29 JANUARY 1962
PART TWO

SPONSOR

THE WEEKLY MAGAZINE RADIO/TV ADVERTISERS USE

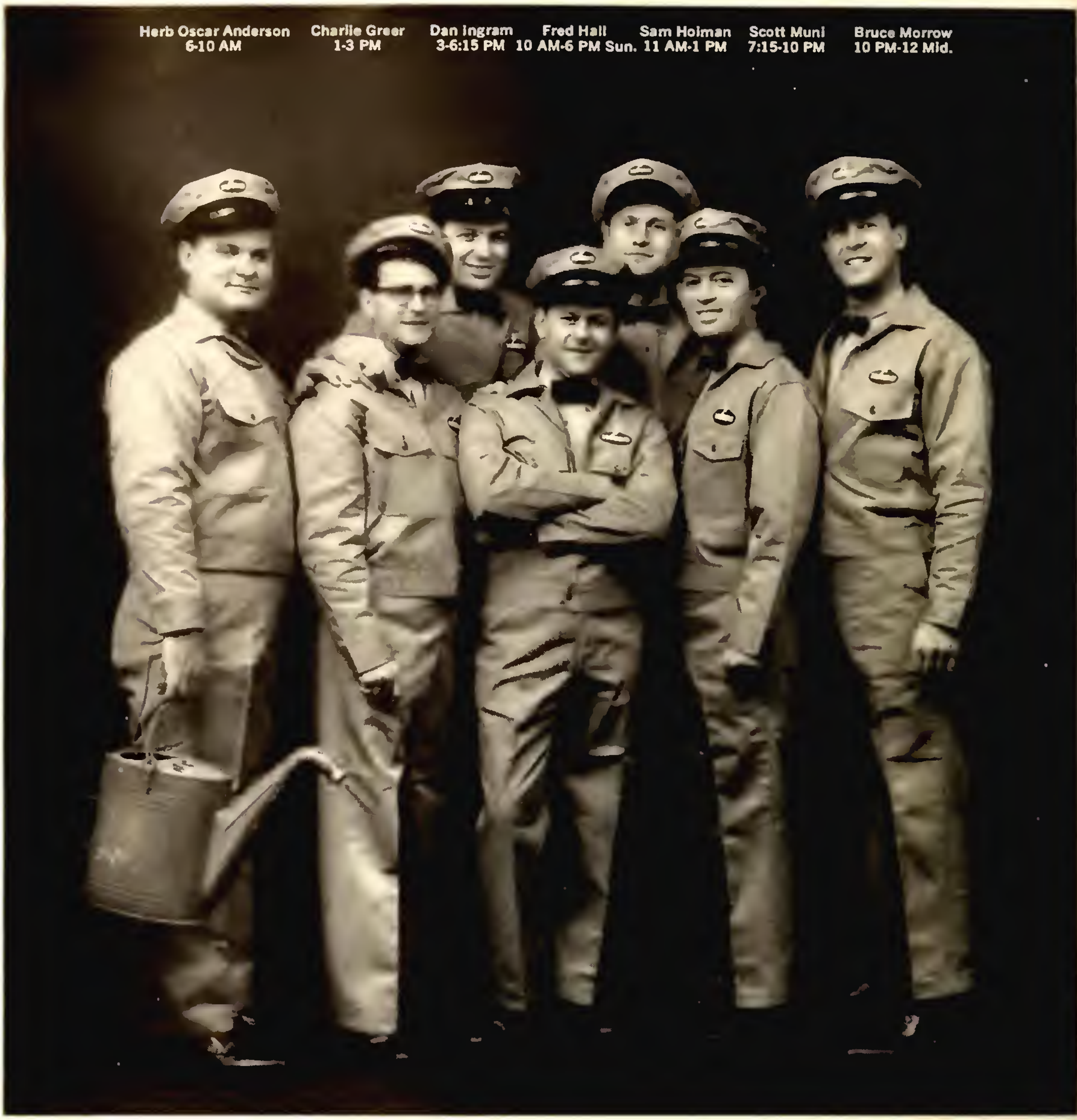
U.S. RADIO Section

Radio's Image

What is radio's image? And with whom? And why? And, most important, what can be done to improve it? For the first time in the history of radio, a national survey on this timely subject pinpoints some of the misconceptions, the progressive ideas on this vital subject of image and whether radio's reflection is accurate or a distortion. page 3

Gas/Oil: $32 million gusher

Stations can get a lot more gas and oil money for radio's coffers IF . . . if they understand the complex and manifold marketing problems of the gasoline and oil companies and match their media patterns to marketing needs . . . if they use sense to cash in on the 32 million dollars which is in prospect for oil advertising this year. page 13



ROAD SERVICE

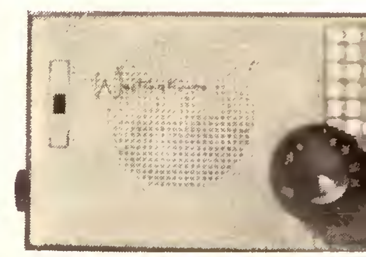
(Listeners fill up at New York's finest service station)

Every hour of the day, motorists turn right to these men for the best steer in traffic reports. Their 24-hour radio service shines with a winning warmth and exuberance. But traffic reports are only one aspect of the complete service that has helped put WABC on the road, gaining momentum week after week. You can hear it in WABC music—"your kind of music." In news reports that tell what the news means to New Yorkers. In spirited participation in the causes of the metropolitan area. The response is clear: on the air, WABC Pulse ratings have averaged a 250% jump in 1961 over the previous year. In the marketplace, the impact of advertising dollars spent is visible in shelf depletion, and cash register addition. Permit WABC's seven personalities to pump for you. You'll find, as others have, that their high-octane brand of radio moves a predominantly adult audience—and an advertiser's product.

WABC
RADIO CHANNEL 77
on your sound dial

Despite all the trade talk, there is still a lot of confusion about—

RADIO'S IMAGE



Industry-wide survey shows startling results / 8 in 10 say radio has image problem / but stations, reps, agencies, and advertisers disagree on what it is

Completion of an all-industry survey conducted by SPONSOR and U. S. RADIO points up an urgent need for clarification of radio's image—what it is, with whom and why.

Eight in 10 persons surveyed contend that, rightly or wrongly, radio *does* have an image problem. Many of them think the problem is basically mole-hill size and has been magnified to a mountain. Others think there's a serious issue because the reflection is distorted rather than accurate. For whatever the reason, however, 80% of those surveyed agree that something needs to be done by the radio industry . . . and now.

Persons queried are divided among five groups which help shape and form an image of radio and which, in turn, cast telling reflections of the radio medium. The five are the broadcasters themselves, government, public, agencies and sponsors.

From their answers, U. S. RADIO drew these broad-outline conclusions:

• The views of these five basic groups, reflecting images of radio, come from listeners, govern-

CONFUSION ABOUT RADIO'S IMAGE IS SHOWN IN WA

Who's right about radio's image when different parts of the industry give different answers to the same question? A study of this chart reveals suprising variations of opinion, points up complexity of the problem. SPONSOR and the new bi-monthly U. S. RADIO polled five groups vitally concerned with radio, found widely different views but unanimity on the ultimate pluses and goals of the medium. Move was made in the wake of much conversation but little in-depth thinking or direct action in determining the nature and dimension of

BROADCASTERS ANSWER:

What do you think of radio's image with . . .

	EXCELLENT	GOOD	INDIFFERENT	BAD
Radio stations	9%	61%	20%	10%
Station reps	12	51	30	10
Agencies	12	18	42	30
Advertisers	12	39	45	12
Listeners	30	60	12	3

Broadcasters think 61% of the stations project a good image; 10%, bad; 20% are indifferent to the effect they create. They see an information gap between agencies and stations

AGENCIES ANSWER:

What do you think of radio's image with . . .

	EXCELLENT	GOOD	INDIFFERENT	BAD
Radio stations	20%	40%	40%	....
Station reps	20	40	20	20%
Agencies	10	40	30	20
Advertisers	10	20	50	20
Listeners	20	20	40	20

Agency men have a range of opinion rather than sharp divisions. 40% answered that radio has a good image with them, but wonder about its impact with listening audience

ment, the broadcaster, agency and advertiser—are different.

- But disparate though these views are, the study reveals they can be reconciled with each other.
- This reconciliation of viewpoints is the key to improvement of radio's service and its image, because it makes for understanding.
- The resultant understanding works toward filling information gaps—chasms now existing between broadcaster and listener, broadcaster and government, broadcaster and buyer.
- Despite the sheer weight of words expounded on this subject, great confusion still exists in many parts of the industry as to exactly what an image is—and what it should be—and with whom.

