

MEMORANDUM OF REBUTTAL  
ON  
THE BROADCAST ADVERTISING BUREAU PRESENTATION

*“HOW TO TURN PEOPLE INTO CUSTOMERS”*

FOR THE USE OF MEMBERS OF THE  
BUREAU OF ADVERTISING ONLY

**THE BUREAU OF ADVERTISING**

AMERICAN NEWSPAPER PUBLISHERS ASSOCIATION

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MEMORANDUM FOR THE RECORD  
OF THE  
COMMISSIONERS OF THE GENERAL LAND OFFICE

RE: [Illegible Title]

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MEMORANDUM OF REBUTTAL

ON

THE BROADCAST ADVERTISING BUREAU PRESENTATION,  
"HOW TO TURN PEOPLE INTO CUSTOMERS"

IN ORDER TO GIVE BUREAU MEMBERS a complete account of the whole story advanced by radio in this presentation, this memorandum reprints the entire oral script used by BAB with its stripfilm, with the factual rejoinder to each of the major competitive points printed opposite the appropriate portion of the script.

BAB'S INTRODUCTION (with lights on):

Gentlemen, there are many ways of making a presentation. You can do it with graphs, charts and a lot of figures. You can keep it as simple as writing your points on a blackboard. You can use an elaborate full-color movie with a symphony orchestra -- or even something as spectacular as 12 trained bears riding bicycles and carrying signboards.

But the method is not so important as what you have to say. And we know we have something to say here today that will help you think far more clearly about retail advertising.

We're going to tell you our story with a series of illustrated films. And when I say "our story" -- that's not entirely accurate. It's your story, too. For, as you will soon see, the local retail advertiser -- for logical reasons -- has an intense stake in radio. He has become the biggest customer radio has, or ever had.

Many of you, of course, have employed newspapers as a prime advertising medium for many years -- and no one can question their place and effectiveness as a means of moving goods.

Yet we should all be extremely shortsighted indeed if we failed to recognize what swift changes have been happening recently in the retail advertising picture.

The most significant is the rapid growth of radio as a salesman that genuinely gets results. Therefore, what radio means to you as the ideal medium -- what it can do for you right here in (your town) -- how it can help you sell more at lower cost, with less effort -- that's what our story, yours and mine, is all about.

In short, gentlemen, this presentation concerns itself with the perennial question of ...

(Lights off - projector on to opening frame:)

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINDER:

(1)

HOW TO TURN PEOPLE INTO CUSTOMERS.

(2)

First, let's look at the people --  
148,000,000 of them -- earning money,  
spending money. All these people are  
customers -- anybody's customers.

If all 148,000,000 are "customers,"  
they include (according to July 1948  
population statistics) 15,969,000  
people under five years old,  
1,700,000 people in institutions.

Obviously, all 148,000,000 are not  
"earning money" and "spending money."

The advertiser's problem is to reach  
the people who have both money to  
spend and the power to make buying  
decisions in such a way and at such  
a time as to influence the decisions.

(3)

And there are getting to be more of them  
every day.

In just the years between 1947 and 1949,  
the population has increased by  $3\frac{1}{2}$  million.  
Today it exceeds 148,000,000 people ...

(4)

... and by 1955, according to the Census  
Bureau, our total U. S. population will  
be over 155,000,000 persons.

Now all of these people -- today and to-  
morrow -- can't be your customers, but ...

(5)

... the ones right here in (your city)  
-- the ones in your city, your neighborhood  
-- are mighty important to you.

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINER:

(6)

You can measure how well you've done every day by how many people did business with you ...

"How many customers" is not necessarily the measure. Current high business levels are due more to increases in per-capita consumption than to increases in numbers of people. Between 1940 and 1948, population went up 7.8%, but personal consumption expenditures climbed by 148% and real personal income by 45.2%.

(7)

... against this yardstick: Let's consider how many people must you do business with if you are to be successful.

Well, if you're a typical retailer of today, you've already come to this conclusion:

(8)

To maintain current profits -- or to make even greater ones -- you must increase your number of customers.

(9)

This is dramatically evident when you consider what sales mean in relation to profits -- with today's mounting cost of operating a business -- according to recent findings of the National City Bank.

As you can see (SLIDE SHOWS CHART), a 10% drop in sales can mean a 28% reduction of profits, and a drop of over 30% can mean a corresponding profit loss up to 100%. The answer is obvious, to every retailer who is on his toes:

(10)

You must turn more people into customers -- your customers.

(11)

How can this be done? Well, thousands of retailers have already found the answer in

...

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINER:

(12)

... radio! So many thousands, in fact, that ...

(13)

... the retailer has today become radio's biggest customer!

BAB is able to make the retailer "radio's biggest customer" only by arbitrarily splitting the national advertiser's spending into "the national network advertiser," "the national spot advertiser," and "the regional network advertiser."

(14: CHARTING FIGS. GIVEN BELOW:)

Bigger than the national network advertiser, who spent over \$133,000,000 last year (1948) --

In 1948, the year in question, the picture as between the national advertiser and the local advertiser, in terms of net billings, was:

Bigger than the national spot advertiser, who spent over \$100,000,000 last year --

Far bigger than the regional network advertiser, who spent over \$8,000,000 last year.

Local advertising \$163,250,000

National advertising (network, regional network and spot) \$239,536,000

The local retail advertiser -- as the top line of this chart shows -- has almost doubled his radio advertising budgets in the last four years. He has become radio's biggest customer...

-- according to the estimates of Broadcasting Yearbook.

(15)

... \$157,000,000 big in 1948!

And this is the second great phase in the swift development of America's most widely used, most often preferred medium -- radio.

