZINES & MAGAZINES UP TO 6 MONTHS OLD INCLUDED**