U. S. RADIO asked the radio industry what it thought of itself: what image it believed was projected, for good or bad, and how this image might be strengthened.

Back came the answer: There is no *one* image, but many. There is no one way to enhance radio's image: There are a dozen roads.

A recent sales promotion brochure issued by the Weed Radio Corp. shows four of these roads, classifying today's radio stations as basically "modern," "personality," "good music" or "classical." The Weed representation firm has as a basic sales precept the selling of radio as an image medium.

Here's how Weed describes these four operations:

Modern: Compounded of well-programed pop music, amusing djs, imaginative news handling, frequent community service features. The station "swings," has modern-beat sounds, promotes heavily but with a lively — not frantic — effect. The sound is smooth, light and bright.

Personality: Bases its appeal on people rather than music, with music subordinate to the conversation. The station features entertainers rather than djs.

Good music: Keynote of this format is a smooth and sophisticated blend of music programed in uninterrupted segments, with albums the most frequently employed selections.

Classical: Programing solely for a selective audience, it differs from the good music station as Rachmaninoff does from Richard Rodgers. It makes no attempt at mass-appeal programing, develops extreme listener loyalty.

Radio is made up of different kinds of stations, just as advertising is made up of varied products, and as America is built by and with many people. There is no single, clear radio "image," but many reflections overlaying each other. This doesn't make for simplicity of either thought or action. But it does make for resilience and adaptability.

In conducting the survey, U. S. RADIO found several persons reluctant to discuss the subject of radio's image, whether in person, in a telephone call or in a mailed questionnaire. All of those declining to cooperate are strong radio proponents, but were reluctant to comment on a

ENCIES, REPS, BROADCASTERS ANSWER SAME QUESTION

radio's image along with what encourages and fosters a good one, what tends to develop an inferior one. Tabulations indicate broadcasters have a realistic view of themselves in knowing their strengths, understanding their weaknesses. Agency and station men think advertisers tend to be indifferent to radio. The reps score listener ratings higher than the broadcasters themselves, yet many station men claim reps have a bad image of radio or "don't care." A synthesis of such varying views is probably closest to the truth.

STATION REPS ANSWER:

What do you think of radio's image with . . .

	EXCELLENT	GOOD	INDIFFERENT	BAD
Radio stations	25%	62%	12%	2%
Station reps	12	75	3	12
Agencies	....	3	87	12
Advertisers	1	12	75	13
Listeners	12	75	12	3

Radio's image shines brightly among themselves, reps admit, but far less so with clients, agencies. They think listeners enjoy radio, but 80% of agencies, sponsors are indifferent

THE OVER-ALL VIEW:

What do you think of radio's image with . . .

	EXCELLENT	GOOD	INDIFFERENT	BAD
Radio stations	18%	54%	24%	12%
Station reps	14	55	25	14
Agencies	7	20	66	21
Advertisers	8	23	56	14
Listeners	20	51	21	11

The "good," "bad" and "indifferent" columns with all three groups surveyed tend to far outnumber those tabbed in the "excellent" listing. Totals over 100 reflect multiple answers

subject which they thought unnecessary. Their summary attitude: "There's nothing wrong with radio's image and this may tend to distort the problem further."

One of the more thoughtful appraisals came from Dale Moudy, vice president and general manager of WING Dayton, who said: "At the present time I am perfectly happy with radio's image as it affects me directly," adding:

"Perhaps paraphrasing Mr. Lincoln would be my best answer to what you have presented as a problem. In other words, 'You can't be accepted by all of the people all of the time.' Perhaps I cannot see the trees for the woods, or is it woods for the trees, but I believe if you try to create a problem you'll get one!"

To get a sharper picture of radio, some of the detail may have to be eliminated. A significantly large number of broadcasters believe there are just too many stations; some suggest mergers of existing outlets, and nearly all state that future license issues need to be more tightly controlled.

"Too many stations" is the third most-negative aspect of radio's image, according to the poll. And this requires immediate steps toward improvements, according to 12% of agency executives and 10% of reps. (Though many broadcasters vote that overcrowding is a severe problem, few consider it a matter for urgent reform; they see it rather a part of the long-range goal of industry stability.)

At the government level, there also is concern lest a jammed spectrum should impair the over-all community service of radio. FCC Commissioner Frederick W. Ford is half-inclined to agree that a license cutback might help to improve radio.

Speaking to the Kentucky Broadcasters' Assn. in October, Ford pointed out that the Commission was historically barred from considering any argument of economic injury, and virtually must grant every license which can be accommodated physically.

FCC should re-study the question, Ford urged, and change its thinking if this is justified. The reason: a Gresham's Law decline in which cheap, bad programing drives out the good. Ford asks rhetorically: "Has the tremendous increase in competition between stations really brought the benefits which our agency contemplated? Or, in some communities at least, has competition become a destructive force, decreasing the quality of programing and placing station after station on a marginal economic basis?"

Supporting evidence comes from William Small, board chairman of the Radio/Tv News Directors Assn., who suggests that "Some stations lack the willingness to invest their money, though most decent news operations are self supporting, because the rate of profit is lower than disc-jockery."

Since the immediacy and reliability of radio news and information is

Ad pros say that radio should accentuate its positives . . .

The most positive aspects of radio	The jobs radio does best
1. Immediacy, reliability	1. Instant news, information
2. Cost efficiency	2. Community service
3. Community service	3. Good music for adults
4. Listener loyalty	4. Service to clients
5. Penetration, coverage	5. Editorializing
6. Local impact	6. Merchandising
7. Good music	7. Companionship
8. Opinion, discussion	8. Flexibility

Lists above are compiled from answers to SPONSOR-U.S. RADIO *questionnaire and from personal interviews. They are ranked in order of most frequent mentions as "radio's most positive aspects" and "radio's best jobs." Agency men and advertisers agree that sound image-building always emphasizes positive, provable benefits in all sales, advertising and promotion work. They say these are radio's best "sales points."*

the most outstanding and positive quality of the medium, anything which touches the character of news is of vital concern to the industry. FCC Chairman Newton N. Minow is on record that advertisers have direct responsibility in this area.

"Sponsorship of newscasts represents a problem," he said recently. "Many advertisers have, unfortunately, not yet seen their way clear to help pay for this very special responsibility of broadcasting.

"Often when the money is available it is usually the short news cutaway that receives support. Indeed, sponsorship of five-minute network and local news broadcasts appears to have doubled or even tripled in the last seven years, while little progress is found in the same period for the 10- and 15-minute newscasts."

Minow himself believes that the information services are the major element in formation of radio's image.

More people depend on broadcasting for news and interpretation, he says, than on any other medium. No other medium leaves millions of Americans so intent upon catching every important word, and from the beginning "radio broadcasting has been exciting because it was *news,* from the Harding-Coolidge election on KDKA, to the astronauts and life-saving broadcasts about Carla and Esther."

While the FCC chairman pays open tribute to the integrity of most radio broadcasters, he also lets it be known that a minority of less-responsible operators is to receive special attention.

"The FCC is doing what it can to encourage what the Pilgrims called 'better walking' on the part of these stations. In our proposed new program forms we intend to get a great deal more information than we do about the broadcaster's proposals for public affairs programing."

In this task, Minow appears certain to have some industry support. U. S. RADIO's survey reports that 37% of broadcasters favor a new industry body with disciplinary powers—and a good many more who would like to see NAB armed with greater authority. Ten percent of stations owners and managers want immediate steps to secure such elements as better commercial ethics and adherence to the code (a percentage which is duplicated among rep firms, and which is distinct from the much larger number who desire improved rate stability and integrity).

A vocal and articulate radio broadcaster, commenting on several current approaches of the FCC, is Simon Goldman, president of WJTN AM-FM Jamestown, N. Y., and three other radio facilities.

Discussing a recent local newspaper editorial in which he and his operation were praised for their quarter-century of radio accomplishments in Jamestown, Mr. Goldman said:

"Even though it was a tribute to me, it was actually a tribute to the radio industry. This editorial could be written in thousands of cities about the stands of radio stations. To me, it is the greatest answer to Mr. Minow and the attitude of the current FCC in regard to service to the community and the public.

"WJTN didn't just start this approach because of the current FCC attitude, but has been doing it for 25 years.