(16: CHARTING FIGS. GIVEN BELOW:)

Step One came in 1940 -- when the national advertiser began spending most of his budget in radio. This chart clearly shows you what has happened since that trend began.

The facts are: In 1940, national advertisers did not put most of their money into radio. Actually, according to radio's own Broadcasting Yearbook's estimate, they put only \$148,656,000 into radio in 1940 while putting \$167,000,000 into magazines (PIB figures)

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINDER:

(17)

Step Two -- today -- finds local retailers spending more in radio than anyone else ever did before.

About twice as much as in 1944.

and \$179,000,000 into newspapers (Media Records-Bureau of Advertising figures). What is BAB's source for this claim the Bureau has been unable to discover.

Not true, if "anyone else" includes "the national advertiser" collectively (see Rejoinder to Frames Nos. 13-14, above).

But meanwhile BAB fails to report that retailers in 1948 were still spending more than six times as much in newspapers as in radio, according to Dr. Hans Zeisel, in Printers' Ink -- and since 1944, retailers' investment in newspaper advertising has actually increased faster than in radio:

	<u>RADIO:</u>		
	<u>1944</u>	<u>1948</u>	
	\$114,300,000	\$219,600,000	Up 92.1%
	<u>NEWSPAPERS:</u>		
	\$691,400,000	\$1,355,900,000	Up 96.1%

(Figures include production costs for both.)

(18)

Why? Well, a good share of the answer comes from the fact that the retail advertiser has found in radio three important qualities -- three vital advantages that make radio the logical medium for him -- and you -- and only radio delivers all three of them.

(19)

First, radio lets you reach many more people.

Then, after you've reached all those people, radio exerts an influence no other advertising medium can match.

And finally, radio delivers these two important advantages more easily and at less expense than any other major medium.

Let's prove it --

Like many radio claims, these are sweeping assertions which are by no means sustained by the evidence. They leave unanswered for the retailer the question of whether radio advertising reaches the particular people he most wants to reach in such a way and at such a time as to influence their buying decisions his way.

The fact that for every dollar they spend in radio, retailers invest \$6 in newspapers suggests how they answer the question for themselves.

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINDER:

(20: CHARTING FIGS. SHOWN BELOW:)

To begin with, let's find out how efficiently radio reaches people: Here we see how set ownership constantly grows with the population. Now how the two lines go up together -- the number of sets climbing even faster than the number of people.

Radio sets have increased considerably faster than population, but much of the gain is due to extra sets (in automobiles, kitchens, etc.) and signifies no corresponding gain in listeners.

A more significant comparison would be the gain in number of radio homes:

Now, how about the other great retail advertising medium which so many of you have been using for so long?

	<u>1938</u>	<u>1948</u>	
	28,000,000	40,000,000	Up 42.8%

as compared with a 12.9% gain in population in the same period, according to Department of Commerce estimates.

(21: CHART SHOWING GROWTH IN POPULATION, RADIO SETS AND NEWSPAPER CIRCULATION, 1923-1948)

Well, it looks like this. Note how the total circulation of daily newspapers -- the bottom line at the right -- has remained practically motionless during the same 10-year (sic) period.

How "motionless" a graph-line on a chart looks depends on how you draw it. (BAB's chart covers 26 years while its script discusses a 10-year period.)

As for whether newspaper circulation was motionless from 1938 to 1948, the Editor & Publisher Yearbook shows:

	<u>WEEKDAY NEWSPAPERS</u>		
	<u>1938</u>	<u>1948</u>	
	39,571,879	53,285,297	Up 32.1%

	<u>SUNDAY NEWSPAPERS</u>		
	<u>1938</u>	<u>1948</u>	
	30,480,922	46,308,081	Up 51.9%

(22)

Only radio, then, has kept pace with the new people in your market -- has grown with the population.

As the figures above show, the comparative gains, 1938 to 1948, are:

Geographically, too, it reaches out across the entire United States. Of the 3,072 counties you see here ...

Population	12.9%
Radio Homes	42.8%
Weekday Newspapers	32.1%
Sunday Newspapers	51.9%



BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINER:

(23)

... radio penetrates, day after day, into every single one of them! Yes, radio goes everywhere.

Not a single county has less than 10% coverage. Most leading markets have at least 95% coverage.

Figures apparently refer to number of radio homes. But they by no means indicate that this is the kind of coverage any individual advertiser can expect to receive.

(24)

You can understand this terrific penetration better when you realize that radio gets the preference of people, too. Plenty of it. The average U. S. radio family devotes five hours and 53 minutes to radio listening every day.

These hour-glasses (on the screen) represent almost six hours of listening out of each 24 -- and the figure is fairly constant for every part of the country.

Network rules as well as the nature of radio itself limits the amount of time which can be devoted to advertising. NBC, for example, allows only three minutes of commercials for a 15-minute afternoon program, even less in the evening. At this rate, the radio listener can be exposed to only 72 minutes of advertising during five hours and 53 minutes of listening.

How does that compare with the other great medium?

(25)

Well, according to the newspaper industry's own figures, newspaper-reading families will spend at most only three hours and 18 minutes a day reading newspapers.

This is an interesting contrast to the three hours and 18 minutes (198 mins.) spent with newspapers -- a medium which, incidentally, devoted more than 50% of its white space to advertising in 1947.

That's certainly preference. Let's take a closer look.

But quality of attention is also important: The recent study, "Psychological Impact of Newspaper and Radio Advertisements," by Dr. Paul F. Lazarsfeld\*, revealed that, in general, newspaper ads produce more and richer images, get better attention, are more frequently believed, and focus attention more firmly on the product than radio advertising.

\* Copies available to Bureau members on request to the Bureau's Promotion Department.

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINDER:

(26: CHARTING FIGS. SHOWN BELOW:)

A recent Fortune Magazine survey shows that radio listening is the activity most enjoyed by both men and women in their spare time. Fifty-one per cent of the men put radio first, and 54% of the women. They prefer radio to all other activities combined! Fortune says, "Radio listening is a common denominator."

And the National Opinion Research Center, in a nationwide survey two years ago, asked Americans this question:

(27: CHARTING FIGS. SHOWN BELOW:)

"If you had to give up either reading the newspaper or listening to the radio, which would you give up?"

You can see their answer. Thirty per cent said they'd give up radio. But 62% -- nearly two-thirds -- said they'd be willing to go without newspapers.

Now why is it that all these people like radio so much?

Newspapers are generally neither thought of nor designed as a pastime. The Fortune Survey in question did not list newspaper-reading among the spare-time activities about which it asked questions.

On more than one occasion when people have been confronted with the actuality of having to do without newspapers -- as against answering the hypothetical question -- their reactions have been strikingly different. One such occasion was the July 1-17, 1945 strike of the Newspaper & Mail Deliverers Union which deprived millions of New Yorkers of newspapers. In a 1,017-person survey\* by Fact Finders Associates, commissioned by the Bureau of Advertising, people were asked: "You're probably getting most of your news from radio -- is radio completely fulfilling your need for news?" Of the respondents, 82.7% answered no -- 75% thought they were missing most or an important part of war and national news -- 68% thought they were missing most or an important part of local news. Seventy-seven per cent said they missed the advertising 41% "very much," 36% "moderately."

In 1946 Macfadden Publications asked its Wage Earner Forum; "Would you be satisfied to see advertising removed from newspapers, radio, billboards, cars and buses?" with this result, as to newspapers and radio:

\* Reported more fully in the 1945 Bureau booklet, "City in the Dark," and in "Valuable Data about Newspapers," Issues No. 43 and 44. A similar survey in St. Louis was reported in "Valuable Data," No. 48. Copies of all three issues of "Valuable Data" are available on request to the Bureau's Promotion Department.

BAB SCRIPT WITH FRAME NOS. :

BUREAU OF ADVERTISING REJOINDER:

(REJOINDER TO NO. 27 -- (continued)

NEWSPAPERS      RADIO

(28)

Well, radio talks to them in a familiar language -- a language it pleases them to listen to. Radio gives them what they like --

	<u>Husbands</u>	<u>Wives</u>	<u>Husbands</u>	<u>Wives</u>
Yes	4.1%	3.1%	25.3%	29.0%
No	90.9%	92.1%	71.1%	66.8%

(Remainder of answers "don't know," etc.)

(29)

They like -- and listen to -- news. Hours of it -- and hours ahead of any other source of news.

(30)

They like -- and listen to -- music...

(31-32-33)

... and drama -- and sports -- and home-making programs ...

(34)

... and farm information.

There are, as you all know, many more. Listening to the radio is the great, universal pastime -- America's first activity. Small wonder, then, the speed with which the number of radio families in America has increased. Look at the immensity of today's radio audience:

(35: CHARTING GROWTH OF RADIO HOMES AND RADIO SETS:)

39,000,000 radio homes -- 83,000,000 sets in regular use (and the line is still climbing -- more radios than bathtubs, automobiles, telephones or even inside plumbing. And 40.9% of all these radio homes have two or more sets. Those are national figures, but radio is proportionately just as strong right here in (your city), which means bread and butter to all of us here today.

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINER:

(35 -- continued:)

Radio, as we've already seen, is not only tremendous now, but still growing -- still becoming more powerful. It is quite natural then -- to meet this continuously growing demand -- that today there should also be more stations.

(36: CHARTING GROWTH IN NO. OF RADIO STATIONS:)

This is how the number of radio stations serving the American people has increased. Note that only the war slightly interrupted its steady and continuous growth.

True -- the number of radio stations has increased, rapidly. But the growth in sheer number of stations has, to a great extent, merely subdivided the listening audience into smaller competing parts, making it increasingly more difficult for the radio advertiser to obtain complete coverage of his market.

On this point, the Federal Communications Commission says: "The effect is to reduce the value to the advertiser of the broadcaster's saleable commodity: the number of listeners habituated to his station."

Meanwhile, the splitting-up of the radio audience into smaller and smaller segments is being accelerated by the rise of television: In Manhattan, most-saturated TV area in the U.S., Researcher C. E. Hooper reports that at the beginning of 1949 conventional ear-radio had some 81% of the nighttime radio audience, television only 19%. But by 1949's end, ear-radio's share of the nighttime audience was down to 59%, TV's up to 41%.

(37: CHARTING GROWTH IN NO. OF RADIO STATIONS VS. DECLINE IN NO. OF NEWS-PAPERS:)

But while the number of radio stations has been increasing -- this also has been happening.

Number of newspapers, of course, has been decreasing, but newspaper circulation, as noted elsewhere in this memorandum, has been conspicuously moving ahead -- and no advertiser's opportunity to gain "facilities" for his message has been in any way affected by the fact that fewer newspapers are published. If anything, his task of obtaining full coverage with newspaper advertising has been simplified.

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINDER:

(37 -- continued:)

In short, radio -- the fastest growing medium of them all -- offers the retail advertiser more facilities to reach more of the people he'd like to have as customers.

"Fastest-growing medium," as a definition, means more than mere number of operating units.