"What does a community think of its radio station? It thinks in terms of service, not of commercials. WJTN is very successful commercially and as I have said many, many times, commercials and public service go hand in hand. You really don't have one without the other!

"The job a radio station does in its own community is not determined by the number of interruptions in a broadcast hour or day, the number of commercials or anything else of that nature, but rather the job it does to inform, stimulate, educate, entertain and serve."

In Mr. Goldman's view, the "current thinking of the FCC has dwelled on the letter of the law . . . rather than the spirit of the law and the big over-all picture."

He adds, "The commercially successful radio stations are able to do a big public service job because they want to. I don't think the FCC wants to make every radio station around sound alike and do the same things. I also feel that because of the small percentage of so-called bad operators, the FCC is falling into the same trap as the minister who chides the congregation on Sunday mornings for not attending services. He subjects the innocent to harassing because of a few guilty ones."

The commercial-public service image mix also is being carried on with energy at KFMB San Diego, where Manager Jack Keiner says he's even added new studio chairs for "new, higher morale!" He gives this succinct station report:

"We've added new promotion: saturation schedules on tv and second round of our Million Stamp Bonanza. Our mail pull on that is averaging 500 cards per day, which is better than we've ever done on any mail-pull device. We've completed a new series of first-rate production radio promotion spots. We've got small contests on each personality show. We're doing more remotes, getting our people involved even more with the public. We're better integrated with our community than ever before."

"Rigid format" cropped up in the survey constantly as an example of what makes for a "bad" radio image.

This subject was commented on in October at the Alabama Broadcasters Assn. meeting by Lionel F. Baxter, Storer radio v.p.

"Responsibility is the key to successful radio programing," he said, "and this is a responsibility of management, not talent. "Storer has a theme of 'never freezing a format,' and this policy has given us the needed flexibility to meet our responsibilities as they vary from community to community."

Suggesting that managers not rely on friends for opinions, he urged them to "get out into your market, talk to all kinds and manner of people, know your ethnic make-up, educational levels, age groupings, religious affiliations, and the myriad of other factors that go into your ultimate determination. The more you know about the people you serve, the less luck will play in putting your station on top of the town."

Depth of industry feeling on this point is one of the most positive factors in the report. There's no suggestion of anything amiss with the greater part of station operation, but there is awareness that in a medium as pervasive as radio, the image is easily obscured.

The NAB, however, is moving to push self-improvement even a step further, as shown partly by the appointment of Robert D. Swezey to the new post of code director. At the same time, the code review boards have been shorn of interpretive and administrative details, leaving them free to concentrate on the substance of the code.

LeRoy Collins, NAB's president, does not believe that image-improve-

...and take constructive steps to correct the negatives

The most negative aspects of radio	The jobs which radio does poorest
1. Rate instability	**1. Its own promotion**
2. Immature programing	**2. Maintaining rate integrity**
3. Too many stations	**3. Multiple spotting**
4. Lack of cooperation	**4. Creative programing**
5. "Harsh" sounds	**5. News in depth**
6. Lack of creativity	**6. Toned-down commercials**
7. Poor research	**7. Format innovations**
8. Irresponsibility	**8. 'Genuine" public service**

Mentioned most frequently as "most negative aspect" or "poorest radio job" were these 16 points. Admen say that correcting possible weaknesses is an indispensable part of real image building. See charts on following pages for suggested improvement program in the view of respondence to U. S. RADIO'S *questionnaire.*

ment is a game played with forfeits and penalties, no matter how ardently some broadcasters might desire this.

Speaking at fall conference last year, Collins warned that stronger enforcement of the code was ahead, but also stressed this does not mean code subscribers should be penalized.

"To the contrary," he argued, "it means they will be aided. They will have the assurance that their competitors who are code subscribers will play the game by the same rules. And further, if their competitors are not code subscribers, their absence will become conspicuous in the public mind. It also means that those broadcasters who now contend that they cannot afford to subscribe will come to realize that they cannot afford *not* to subscribe, so strong will be the code's public posture and acceptance."

Broadcasters' concern about overcrowding has also been expressed through the NAB.

Collins refers to the problem as "over-licensing"; says his members should search for ways legally and properly and within the range of free enterprise to (1) encourage sound radio rate practices, (2) to develop better means for training and recruiting personnel, and (3) to help raise standards of efficiency in management.

These and other proposals are part of Collins' own idea of how radio's image can best be projected. He speaks of this, broadly, as "improvement of our relations with the American people," and adds, "we intend to do this by demonstrating just how closely allied we are with the people and how much they and we rely upon each other."

Meantime, Code Director Swezey has been getting in some licks toward improved radio programing. Though much of radio's criticism is unwarranted, Swezey claims there's some that is well-founded. His new role: to be a nagging conscience until the house is clean and in order.

Here again, the NAB looks for full support. In U. S. RADIO's questioning, "immature" and "poor" programing emerged as the second most-negative aspect of radio.

In defining the immediate steps needed to improve radio's effectiveness, stations put better programing fourth on the list, and third from the top in long-range goals. However, agencies made it their first choice (38%), with a further 29% voting for improvement in *local* material as a long-term goal, plus 11% who see need for more diversified programs over-all. Although reps don't see a need for a crash-dive toward better programing, "glamor and entertainment" are heavily voted as objectives for the future.

The NAB code sets out an "obligation to serve the people . . . by making available to every person in America such programs as will perpetuate the traditional leadership of the United States in all phases of the broadcasting art." Most broadcasters, however, don't want to "improve" programing simply for rea-

What image-bulding jobs should radio tackle immediately? . . .

Image is as image does, in the view of radio people. They told U. S. RADIO the jobs for radio which should be done now, others which should be planned now for later implementation. Three "musts" emerge for this task ahead: (1) selling the medium itself, and removing the information gap between broadcasters and government, broadcasters and the public, broadcasters and buyers; (2) cooperating among themselves in an effort to promote radio's over-all improvement; (3) putting more creativity into programing, with strong injections of showmanship

TO DO NOW

Broadcasters		Agencies		Reps	
Public relations to agencies, FCC & public	*40%*	More mature, stimulating programs	38%	Industry cooperation on sales presentations	30%
Greater industry cooperation	20%	Education among advertisers, agencies	23%	Simpler buying, end to rate-cutting	29%
Improved stability & structure of rates	20%	Improved integrity of rates	15%	Improved research	11%
More creativity in programing	15%	Reliable research, uniform ratings	7%	Reduction in number of stations	10%
Higher ethics & Code enforcement	10%	Reduction in number new licenses	12%	Higher standard of commercial ethics	10%

sons of Victorian morality; in fact, public-service programs "for the record" drew a heavy thumbs-down in the poll.

Instead, broadcasters see this as a positive opportunity to gain new ground within today's new audience. Radio may be the "companionable" medium, but there's a large body of station opinion which says "bring back showmanship; let's have some excitement, some real entertainment, glamor; let's give people a *real* reason to listen; let's get out of the background."

How can it be done? Should it be done at all? Traditionally, the networks supplied top-flight entertainment, to an audience which was mainly home-bound and which listened for continuous periods of time. Today, most network executives see their audience differently.

THE NETWORK VIEW

According to William K. McDaniel, executive vice president of NBC, the network image is now a compound of speed and flexibility. NBC Radio, he says, has changed with its listeners, and the network now is the mirror of a restless, inquiring, mobile society.

McDaniel's point is that the radio audience changed during the '50s. The development of a leisure-oriented society with more time to spend away from home gave birth to an audience of "listeners on the go."

Its needs were met by the small, portable transistor set designed, not for hours of constant listening, but for intermittent use and general companionship.

These changes were echoed by new methods of radio advertising. With radio having a highly mobile, tune-in and tune-out audience, a single program sponsorship one time weekly could no longer deliver the national audience demanded by major advertisers.

Economical and efficient advertising costs could now be achieved only through multiple commercial exposures realized through the day and through the week so as to reach big audiences cumulatively instead of on the one-shot bases.

To permit this, new programing concepts were developed. McDaniel cites *Monitor* as one example: "While it is apparently one continuous program running from Saturday through Sunday night, closer inspection will show that *Monitor* is really a string of program beads, none of which is more than five minutes in length. Each of these is a complete unit unrelated to the previous one. Thus, the listener still has the flexibility of tuning in and out when he wishes and the advertiser is sure of getting cumulative weekend audiences by the simple expedient of spreading his commercials."

McDaniel's emphasis on speed, flexibility and companionship is supported by most broadcasters. But it's not the only network philosophy.