If it is taken to mean growth in advertisers' investments, BAB's statement is false. In terms of total advertising revenue in 1948 as compared with 1947, as calculated by Dr. Hans Zeisel, in *Printers' Ink*, the facts are:

Radio Revenue	Up 7.5%
Newspaper Revenue	Up 18.6%

Newspapers' rate of growth for the period being mentioned by BAB is, by this standard, two and a half times as fast as radio's.

(38)

That's important. But what's even more important is the way radio influences so many of these people and readily turns them into customers for him.

(39)

Radio -- through the spoken word -- makes lasting impressions. People remember what they hear on the radio longer than what they read. Even as far back as 1935 -- an 18-month study by Harvard University proved that people find facts more interesting and understand them better when heard over radio than when they read them -- that they remember numbers, sentences and advertising trade names better when heard over radio ...

In a survey 15 years more up to date (February 1949), Dr. Paul F. Lazarsfeld, of Columbia University, reported in the study, "Psychological Impact of Newspaper & Radio Advertisements":

"When tested by exposure to an advertisement in each medium, the printed ad . . . produces images, ideas and thoughts in greater number and variety than does the radio commercial."

(40)

... and that people are more cautious about printed material than about spoken material. This was almost 15 years ago. How much truer it is today because of the vast continuing growth of radio!

The same Lazarsfeld study says: "Higher credibility is attached to newspaper advertising claims by all except women of low education, who favor radio advertising claims."

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINER:

(41)

Radio has impact -- the power and wallop of the spoken word ...

Such wallop that, according to a survey by the American Institute of Public Opinion, released on Jan. 20, 1950, 38% of the American people declare that radio advertising takes away from their interest in radio, while on the other hand, 73% of the people say newspaper advertising adds to their interest in newspapers.

Dr. George Gallup's organization asked the same question regarding newspapers, radio and magazines, with these results:

"Does advertising add to or take away from your interest in \_\_\_\_\_?"

	<u>Adds</u>	<u>Takes Away</u>	<u>No Diff.</u>	<u>No Opinion</u>
Newspapers	73%	11%	11%	5%*
Radio	44%	38%	12%	6%#
Magazines	64%	10%	12%	14%**

\* Includes 2% undecided and 3% who say they don't read newspapers.

# Includes 3% undecided and 3% who say they don't listen to radio.

\*\*Includes 3% undecided and 11% who don't read magazines. Non-reading of magazines, Dr. Gallup adds, ranged from 1% among college-trained persons to 20% in lower-education levels.

(More detailed information on this study is available to Bureau members from the Bureau's Research Department.)

... with a color, warmth and persuasiveness that the printed word can never capture. Nothing has such effect on people as the familiar sound of the human voice.

Warmth and color, though fine ingredients in a radio program, may be more of a hindrance than a help in a radio commercial. They may distract the listener from the sales arguments. Dr. Lazarsfeld says (see above) in "Psychological Impact": "Images induced by radio commercials tend to center on the presentation of the advertising matter. Images induced by newspaper ads tend to center on the product."

(42)

Compare it with this -- a mass of printed words, in drab black type, all struggling for your attention. Emphasis here is a matter of size -- of how much space you can afford to buy. There can be no shadings, no inflections, no warmth.

Radio also lets you address your words to people in groups -- like this:

(43)

No other medium lets you talk to people in just this way -- in the relaxation and intimacy of their own homes where they can listen in groups, be influenced in groups, make group buying decisions.

Compare it with (PAUSE):

(44: SHOWING ONE MEMBER OF FAMILY READING NEWSPAPER, OTHERS SITTING AROUND:)

Now retailers don't often think of radio as being an illustrated means of advertising, but the fact is that radio can actually paint vivid, personal pictures in listeners' minds.

See above as to "images induced by radio commercials," as described in the Lazarsfeld study, "Psychological Impact of Newspaper & Radio Advertisements."

(45)

Only radio lets people put themselves into your advertising pictures -- visualizing things like this in the way that appeals to them most (PAUSE).

Now, what picture can you paint in your mind with this (PAUSE)?

(46: SHOWING CROWDED PAGE OF NEWSPAPER ADVERTISING:)

Remember, too, that with radio ...

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINDER:

(46)

... every word is a headline word. Your message is the only thing the listener hears at the moment when it is on the air. It's on the front page, and it has the whole stage to itself.

There is nothing to detract his attention from what you want him to hear.

But there is also no chance for the listener to refer back to the ad -- and no chance that a listener will hear any given ad if he is interested in another program at the time. The Lazarsfeld study (see above) points out that 53% of the survey's respondents said that they sometimes clip advertisements from newspapers. Only 30% said they sometimes make notes from radio commercials.

(47: SHOWING NEWSPAPER PAGE WITH CONSPICUOUS EDITORIAL "LEG ART" ADJACENT TO NUMEROUS ADS:)

Like, for example this:

Radio also gives you ...

(48)

... complete credit for the content of the program you sponsor. This is one of the secrets of true customer loyalty. You get credit for what the listener likes -- not just the medium itself. That's why the retailer can capitalize on something like this (SLIDE SHOWS SIGN CREDITING ADVERTISER FOR SPONSORSHIP OF BASEBALL BROADCAST) instead of this:

(49: SHOWING NEWSPAPER SPORTS PAGE WITH BANNER HEADLINES, ADS SUBORDINATED:)

Not long ago, the head of the huge nationwide chain of Allied Department Stores -- Mr. B. Earl Puckett -- addressing a group of newspaper advertising executives, declared that his nationwide retail chain had come to feel



BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINER:

(49 -- continued:)

that today's newspapers are no longer performing the best service they can to the people who are retailers' customers.

He said:

(50: REPRODUCING COPY QUOTED BELOW:)

"What do newspapers do to create a buying mood, a burning desire to possess, or even a proper background for a seller's presentation?"