ABC, for example, tends to describe itself in terms of people rather than programs. Robert R. Pauley,

And what plans should be blueprinted as longer-range goals?

and a firm farewell to the rigid format. The top priority job, however, in the view of 40% of the survey respondents, is for broadcasters to have an information program—both internal and external—about what radio is already doing—what's "on the record."

They also ask for rate stability, a reduction in bartering and a single-rate policy At the left you'll find immediate goals; at the chart beneath, a line-up of objectives which should be put into the plans stage now for future development, in the view of those answering.

TO DO LATER

Broadcasters		Agencies		Reps	
Better research and documentation	30%	Industry-wide selling	37%	Education campaign among advertisers	25%
Replace newspapers as news-source	28%	Better local programing	29%	Single audience survey	19%
Programing that's more mature, entertaining	23%	More service features, more editorializing	20%	Rate standardization	15%
Develop genuine public-service, community activity and roots	20%	Diversified programs to suit all tastes	11%	More glamor and entertainment in programs	12%
		"Meaningful ratings"	5%	Slow-down on issue of licenses	10%

the network president, talks of "youth" and "quality," because it's his avowed intent to reach a particular section of the public—the young adult.

ABC believes this group. from 20 years old to middle age, is the best educated, most selective in the nation, and that it includes the people with more expendable dollars, more discretion in their choice of programs and more selectivity in their purchases.

ABC therefore argues that it needs a quality image and, to achieve this (as Pauley is quick to point out), the network has spent more money on its radio programing this year than in any previous year for the net.

ABC thus has drawn a bead on a sharply-defined target, and tailored its network offering, from *Breakfast Club* to *Flair* to newscasts, to fit the need. It cites Nielsen audience composition figures to prove that the objective is being attained.

Pauley says, however, that this can be done only with cooperation of the individual station, otherwise the networks efforts are negated.

"Network radio's image," he comments, "is influenced considerably by the affiliated station serving that individual. If the local station is quality conscious it is probable that residents of the area will consider the network an excellent one. Their opinion of the network, naturally, will also be influenced if the local station is a poor one.

"Good, quality-minded affiliates represent the key to a strong image in the eyes of the public."

For the future, Pauley sees the network image as springing from well-produced, well-planned and responsible programing. Rather than routine service, he wants the *best* in public affairs, special events and entertainment. Regardless of individual marketing goals, he believes all nets must strive for a similar result.

Though NBC and ABC describe

(Continued on page 12)

STATIONS AND NETS: SAME PROBLEMS, DIFFERENT ANSWERS

Robert Hyland of KMOX St. Louis and Robert Dunville of WLW and Crosley detail some of the thought and action being taken by progressive stations in enhancing and sharpening their images

ROBERT HYLAND, v.p., CBS; general manager, KMOX St. Louis: The single most important factor in building a station image is programing.

No amount of safe-driving promotions or tie-ins with civic campaigns can build an image for a station if programing is irresponsible, juvenile or just plain meaningless.

With responsible community-minded pro-

(Continued on page 38)

ROBERT E. DUNVILLE, president, Crosley Broadcasting System: Rather than weeping over memories of the heydays of radio of the 30s and 40s to the point of futility, responsible am broadcasters have had to face up to the challenge of tv in the 50s and 60s in order to survive as any sort of force in their communities.

This challenge to station operators primarily is to revenue, secondarily to programing; yet

(Continued on page 38)

RADIO NETWORK CHIEFS GIVE THEIR VIEWS ON "IMAGE"

ABC: What is the image of network radio in the eyes of the public? ABC's President Robert R. Pauley replies: first, take a look at the local station.

"The network image is influenced considerably," he suggests, "by the affiliated station. If the local station is quality conscious it is probable that residents of that area will consider the network an excellent one.

"It is the *responsibility* of network radio to show the way to local stations. Within the past few months three major ABC affiliates have been influenced by the network's constant striving for qual-

(Continued on page 39)

CBS: Much as CBS would like to believe in a network image, radio President Arthur Hull Hayes keeps an open mind. He doesn't find it possible, or necessarily useful, to talk of a single all-embracing image.

Hayes' belief: "Every station discovers and cultivates its own kind of service in the community in which it operates. The United States is big. It is culturally and economically diversified not only from region to region but within single listening areas of high population density. This being the case, the existence of one overall image of radio is doubtful.

(Continued on page 39)

MBS: Today's network image is that of a brother rather than father, suggests MBS Pres. Robert F. Hurleigh. The nets can exist only to serve those needs which their affiliates can't provide from their own resources.

"The radio networks have been and still are undergoing some very fundamental changes. It would be pertinent to inquire what is the role today of a radio network and what place does its program offering have in the programing of stations throughout the country.

"Each Mutual affiliate is linked with us solely because, and for

(Continued on page 39)

NBC: The radio audience today is mobile, dispersed, and both physically and emotionally "on the go," according to NBC v.p., William K. McDaniel. Radio has had to gear itself to intermittent use instead sustained listening, and its image has changed from a prime entertainer to a general companion.

"Advertisers buying radio today clamor for frequency, repetition . . . around the clock . . . over and over . . . constantly accumulating new and different listeners at a tremendous rate.

"Network radio follows customers wherever they happen to go, providing coverage unapproached by any other medium—re-

(Continued on page 39)

their aims differently, both rest on the common ground that a network image *does* exist. But even this basic premise is questioned by CBS, which prefers instead the idea that radio has many images, some of which can be heightened by a network service.

Arthur Hull Hayes, CBS Radio president, will readily give half a dozen examples of different images projected by station "types," but argues that the network affiliate has an additional image which distinguishes it from other stations in its area.

"The network station image," says Hayes, "is that of an attention-compelling, authoritative source of news and information and of star-caliber entertainment."

Helping create this station image are three program elements which only a network is equipped to provide. The first is one-of-a-kind programs which must come from a common source, a network. Examples range from the Philharmonic to Arthur Godfrey.

Second are the programs which are technically feasible for a station to originate, but economically impractical for most. Examples here would include broad, searching documentary studies of major news events, outstanding dramatic programs and special projects of all kinds.

A similar point is made by Mutual President Robert F. Hurleigh, who sees his network as brush-holder rather than creative artist.

Since none of Mutual's stations are financially linked to the net, each remains an affiliate only for so long as the net is providing the kind of programing that's needed in the community. "Radio is no longer the medium for high-budgeted live entertainment programs," Hurleigh says. "The network's true role today is as a service organization bringing to its affiliates news, discussion events programing which individual stations cannot develop."

Mutual stations get this kind of service 18 hours daily. From an average of 86 newscasts weekly in 1956, they now receive up to 229. The parent system also provides special coverage of such newsworthy events as space shots and top-level international meetings.

The 5 images of radio require constant attention

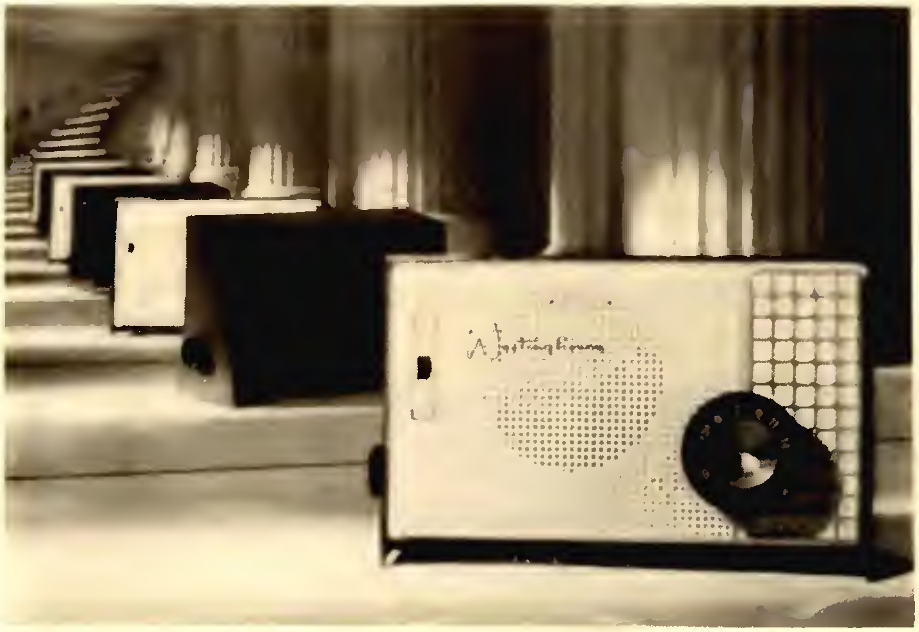


Photo courtesy of WIND (Westinghouse) Chicago

Dramatic impact *of the five images of radio demands consistent analysis and attention to government, the public, advertisers, ad agencies and industry itself.*

THE STATION'S VIEWS

There's plenty of evidence, not only that it can be done, but is being done. Typical of the replies elicited by U. S. RADIO is one from Robert Hyland, general manager of KMOX St. Louis and a CBS v.p. He says:

"The single most important factor in building a station image is programing. No amount of safe-driving promotions or tie-ins with civic campaigns can build an image for a station if programing is irresponsible, juvenile or just plain meaningless. . . .

"An image is built or destroyed each time a listener tunes to your station, and listeners inevitably discover inconsistency and hypocrisy."

In the Crosley Broadcasting Co., President Robert E. Dunville sees the challenge aimed primarily to revenue, secondarily to programing—with programing providing the basis for returns of a fair revenue.

COMMUNITY NEEDS

The theory of many a radio station is vocalized and practiced by WIND Chicago, where Manager Ed Wallis says his station's philosophy is that any radio facility "must, in some way, find out the needs of a station area and how to satisfy those needs."

How does he go about it? He arranges meetings with the mayor, president of the city council, Chamber of Commerce representatives and businessmen over a luncheon held in their home community (and this effort is carried on throughout the station's entire metropolitan Chicago listening area). The luncheon is not a social visit but a factual discussion of the community's problems and projects.

"The information gleaned from these meetings," Mr. Wallis says, "is confidential and is not used in any way by the stations. It is merely a tool to find out what the needs of the community are and what WIND can do to help. The station management has visited many communities in this area and will visit with leaders in all communities in its important coverage area within the next year.

Top agency execs agree with him. Better *local* programing is the second choice of most agencies for radio's long range improvement (first pick: an industry-wide selling cam-

(Continued on page 34)

The full story of

Gas/Oil: Radio's $32 million gusher

The 6 different oil companies which have a history of radio usage

Their $32 million annual expenditure for radio at all levels

The marketing, distribution and product line-ups for 51 major oils

Their policies, people, plans and diverse radio strategies

Why & how radio can capture an even bigger advertising $$ share

MORE than 70 oil companies in the United States—national and local, major and minor—are on record as using radio advertising on a regular basis.

Yet all of these companies in the past have spent a very low share of their gross business on the functions of advertising.

With the marketing and distribution revolutions taking place among gas and oil companies, the hundreds of mergers and re-districtings which peaked a year or so ago, this industry now offers greater opportunities to all ad media . . . and most particularly to radio.

Why radio? Because it alone among media reaches the oil client's best prospect at the point of persuasion when he's suggestible—the motorist in the car listening to radio and driving near a gasoline station or oil product outlet. Radio's estimated $32 million billing from the oils this year is destined to be increased rapidly and enormously.

1. RADIO HAS 3 BIG JOBS FOR OILS

Oilmen say that radio has many sales tasks for them but three major ones: (1) communicating ideas; (2) selling specific tangible products; (3) giving station locations

MOST of the nation is immersed in winter's slush this month. But there are spring signs aplenty that a burgeoning boom is on its way for one of the country's largest industries—gasoline and oil.

Service stations across the nation —20,000 of them—are getting new spring cleaning and sales plans for the oil industry's peak spring-summer pitch to the motoring public. A key to their all-out effort will be radio—lots of radio—as in previous years.

Why this continuing yet hypoed use of radio? Because major oil companies, responding to a U. S. RADIO questionnaire, say:

- Radio reaches their prime target—the motorist—at exactly the time and place where advertising is most effective and productive for gasoline and oil products and services.
- Radio and radio listeners are mobile, and the gas and oil majors and minors alike all seek to build traffic to their stations and dealers along country highways and in the cities.
- Radio has in-depth penetration in any community, and gas and oil revenues—pared down to slim net profits—require mass purchases with repeat business.
- Radio is inexpensive and offers pinpointed sales impact with low delivery cost.

Implanting ideas with radio is subtle yet effective

Last spring's *campaign of Oklahoma switch to the new Enco logo typifies the changeover in petroleum marketing as well as a concept sold with radio. New national label needed impressions, repetition, as physical name change demanded quick acceptance; customer's ability to identify new flags, banners, logos, pumps.*

Spring always comes a little early in the gas and oil business, and this year it's destined to sweep in with jet speed. The main reason: Every oil company is mobilizing for a battle predicted as the bitterest and most decisive since the 20s.

Some of the pressures forcing this conflict are internal (over-production in the refining arms of the industry); some are external (Detroit's move to the compact, fuel-miserly auto); a few are recent (as in 1961's bewildering complex of mergers and acquisitions); many are historical (as with marketing agreements mapped out before World War 1).

The blend this year adds up to an explosive mixture, impelling 50 top companies to fight for their shares of a $32 billion pool. The retailing function—which most oilmen heartily dislike—becomes all-important. As a result, ad budgets are predicted this year to hit record levels.

More than $120 million has been budgeted for 1962 campaigns, about $32 million for radio. At least $10 million of this $32 million is expected to stream directly into radio from the top 10 companies alone. These figures are estimated by U. S. RADIO on the basis of extensive oil industry research, personal interviews and questionnaires sent to all major oil companies and their ad agencies.

Another $22 million will probably be piped in by the remainder of the 170-odd companies that retail brand names gasolines and lubricants. Some of this—about $10 million—will come straight from headquarters, but much of it—perhaps $12 million—will trickle through in a complicated filtration of distributor and dealer cooperative campaigning. Radio is certainly due to get a sizable share of the gas and oil dollars—but is the share as big as it could or should be?

Patterns of radio usage emerge in specific terms in the responses U. S. RADIO received in answer to its questionnaire circulated to (1) oil companies, (2) advertising agencies servicing oil company accounts, and (3) station owners and/or managers.

These are the detailed profiles for each of these groups:

Advertisers

Products rather than services are advertised to consumers by the gas and oil companies, with the bulk of them using radio to sell gasolines and motor oils with radio in the past, in the present and as planned for the future. Next in order of product types using radio are oil and gas additives; tires, batteries and accessories (TBA), service stations.

Of those advertisers who say they use radio, the average share of radio to total advertising budget ranged between 20% and 25% (although the editors construe this to be a high national average), and the highest radio share was listed as 35%.

When asked to compare the radio budget with that of other major media, the advertising executives in 18% of the responses said radio topped all other budgets and in 45% of the instances had equal dollar emphasis. More than seven in 10 responses—73%—indicated the radio budget is growing, with 27% saying it would remain the same and none reporting a decline.

Of those sponsors reporting that their radio budgets are growing, most gave these as the two primary reasons: (1) added distribution and marketing areas; (2) increasing effectiveness of radio. Those reporting radio budgets as remaining even gave these as reasons why: (1) they want to keep the company name before the public; (2) they credit radio with gaining effectiveness.

Patterns of specific radio usage indicate the following:

- Local radio is the preferred type of buy, followed by regional spot.
- Announcements rather than programing get the nod.
- If programing is used, news and sports are the most popular types.
- The preferred format is a five-minute program with a one-minute commercial.

Gas, oil products and TBA items are the specifics sold

Gasolines *and motor lubricants continue to be the top sellers at station locations, and they're the most frequently advertised on radio. But lines of TBA (tires, batteries, accessories) items keep expanding, give bonus profits to retailers, jobbers.*

- Preferred frequency is year-round, followed by 13-, 26-, 30-week schedules and then by seasonal flights.
- The two major objectives of the oil companies in using radio are (1) association with local dealers and (2) constant stress of a company slogan or jingle or theme.

The oil company executives were asked what, in their view, radio "does best for you?" Most of them answered along a media purchase theme. They like radio's low cost, its ability to pinpoint automobile drivers, its ability to give product

Listening drivers are targets for location sales

Station locations, *whether on highways or byways, must be spotted to be visited. One of radio's unique strengths is to reach listener on wheels with a pinpointed directive to location, such as this Shell Oil Co. operation in a new ranch-style design.*

2. RADIO SELLS NATIONALLY, LOCALLY

Broad-scope marketing goals of oil firms using spot and network are pin-pointed at the local and regional level with campaigns giving major stress to dealers and distributors in consumer relations

identification through high frequency and saturation, its flexibility and fast availability systems, the fact that it's a localized medium and can tell people specifically where to buy gasoline.