And at another significant point in his talk he said:

(51: REPRODUCING COPY QUOTED BELOW:)

"Time was when the retailers' advertising could build and hold readership for the newspapers. That was most advantageous for newspapers. The paper charged the retailer for building and holding its own circulation. . . . The customer did half the work and paid generously for the privilege."

What Mr. Puckett was asking for is exactly what we have just illustrated as an essential radio service -- the credit you get for the program you sponsor.

Retailers must be dissatisfied with newspapers -- especially big retailers. So dissatisfied that:

According to the analysis of publicity expenses, 1949 edition, published by the Comptroller's Congress of the National Retail Dry Goods Assn., department and specialty stores with annual sales of over \$2,000,000 spent 56% of their total publicity outlays for advertising space in newspapers in 1948.

Their expenditure for radio broadcasting (excluding payrolls) was 2%.

Incidentally, no one has ever suggested that any radio commercial has of itself ever attracted any radio listener. It seems generally agreed that only through the lure of elaborate radio entertainment can the listener be induced to put up with the commercial.

Now, let's examine still another fact about radio that is particularly important to retail advertisers.

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINER:

(52)

Radio lets you selectively influence specialized audiences who are the best customers for whatever you have to sell. Take, for example, the giant group of housewives who control such a big share of every dollar spent on retail purchases.

True for audiences for the program content of a broadcast, but not so easy to do in terms of radio advertising. If a department store wants to sell furniture, a well-designed newspaper ad may be read by virtually every interested furniture prospect in the market. But it is not possible to design a radio show so that furniture prospects, as such, will tune in. If the advertiser decides on a soap opera, there is no reason why the proportion of furniture prospects should be greater than among the listeners to a cooking program, generally speaking.

(53)

Or rural listeners -- always difficult to reach with other media -- the kind of customers who depend so heavily on radio in their daily lives that almost 90% of them own radio sets in working order.

(54)

Or the teen-agers--who today are developing their own buying habits, influencing those of their parents -- and getting ready to be your best customers tomorrow.

(55)

Or the sports fans who enthusiastically follow their favorite teams via radio. Surveys show that hundreds will bring their radios with them to the great sports arenas across the country, and they have actually been counted listening to the broadcasts while they watch the event.

All of those people, through their special interests, are strongly influenced by radio.

Up to now we have seen how radio reaches people in abundance -- and then turns them into customers. Thousands of successful retailers are finding that to be so every

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINDER:

(55 -- continued:)

day. But they are also finding something else that is extremely important. They are finding that ...

(56)

... radio is easier to use.

And that radio -- while producing better results -- actually costs far less to use. Here's why:

(57)

Easy-to-use advertising is advertising at your fingertips. Advertising that is fast and uncomplicated. And radio offers the retail advertiser a speed that is unapproached by any other medium. Your messages can be prepared and delivered in a small fraction of the time required by printed media -- and you know that's an important consideration in today's constantly changing competitive picture.

It's as simple and swift as you see it here. There are no cumbersome and time-consuming steps like these ...

(58: DIAGRAM DESCRIBED IN COPY BELOW:)

... which beset the advertiser using printed media -- steps that lead from retailer to copywriter to layout table to production manager to messenger to typewriter (sic) to engraver to plate-making to presses to delivery truck and -- at long last -- to the possible reader's home.

Radio also gives you -- the retailer advertiser -- a chance to put your message across with ...

BAB obviously shrugs off as involving no problems of trouble whatever the tasks of writing copy for radio, choosing announcers, arranging for time, music, sound effects, actors, etc., or for transcription-recording with its attendant details, if transcriptions are used instead of live talent.

One measure of what is "easier to use" is that of cost. Dr. Hans Zeisel, in *Printers' Ink*, calculates average production costs at 6.9% of newspaper space costs, 34.5% of radio time costs -- the latter figure applying specifically to retail radio advertising.

As Richard H. Edwards Jr., vice president of Boston's great Jordan Marsh Co., observes in a Bureau of Advertising advertisement released to member newspapers for their use on Feb. 23, 1950:

"Timing" is a virtue that "is shared with radio, but we do know the newspaper will be printed tomorrow. We do know its circulation. And it would be necessary for us to see if we could find or buy radio time on the spur of the moment."

There are countless examples of extraordinary speed in production of newspaper ads. A conspicuous one was the Mobilgas ad tying up (Mar. 7, 1940) with the maiden Atlantic voyage of the Queen Elizabeth, which was ordered into New York afternoon papers at 9:45 a.m. and was on the newsstands in papers carrying the news story at 3:30 p.m. same day.\*

\* See the Bureau's "Advertising Facts," March 1940 issue.

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINDER:

(59)

... real frequency -- like this -- dozens of times a day, if necessary.

True -- but only if time is available to broadcast dozens of times a day -- time which is advantageous to the advertiser in terms of potential audience at the time.

(60)

Not just this -- one or two messages a day.

Furthermore, radio gives its advertisers a chance to talk to the audience they want at the time of day best suited to reach it ...

(61)

... like this.

Certainly a more selective way of addressing the people you want to reach than this ...

(62: SHOWING CROWDED NEWSPAPER AD PAGE:)

... where your message can get buried and has an excellent chance of going unnoticed.

Radio presents another unique and valuable advantage which means a great deal to the retail advertiser.

(63)

Only radio counts the number of people who actually hear your advertising -- not just the number of people who are available and might notice it. In other words, from radio you get measured audiences -- audiences you know you've reached.

All that radio regularly measures is the per cent of homes in given areas where a radio set is tuned in and someone says he or she is listening to a particular program.

This information is supplemented, from time to time, through further questions asking how many persons are listening and whether the telephone respondent can identify the sponsor.