Most of the oil companies throughout the country are regional marketers, and they outline these as their major marketing problems, the biggest jobs they need to tackle in consideration of changing competitive conditions: (1) low profit margins because of stiff competition, and (2) the need to maintain identification of brand name, with radio helping in both of these vital areas because of its inexpensive cost ratios.

Agencies

Answers from advertising agencies servicing oil company accounts, of course, follow similar radio usage patterns. This is the summary of their responses:

Most of the agencies place gasoline business on a regional or local level rather than national, reporting radio lagging behind tv, magazines and outdoor in terms of share of total advertising appropriation but spurting ahead of newspapers and supplements.

Agency men in shops using a moderate or large amount of radio advertising say it's mainly because of radio (1) providing adequate year-round exposure and (2) reaching into local markets. In shops where a mimimal amount of radio is used, admen say it's because (1) the client has a small budget or (2) there's limited local distribution.

Marketing problems crop up here, too. Agency men say the worst ones are (1) working for companies with scattered distribution and (2) the difficulty in demonstrating product differences in the advertising. Agencies, too, are concerned with competition in the gas/oil price wars, inferior low-price products, the consumer convenience in terms of station locations and the dealer attitude toward consumers.

To solve these problems, admen think radio could help most in covering scattered locations and by stirring interest in what is basically a line of non-emotional products.

In analyzing the actual media buy, admen say their choice of announcements and programing is about evenly divided, but they do prefer day times over night periods. Commercials are about evenly divided between live and transcribed, with regular schedules preferred over flights. Short and long copy are about even in favor, but the hard-sell approach has a slight edge over the soft-sell.

Radio stations

There are similarities and contrasts in the answers provided by radio station management.

Asked what share of their total business, local, regional and national, originated with gas and oil companies, most of the stations answered that in sheer strength of numbers most of their business is bought locally. However, in the area of gasolines purchased on regional schedules, the bigger stations—though fewer in number (in the U. S. as well as on the questionnaire returns) appear to get a bigger share of their total business from this source.

Questioned as to oil and gas accounts on the air last year and this year, stations report that in the national categories the business has been about the same. But they say there's been a significant gain in locally-originated business.

Scheduling patterns emerge in this way:

• In programing, live local and participation shows appear to be the

News, squibs are the network favorite of oil majors

Heavy-up news *schedules for oil sponsors are most frequently heard on NBC Radio and its* Monitor, *as with Sun Oil and show's performer Wayne Howell. Other show sponsors include Sinclair Refining, Wynn* **Oil**

favorites.

• Minutes are the most popular commercial length, with live and transcribed running about even.

• The preferred frequency ranges from 10 to 25 per week per station, on a contract length of 13 weeks or TF ('til forbid).

An analysis of program types and times of day show interesting usage patterns.

News continues as the most popular programing mainstay, with popular music preferred over other kinds. Over-all, local news and sports are about even in oil company preference. Sponsors prefer peak driving times, with morning getting the edge over evening.

Stations, asked what oil companies are doing wrong in radio advertising, suggested these as their major criticisms:

• "Failure to understand radio's power as a local medium."

• "Too much emphasis on big regional stations."

• "Failure to use popular local air talent."

• "The need to increase local co-op buys."

• "Too much in-and-out or flight buying."

One aspect of radio which some pros in the radio industry feel has been neglected badly—and shortsightedly—by the oil companies is the Negro market.

Typical of the thinking in this area is that of J. Walter Carroll, manager of KSAN San Francisco. Lamenting that oils don't usually allocate dollars to the Negro market in his area, he says "When you consider the fact that 69.7% of all Negro families in the San Francisco-Oakland area own at least one automobile and that they travel an average of 15 miles per day home to work and back again, the Negro market here is a significant one."

He commended the local activity of Union Oil of California. Through Young & Rubicam in Los Angeles, Union runs a schedule of five-minute live sportscasts nightly on KSAN in two 13-week periods yearly.

Asked what he sees as the major omissions of the oils in using radio, Carroll answered: "Failure to recognize a tremendous market and, in failing to recognize this market, scattering too thinly the brand image that they have spent millions of dollars on to cultivate and develop; failure to take advantage of the fact that personalities, such as we have, who have done such an outstanding job in the community at the public service level, are tremendously popular with their audience; lack of continued concentration made available through radio."

Traditionally, radio is an obvious choice in the media sweepstakes.

Most oil companies have longstanding ties with sound broadcasting; (NBC's first major sponsor was Cities Service, which came on air with the Goldman Band in February 1927, a scant three months after the network was organized), and most oil companies have found in radio's flexibility and precision the complement to their own specialized and fragmented marketing need. But the industry is not unanimous that radio

Go-cart racer *is won in Texaco contest for customers in St. Louis, with R. C. Bentley, asst. div. sles. mgr. (merch.) for Texaco's Chicago div. at left. With him, Bill McKibben, assnt. to vp, Balaban Stations and WIL St Louis, which carried sked.*

Dealer tie-ins and promotions key local radio sales efforts

Station opening *of Tenneco was marked at KTHT Houston with Miss Texas World as charming goodwill ambassador.*

Dealer sales *contest finds, l to r, Theodore Palmer, reg. mgr., Tidewater Oil, congratulating winning dealer G. E. McCrae; with Bart Coblentz, com. mgr., WORC Worcester, Mass.; Joseph Doherty, Tidewater service representative.*

has the answer to all its problems—nor is there a concensus that any one medium can reach the motorist most effectively.

There appear to be two primary reasons why radio hasn't got the lion's share of the petroleum ad budget: first because of the divergent needs of the major producers, and secondly because of radio's lack of effective presentation.

Radio can also take new initiative in 1962, as oilmen burst their old boundaries and head into fresh territory. Every major company this year will be selling in new markets: As Tidewater moves deeper into the South, as Humble and American skirmish along fringes of the midwest, as Socal's grip on California is strongly challenged—each of these moves is an opportunity for radio.

And not only is oil beginning to overflow, but it's coming in new grades and a welter of brand names. In being aimed at consumers, radio should help straighten out the resulting muddle. Radio can implement confused and complex oil marketing tactics.

Midwest oil patterns

To pinpoint the oil marketing and advertising picture in more specific and understandable terms, U. S. RADIO uses this geographical analysis

76 major oil companies of the U.S. using national

COMPANY NAME	ADDRESS AND CITY (HEADQUARTERS)	ADVERTISING EXECUTIVE IN CHARGE
1. AMERICAN OIL CO	*910 S. Michigan, Chicago 80, Ill.*	R. B. Irons, adv. mgr.
2. AMERICAN PETROFINA CO. OF TEXAS	*Mercantile Dallas Bldg., Dallas, Texas*	L. O. Biddle, adv. mgr.
3. ASHLAND OIL & REFINING CO.	*1409 Winchester Ave., Ashland, Ky.*	G. W. Sisler, adv. mgr.
4. ATLANTIC REFINING CO.	*230 S. Broad, Philadelphia, Pa.*	Richard Borden, adv. mgr.
5. BARDAHL MFG. CO.	*1400 W. 52 St., Seattle 7, Wash.*	James W. Phillips, adv. mgr.
6. BARDAHL OIL CO.	*5635 Natural Bridge, St. Louis 20, Mo.*	Frank A. Gerardot, Jr., exec. v.p.
7. THE BAY PETROLEUM CORP.	*P. O. Box 18, Houston, Texas*	E. J. Thompson, Jr., adv. mgr.
8. BERRY REFINING CO.	*400 W. Madison, Chicago, Ill.*	J S. Van Pelt, pres.
9. CALIFORNIA OIL CO.	*Perth Amboy, New Jersey*	M. F. Barry, adv. mgr.
10. CALIFORNIA OIL CO. WESTERN DIV.	*1700 Broadway, Denver 2, Colo.*	C. M. Tuller, v.p.
11. CALIFORNIA TEXAS OIL CO.	*380 Madison Ave., New York 17, N. Y.*	A. Openshaw, adv. mgr.
12. CANFIELD OIL CO.	*3216 E. 55 St., Cleveland 27, Ohio*	J. L. Bates, general mgr
13. CHAMPLIN OIL & REFINING CO.	*5301 Camp Bowie Blvd., Ft. Worth, Texas*	L. E. Hardin, v.p.
14. CHEMICAL COMPOUNDS	*St. Joseph, Mo.*	C. D. Liggett, pres.
15. CITIES SERVICE CO.	*60 Wall Tower 5, New York, N. Y.*	Raymond C. Keck, adv. mgr.
16. CLARK OIL & REFINING CO.	*8530 W. Nat'l Ave. 19, Milwaukee, Wisc.*	N. G. Takton, adv. mgr.
17. CONTINENTAL OIL CO.	*Houston, Texas (1)*	Melvin S. Hattwick, dir. adv.
18. CROWN CENTRAL PETROLEUM	*American Bldg., Baltimore 2, Md.*	Bernard Trupp, adv. dir.
19. DX SUNRAY OIL CO.	*Tulsa 2, Okla.*	Roy B. Middleton, coord. of adv.
20. DAVIS-HOWLAND OIL CORP.	*331 South Ave., Rochester 20, N. Y.*	A. A. Davis, pres.
21. DERBY REFINING	*Colorado-Derby Bldg., Wichita 1, Kan.*	F. C. Boyd, dir. mktng.
22. DOUGLAS OIL CO. OF CALIF.	*816 W. 5th St., Los Angeles 17, Calif.*	J. R. Nevius, v.p.
23. ESSO STANDARD	*Esso Bldg., 15 W. 51 St. 5, N. Y.*	W. N. Farlie, adv. oper. mgr.
24. ETHYL CORP.	*100 Park Ave., New York 17, N. Y.*	M. P. Murdock, vp., sales

of oil and gasoline companies in the midwest as typical of national activity.

The Chicago-midwest patterns, with their specific geographic reference frame, make national client and agency patterns more comprehensible, in opinion of the editors.

Patterns of radio usage emerging from 1961 media plans for major gas and oil companies through Chicago agencies, show these trends:

• Radio is the *workhorse* medium, used for intensive reach and frequency.

• Radio's important role in overall media strategy is that of a *reminder* medium, supplementing messages delivered in more detail, usually through television and newspapers.

• Several stations in each market are used concurrently for each campaign.

• Summer schedules are generally beefed up, to capture out-of-home audiences, with holidays such as 4 July, Labor Day and summer weekends getting tremendous saturation.

• Radio budgets vary, in all cases, from market to market depending on distribution weight and sales importance in each.

• Spot radio is used, invariably, because of regional and local marketing factors involved in each cam-

gional radio schedules and their advertising agencies

ADVERTISING AGENCY	ADDRESS AND CITY
D'ARCY ADV. & MacMANUS, JOHN & ADAMS	*Prudential Plaza, Chicago, Ill.*
WEINER & GOSSAGE, INC.	*Bloomfield Hills, Mich.*
RALPH H. JONES CO.	*451 Pacific St., San Francisco 11, Calif.*
N. W. AYER & SON, INC.	*3100 Carew Tower, Cincinnati 2, Ohio*
MILLER, MacKAY, HOECK & HARTUNG, INC.	*W. Washington Sq., Phila. 6, Pa.*
Places directly	*510 Virginia St., Seattle 1, Wash.*
GALEN E. BROYLES CO., INC.	*200 Clayton St., Denver 6, Colo.*
H. W. KASTOR & SONS ADV. CO.	*75 E. Wacker Drive, Chicago 1, Ill.*
BBDO	*383 Madison Ave., New York 17, N. Y.*
RIPPEY, HENDERSON, BUCKNUM & CO.	*909 Sherman St., Denver 3, Colo.*
GAYNOR & DUCAS, INC.	*460 Madison Ave., New York 17, N. Y.*
BAISCH ADV. AG. INC.	*3737 Chester Ave., Cleveland 14, Ohio*
TRACY-LOCKE CO., INC. (Client resigned this agency in mid-January)	*2501 Cedar Springs Road, Dallas 1, Texas*
STANDART & HERN ADV. AG., INC.	*1627 Main St., Kansas City, Mo.*
LENNEN & NEWELL, INC.	*380 Madison Ave., New York 17, N. Y.*
TATHAM-LAIRD, INC.	*64 E. Jackson Blvd., Chicago 4, Ill.*
CLINTON E. FRANK INC.	*Merchandise Mart, Chicago 54, Ill.*
AL PAUL LEFTON CO., INC.	*1617 Penna. Blvd., Phila. 3, Penna*
POTTS-WOODBURY, INC.	*2233 Grand Ave., Kansas City 8, Mo.*
BEACHNER ADV. AG.	*57 South Ave., Rochester 4, N. Y.*
JONES & HANGER, INC.	*3305 E. Douglas St.. Wichita, Kansas*
Places directly	*485 Lexington Ave., New York 17, N. Y.*
McCANN-ERICKSON, INC.	*285 Madison Ave., New York 17, N. Y.*
Y&R, INC., and REACH, McCLINTON & CO.	*505 Park Avenue, New York 22, N. Y.*

paign.

All of 1961 has been of unusual significance in petroleum industry advertising out of Chicago for two reasons:

1) Continental Oil Company left Benton & Bowles, New York, and moved its entire account to Chicago-based Clinton E. Frank.

2) Oil companies already berthed at Chicago agencies increased their advertising budgets tremendously to coincide with marketing shifts within the petroleum industry.

Here's what happened:

The two major national oil companies there—Standard (Indiana) at D'Arcy, Chicago; and Humble Oil, whose Oklahoma gasoline, a midwest regional, handled through Needham, Louis, and Brorby; and Carter division, a northwest regional, (McCann-Erickson, Chicago), all went national, consolidating subsidiary brand names under nationwide corporate umbrellas.

Standard (Indiana) chose the American Oil Co. banner to include Standard brand in the midwest, Utah Oil in the northwest, and American in the Eastern region. D'Arcy, the agency that had handled Standard in the midwest, was awarded the entire American Oil account, to handle on a national basis. May 23 was the kick-off date for

76 major oil companies of the U.S. using national

COMPANY NAME	ADDRESS AND CITY (HEADQUARTERS)	ADVERTISING EXECUTIVE IN CHARGE
25. FLEET-WING CORP.	*1800 Guildhall Bldg., Cleveland 15, O.*	A. F. Menke, adv. mgr.
26. FRONTIER REFINING CO.	*4040 E. Louisiana, Denver 2, Colo.*	C. R. Skinner, adv. mgr.
27. GULF OIL CORP.	*Gulf Bldg., Pitts. 30, Pa.*	B. W. S. Dodge, dir. adv.
28. HUMBLE OIL, CARTER DIVISION	*Box 2514, Billings, Mont.*	F. Van Iderstine, adv. mgr.
29. HUMBLE OIL & REFINING, HUMBLE DIV.	*Main & Polk, Houston 1, Tex.*	Robert Gray, adv. mgr.
30. JENNEY MFG. CO.	*250 Boylston, Chestnut Hill 67, Mass.*	Kenneth T. Howe, sales mgr.
31. KENDALL REFINING CO.	*77 N. Kendall Ave., Bradford, Pa.*	H. P. Pruch, adv. mgr.
32. KERR-McGEE OIL INDUSTRIES	*Kerr-McGee Bldg., Okla. City 2, Okla.*	G. W. Williams, Jr., adv. mgr.
33. MacMILLAN PETROLEUM CO.	*530 W. 6th St., Los Angeles 14, Calif.*	E. J Barnes, exec v.p.
34. MARVEL OIL CO.	*331 N. Main, Port Chester, N. Y.*	W. C. Pierce, pres.
35. MICRO-LUBE INC.	*8505 Directors Row, Dallas 7, Tex.*	J. Marvin Larkin, dir. adv.
36. MILTON OIL CO.	*8000 Clayton Rd., St. Louis 5, Mo.*	C. A. Kelly, gen. mgr.
37. MOBIL OIL CO.	*150 E. 42 St., New York 17, N. Y.*	J. D. Elgin, adv. mgr.
38. NAPH-SOL REFINING CO.	*1222 Holton Rd., Muskegon, Mich.*	Chester Nerheim, adv. mgr.
39. NATIONAL REFINING CO.	*1816 Standard Bldg., Cleve. 13, Ohio*	C. L. Hunter, mgr.
40. OHIO OIL CO.	*539 S. Main, Findlay, Ohio*	J. J. H. Phillips, mgr. adv.
41. PENNZOIL CO.	*1630 W. Olympic Blvd., Los Angeles 15, Calif.*	Fred Williams, adv. mgr.
42. PENNZOIL SOUTH PENN OIL CO.	*Seneca St., Oil City, Pa.*	Jack E. Osman, mgr. adv.
43. PHILLIPS PETROLEUM	*Bartlesville, Okla.*	O. E. Bettis, mgr. adv. div.
44. PLYMOUTH OIL CO., REPUBLIC DIV.	*1st City National Bank Bldg., Houston, Tex.*	W. F. Connolly, adv. mgr.
45. PURE OIL CO.	*35 E. Wacker Drive, Chicago 1, Ill.*	Hale Talbot, adv. mgr.
46. PYROIL CO.	*122 Main St., LaCrosse, Wis.*	H. W. McCreight, exec. v.p.
47. QUAKER STATE OIL REFINING CORP.	*Quaker State Bldg., Oil City, Pa.*	A. S. Blank, adv. mgr.
48. RICHFIELD OIL CORP.	*555 S. Flower, Los Angeles 17, Calif.*	Fred M. Jordan, adv. mgr.
49. RICHFIELD OIL CORP. OF NEW YORK	*708 Third Ave., New York 17, N. Y.*	Ben. N. Pollack, adv. mgr.
50. SEASIDE OIL CO.	*330 State, Santa Barbara, Calif.*	G. B. Tucker, adv. mgr.