A study of 136 evening half-hour network programs revealed that, on the average, 58.2% of the audience could not identify

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINDER:

(63 -- continued:)

(REJOINDER TO NO. 63 -- continued:)

the sponsor despite the fact that they said they were listening to the program.

The top ranking program by this standard still showed 12.2% of its audience unable to identify its sponsor, while 91.4% of the poorest program's audience failed to identify the sponsor.

Evidence of this kind shows radio a long distance from uniformly reaching the people to have the buying decision to make in such a way and at such a time as to influence that decision in the direction of a specific advertiser, retail or national.

That's a lot different from "circulation" which may mean only this:

(64)

Let's say seven people out of every 10 buy the paper, but only one of the seven actually reads your advertising. Newspaper research figures indicate this is a normal ratio -- and about the percentage most retail advertisers can expect.

A nationwide survey conducted in 1946 for the Book Manufacturers Institute under the supervision of Henry C. Link and Harry Hopf and reported in the volume, "People and Books," showed that 85% of the entire national cross-section of respondents said they had read a newspaper "yesterday." The sample included people 15 and over, both urban and rural. This indicates newspaper reading by 8½ people out of 10 instead of seven out of 10.

But BAB's statement that only one out of seven reads the advertising is devoid of meaning unless considered in terms of the size and purpose of the advertising.

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(REJOINDER TO NO. 64 -- continued:)

The Continuing Study of Newspaper Reading shows that the median reading of department-store ads (excluding basement ads) by women is 34% for ads of between 500 and 1,000 lines, which itself is well over twice the one-out-of-seven score which BAB mentions. Ads of 1,000 to 2,000 lines get average women's reading of 50% -- ads of 2,000 lines and more 63%. And these are aver-  
ages. Scores of newspaper ads score far  
higher readership.

The BAB statement that newspaper research indicates that most retail advertisers can expect only one out of seven people to read their advertising is completely misleading, because it does not relate readership to the size of an advertisement nor does it take into account the fact that retail advertising, like retail sales, is usually selective in terms of sex.

Since women do two-thirds of the reading and spend four-fifths of the money, according to B. Earl Puckett, of Allied Stores (see above), it may be proper to consider some retail classifications which interest women in terms of ad-sizes which successful retailers commonly use, as shown in the 100-Study Summary of The Continuing Study of Newspaper Reading:

<u>Classification</u>	<u>% Women's Reading</u>	
	<u>Median</u>	<u>High</u>
<u>Women's &amp; Children's</u> <u>Boots &amp; Shoes</u>		
300 to 499 lines	25%	49%
500 to 999 lines	36%	52%
<u>Women's &amp; Children's</u> <u>Clothing Stores</u>		
500 to 999 lines	35%	79%
1,000 to 1,999 lines	55%	76%

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINER:

(64 -- continued:)

(REJOINER TO NO. 64 -- continued:)

<u>Classification</u>	<u>% Women's Reading</u>	
	<u>Median</u>	<u>High</u>
<u>Dept. Stores, Main</u>		
500 to 999 lines	34%	70%
1,000 to 1,999 lines	50%	82%
2,000 lines & over	63%	87%
<u>Dept. Stores, Basement</u>		
500 to 999 lines	35%	64%
1,000 to 1,999 lines	45%	65%
2,000 lines & over	63%	85%
<u>Grocers &amp; Butchers</u>		
500 to 999 lines	28%	50%
1,000 to 1,999 lines	41%	80%
2,000 lines & over	50%	61%

And now -- best of all -- radio is a low cost medium that gives you the biggest value you can get for every advertising dollar you spend.

(65)

With radio has come a new and far more realistic formula for determining just what the retail advertiser really gets for his money. This new formula (which any retailer can use) is based upon the inescapable fact that there is all the difference in the world between listenership -- the known number of people who hear your message -- and circulation -- the number of people who buy a paper and might possibly read some part of your message.

It was impossible, of course, for the people who prepared this presentation to include cost comparisons for individual cities. But we think one typical example, taken accurately from a representative market, will vividly demonstrate this cost-comparison formula. The situation is virtually the same everywhere.

(66)

In this particular market, \$222 will buy a quarter-page -- 600 lines -- in a leading daily -- an evening newspaper. This figure is for space only. It does not include costs of preparation or mechanical production. The paper has a total readership of 494,200, based on a net paid circulation of 211,000 copies.

This readership, mind you, includes everybody who reads any part of the paper, and therefore adds up to more than the actual number of copies sold. But the advertiser is never told how many people may really read any part of his message. Newspaper surveys have repeatedly indicated that the average quarter-page advertisement can't hope to reach much more than 15% of the paper's total readership. In this case, it means that only about 74,000 people are likely to read any or all of this 600-line advertisement.

And now, for the same amount of money ...

(67)

... for the same \$222 invested in radio -- the same message presented, for example, over a 250-watt non-network station in the same city will make a total of 297,000 actual listening impressions. In other words, the advertiser knows that his message was actually heard that many times -- simply because radio gives him measurable listenership -- not just total newspaper readership figures that are far in excess of the true number of people who really see his ad.

The Bureau has not been able to ascertain categorically the city to which BAB refers. It seems probable, however, that the market is Washington. There, the Washington Star had a circulation of 211,001, as of its Sept. 30, 1948 ABC statement. Its open retail rate of 37¢ per line will buy 600 lines.

On the basis of 2.34 readers per copy, this would result in a total "readership" in the sense used here by BAB of 494,200 people, 15% of which -- again following BAB's reasoning and mathematics -- would be 74,000 people.

It is equally impossible to determine the source of the claim that the average quarter-page ad can't hope to reach more than 15% of the paper's total readership.

For further analysis of this, see below.

For \$222, a retail advertiser may buy four or five quarter-hour programs during the evening on a 250-watt non-network station. An analysis of reports of a prominent radio measuring service shows, however, that a quarter-hour evening broadcast on such a station will average no better listenership than 1.66% of the available families.

If families in the Washington area are calculated as 266,050 (BMB Area Report) and persons per family at 3.82 (persons per occupied dwelling unit, according to the Census), the total population of all ages in the area would be 1,061,311. If the assumed quarter-hour reached 1.66% of this audience, the audience of the program would be 17,618 persons. While five consecutive programs would somewhat enlarge the net number of people covered, this repetition would by no means multiply this number by five. Moreover, this figure would mean total listeners disregarding what per cent of them paid



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BUREAU OF ADVERTISING REJOINER:

(67 -- continued:)

(REJOINER TO NO. 67 -- continued:)

any kind of attention to the advertising to which they were subjected.

Let's take another example:

(68)

In the same city, \$210 will buy a quarter page in the leading morning paper. Its total readership is 350,100 people based upon a net paid circulation of 177,300. But since the same 15% is about the most that can actually be expected to read any part of the advertiser's message, that generous total readership figure boils down to 52,515 people who are likely to read any part of the advertisement.

The same \$210, invested over a 5,000-watt network station in the same city, will produce 275,100 known listening impressions.

Continuing the supposition that Washington is BAB's market example, the circulation of the Washington Post at 177,308 fits nicely into this hypothesis.

As in the previous example, BAB conspicuously fails to specify what units of time at what time of day are involved. However, \$210 would buy somewhat less than four quarter-hours of "Class C" time at \$60 per quarter-hour on a leading Washington network station -- WRC. It is probable that the hypothetical advertiser would buy such time, since "Class A" time is largely occupied by network programs.

Statistics are not available to the Bureau on the probable per cent of the total number of Washington families who might be expected, on the average, to tune in a locally sponsored program at such a time. However, in view of statistics published by a leading radio measuring service, the Bureau considers it reasonable to assume that the average of families listening to a quarter-hour "Class C"-time program would be about 4.4%.

If this per cent is assigned to the hypothetical local program, only 46,697 persons could be expected to listen -- including children and infants. Allowing for audience turnover, the net audience

BAB SCRIPT WITH FRAME NOS.:

(68 -- continued:)

Quite a difference, isn't there? And an all-important one when you reduce what we've found to the hard realism of cost-per-thousand. Let's see what you get for your money:

(69)

In the first case, the advertiser's \$222 invested with the evening daily brings him actual readers -- and they may not even read all of his message -- at a cost of \$2.96 for each thousand.

But the 250-watt non-network station gives him known listening impressions at only 74 cents per thousand.

In the second case, the advertiser's \$210 -- invested with the morning paper -- is even less productive. It costs him a high \$4 for every thousand actual readers of his advertisement. The same money, spent with the 5,000-watt network station, will result in listening impressions at only 76 cents per thousand.

It doesn't take any great decision here to see which is the better buy.

Those figures are taken from a well-documented study recently conducted in the market we are talking about.

Maybe you question the difference we claim between the number of people who buy a newspaper and the ones who actually read any part of an advertisement appearing in it.

BUREAU OF ADVERTISING REJOINDER:

(REJOINDER TO NO. 68 -- continued:)

for the four quarter-hours combined would, of course, be somewhat in excess of this figure. But these would be simply listeners to the program, a statistic that would be far in excess of the number paying any attention to the advertising.

Throughout this series of frames, it should be noted that BAB carefully avoids any disclosure of how it arrived at its figures. Actually, this makes it virtually impossible to tell:

- 1) whether their figures include both time and talent -- or time alone (although the Bureau's previous calculations are based on time costs alone, as has been seen)
- 2) whether the programs chosen as examples are high-rating or average-rating programs.

Meanwhile, all of BAB's frames on costs avoids the basic question of whether advertising reaches potential customers for specific products at such a time and in such a way as to influence buying decisions. The intelligent advertiser must consider whether he wishes to send his message to a miscellaneous audience of prospects and non-prospects and surprise them into listening to his advertising -- or to put his product story into a form that selects its own interested audience on a basis of buying interest, a form to which prospects can refer back, a form which can both illustrate what's for sale and describe it in full detail.

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(70: SHOWING FIGS.:

70 lines gets 2% of the readers  
100 lines gets 3% of the readers  
300 lines gets 8% of the readers  
600 lines gets 15% of the readers  
1,200 lines gets 30% of the readers)

We therefore commend your attention to these "actually read" figures, compiled by the newspapers themselves. Based upon a study of over 125 papers in all parts of the country, readership of any or all parts of local advertisements works out this way.

As you can see, a 70-line ad -- five inches on one column -- gets at best only 2% actual readership. And even a half-page, 1,200-line ad shouldn't aspire to be noticed by over 30% of the paper's total circulation.

(71)

Computing what you actually get for what you spend is not very hard. You just figure your most optimistic guess of how many people might read your newspaper ad of a certain size and cost against known figures of actual listenership to your message over a radio station. You can get your own local answer to this problem from our radio sales staff. They can present fresh, valid data on how many people will be really listening at any set time you air your message. Comparing this with the potential readership of newspaper space costing the same amount of money is guaranteed to open your eyes.

It will not only prove radio to be a truly low cost medium -- but will point the way to more efficient, effective and productive investment of your advertising budget.

BAB's figures are misleading because of the basic fact that most retail advertising is directed to one sex or the other -- and most readership data are compiled for each sex separately for this reason.

A recent readership study in a metropolitan market showed median readership by women of retail ads in the 500-to-700-line size-group as 38% -- not 15%.

This is readership of advertising as distinct from editorial matter -- readership that implies positive interest in the content of the advertising for its own sake alone -- an interest about which there is nothing involuntary.

BAB, however, computes the readership figures it uses by averaging readership ratings for both sexes in all ads -- producing figures that are virtually meaningless for the retail advertiser who is primarily interested in reaching women. Finally, cost comparisons based on Continuing Study of Newspaper Reading data are invalid because CSNR figures cannot be projected to a newspaper's total circulation.

The one statistic the retailer is never able to get is what part of his radio audience really listened to his advertising -- listened with real interest to the specific sales arguments made. Much less is it likely or even possible that a retailer can be told in advance what a contemplated program will bring him either in accurate terms of total audience or in the more important terms of audience for his advertising story.

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Because of all these facts -- because of the way radio reaches and influences people -- because of the ease and economy with which radio can be used -- many retailers across the nation have today picked radio to carry the ball.

Experienced and trained in the sales power of the spoken word, hundreds of skilled radio copywriters, merchandising specialists, friendly salesmen and broadcasters have built a pattern that any retailer wanting results may follow.

It consists of five simple rules -- tested and proved by the kind of research that radio does best -- five rules to be remembered and followed for maximum effectiveness from your radio advertising, and the greatest extra mileage from your advertising dollar. Here's the first rule:

(73)

Set a specific sales objective.

(74)

In other words, it isn't a matter of saying: "I'd like to advertise every department in my store" or "I just want to keep my name before the public." Real results come when you have a plan -- when you decide: "I want to develop business in the basement" or "I'd like to build traffic in my ready-to-wear department."

(75)

No. 2. Beam your program directly at the interests of the people who will be your best customers. If you're selling to young people, don't try to reach large numbers of them with a concert of chamber music. Radio lets you program directly to the interests of any specialized audience.

But program interests and product interests are extremely difficult to match. With newspaper advertising, it is easy to concentrate on the single objective of selling rather than the dual problem of both entertaining and selling.

(76)

You get best results by remembering the old comparison of buckshot and a rifle. Buckshot goes all over the place. Some of it may hit the mark, but most of it doesn't. With a rifle, however, you can go right to the middle of the target.

Decide who your likeliest prospects are. Then tell them -- directly -- what you want them to hear.

(77)

No. 3. Advertise your strongest departments and in-demand lines regularly. Put your big push behind the goods you know will sell. Remember -- about 70% of the average retailer's volume comes from approximately 30% of the items he stocks.

(78)

Or to put it another way, the smart retailer does not consistently associate himself in public with his white elephants. He does regularly identify himself with the goods that people want the most.

(79)

No. 4. Use copy that is right for radio. Radio is the spoken word. It's personal, warm and near to the listener.

(80)

Talk in the language of the customer -- in terms of what interests him -- and always invite him to logical "buy-now" action. Every sentence of copy you put on the air should remember these fundamentals:

Be specific -- be personal -- be positive.

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(81)

No. 5. Coordinate your advertising in all media. This is only common sense. Each can help strengthen the others. You want your advertising dollar to go as far as possible, no matter where you spend it.

(82)

So when you advertise by radio, be sure to back up your efforts with point-of-sale displays -- and tie in with mentions in newspapers, with posters, bill-stuffers, window displays and other exploitation. Radio adds prestige to everything you have to say -- and everything you have to sell.

(83)

Now, bearing in mind all the things we've just seen, suppose we do what so many radio-minded retailers throughout America have done -- add it all up.

Let's get the real score on retail advertising. Believe us, the answers to these questions make an impressive parade. First, which medium reaches the most people?

(84-92: SHOWING REPEATS OF PREVIOUS FRAMES, WITH WORD "RADIO" ON SCREEN TO ANSWER EACH QUESTION:)

Which medium constantly grows with the population?

Which medium do people like best?

To which medium do people give the most time?

Which medium talks your selling language?

Which medium talks the customer's language?

BAB SCRIPT WITH FRAME NOS.:

BUREAU OF ADVERTISING REJOINER:

(84-92 -- continued:)

Which medium is easiest to use?

Which medium costs you less?

And so we come to the final, all-important question whose answer is now so clear -- which medium can turn the most people into the best customers?

That's easy -- radio!

(93)

And that's why thousands of progressive, successful retailers have today become radio's biggest customer -- using more and more radio to sell more and more goods every day.

In 1948, after almost a quarter of a century of equal opportunity to choose between radio and newspapers for their advertising, retailers are still casting their vote -- in the form of their advertising dollars -- for newspapers, by the landslide ratio of more than six to one.

(94)

That's why thousands of satisfied retailers now accept radio -- as national advertisers accepted it long ago -- as you should be accepting it today -- accepting it to your greatest advantage for what it is ...

The figures, as calculated by Dr. Hans Zeisel, of McCann-Erickson, for the Printers' Ink Index:

Retailers spent in 1948

In daily (incl. Sunday)  
newspapers \$1,356,000,000

In radio \$220,000,000

(95)

... America's basic advertising medium.

Thank you, gentlemen, for being with us.

(NOTE: For a further and most timely evaluation of newspapers vs. all other media as a retail advertising medium, see the Bureau of Advertising advertisement, "One of America's Greatest Retailers Points the Way to More Sales Today at Lowest Cost." The ad is based on a Boston Advertising Club speech by Richard H. Edwards Jr., vice president of Boston's Jordan Marsh Co., one of America's top users of newspaper space, delivered on Feb. 7, 1950. Extra reprints available from the Bureau Promotion Department.)