American's announcement campaign for the name changeover.

Almost simultaneously, on 14 May, Humble Oil went national, incorporating its regionals, i.e., Oklahoma and Carter, under the Energy Co. label.

Also involved in major marketing strategy shifts last spring was the Pure Oil Co., a 14-state regional, out of Leo Burnett. On 6 March, Pure Oil introduced its new gasoline brand, Firebird, through an advertising campaign of which 60% was devoted to air media.

In the shifting marketing strategies of these major oil companies, radio's role, while important in each individual campaign, has varied from that of *backbone* medium in American's name changeover push, to that of *workhorse* medium in Humble's changeover to Enco.

But the underlying objective of both campaigns, was chiefly one of consumer education—letting the motorist know that his local brand of gasoline was going national, and under another name. Changing gasoline buying habits of the American motorist were chiefly responsible for these marketing changeovers of the oil companies.

First, family travel by auto has been on the upswing for the past five years; and second, the oil com-

onal radio schedules and their advertising agencies

ADVERTISING AGENCY	ADDRESS AND CITY
GRISWOLD-ESHLEMAN CO.	*55 Public Square, Cleveland 13, Ohio*
BOCCARD, DUNSHEET & JACOBSEN, INC.	*42 62 Madison St., Denver 16, Colo.*
FLETCHER RICHARDS, CALKINS & HOLDEN and KETCHUM, MacLEOD & GROVE	*730 Fifth Ave., New York 20, N. Y.* / *Four Gateway Center, Pitts. 49, Pa.*
McCANN-ERICKSON	*318 S. Michigan Ave., Chicago 4, Ill.*
McCANN-ERICKSON	*900 Lovett Blvd., Houston 6, Tex.*
GRISWOLD-ESHLEMAN CO.	*55 Public Square. Cleveland 13, Ohio*
BARBER & DRULLARD, INC.	*2005 Liberty Bank Bldg., Buffalo 2, N. Y.*
LOWE, RUNKLE ADV. AG.	*1313 Liberty Nat'l Bank Bldg., Okla. City 2, Okla.*
SAUSSY, WALKER ADV. AG.	*1820 St. Charles Ave., New Orleans 13, La.*
Places directly.	
Places directly.	
Places directly.	
TED BATES & CO.	*666 Fifth Ave., New York 19, N. Y.*
NORMAN-NAVAN, INC.	*147 Federal Square Bldg., Grand Rapids 2, Mich.*
HUBBELL ADV. AG.	*1621 Euclid Ave., Cleve. 15, Ohio*
N. W. AYER & SON, INC.	*W. Washington Sq., Phila. 6, Penna.*
FULLER & SMITH & ROSS, INC.	*55 Public Sq., Cleveland 13, Ohio*
LAMBERT & FEASLEY	*430 Park Ave., New York 22, N. Y.*
Places directly.	
LEO BURNETT, INC.	*Prudential Plaza, Chicago 1, Ill.*
VAN HECKER, INC.	*59 E. Van Buren St., Chicago 6, Ill.*
KENYON & ECKHARDT, INC.	*247 Park Ave., New York 17, N. Y.*
HIXON & JORGENSEN, INC.	*3540 Wilshire Blvd., Los Angeles 5, Calif.*
GEYER, MOREY, MADDEN & BALLARD, INC.	*595 Madison Ave., New York 22, N. Y.*
McCARTY CO.	*3576 Wilshire Blvd., Los Angeles 5, Calif.*

panies wanted to exploit the growing prevalance of credit card gasoline purchasing. Under one national banner, one credit card can serve the motorist as he travels coast to coast. Formerly, a Standard Oil credit card, while honored throughout the midwest, could not be used at Utah stations in Western states.

Oklahoma's changeover with Humble's move to Enco, involved one of the largest and most comprehensive petroleum product campaigns ever launched in Chicago and the midwest. Media dominance was NL&B's objective in planning the campaign. While newspapers and television received the major portion of the budget, which represented the heaviest rate of expenditure in Oklahoma's history, radio, along with other media including skywriting, were also used. This campaign is representative of the kinds of media planning that was going on in agencies of other oil companies at the same time.

In the meanwhile, at McCann-Erickson, Chicago, the same kind of a name changeover for Humble's Carter division was in progress. Although tv was the major medium here, used for the visual advantages required in such a changeover, according to an McC-E media spokesman, radio was used as an important

76 major oil companies of the U.S. using national c

COMPANY NAME	ADDRESS AND CITY (HEADQUARTERS)	ADVERTISING EXECUTIVE IN CHARGE
51. SHELL OIL CO.	*50 W. 50th, New York 20, N. Y.*	C. F. Marineau
52. SIGNAL OIL & GAS CO.	*1010 Wilshire Blvd., Los Angeles 17, Calif.*	E E. McLin, adv. mgr.
53. SIGNAL OIL CO.	*3160 W. 6th, Los Angeles 5, Calif.*	H. E. Ransford, adv. mgr.
54. SINCLAIR REFINING CO.	*600 Fifth Ave., New York 20, N. Y.*	James J. Delaney, adv. mgr.
55. SKELLY OIL CO.	*605 W. 47th St., Kansas City 41, Mo.*	Walter W. Lammers, adv. dir.
56. SMITH OIL & REFINING	*1102 Kilborn Ave., Rockford, Ill.*	Gordon Smith, adv. dir.
57. SOCONY MOBIL OIL CO.	*150 E. 42 St., New York 17, N. Y.*	J. D. Elgin, mgr. adv.
58. SONNEBORN CHEMICAL & REFINING	*300 Park Ave. So., New York 10, N. Y.*	J. L. Kennedy, sales mgr. White Petroleum Div.
59. SOUTHLAND CO.	*Yazoo City, Miss.*	C. W. Else
60. SPEEDWAY PETROLEUM CORP.	*15911 Wyoming Ave., Detroit 38, Mich.*	M. S. Schiller, exec. v.p.
61. STANDARD OIL OF CALIFORNIA	*225 Bush St., San Francisco*	M. A. Mattes, mgr. adv. dept.
62. STANDARD OIL OF INDIANA	*910 S. Michigan, Chicago 80, Ill.*	Robert B. Irons, adv. mgr.
63. STANDARD OIL INC. IN KENTUCKY	*Starks Bldg., Louisville 2, Ky.*	William Habich, adv. mgr.
64. STANDARD OIL CO. OF OHIO	*Midland Bldg., Cleveland 15, O.*	Frank A. Kolb, adv. mgr.
65. STANDARD OIL CO. OF TEXAS	*1600 City Nat'l Bank Bldg., Houston 1, Tex.*	H. L. Smith, v.p.
66. STERLING OIL	*Emlenton, Pa.*	A. M. Shorts, gen. mgr.
67. J. D. STREET & CO.	*4067 Park Ave., St. Louis 10, Mo.*	K. A. Baker, adv mgr
68. SUN OIL CO.	*1608 Walnut, Phila. 3, Pa.*	Wm. M. Schmitt, gen. mgr., adv.
69. TEXACO	*135 E. 42 St., New York 17, N. Y.*	J. H. Childs, gen. mgr. adv.
70. TIDEWATER OIL, EASTERN DIV.	*660 Madison, New York 22, N. Y.*	J. G. Jimenez, v.p.
71. TIDEWATER OIL CO.	*4201 Wilshire Blvd., Los Angeles 5*	J. J. Leener, natl, adv. mgr.
72. UNION OIL CO.	*Union Oil Center, Los Angeles 17*	Jerry Luboviski, mgr. adv.
73. VALVOLINE OIL CO.	*1409 Winchester Ave., Ashland, Ky.*	G. W. Sisler, adv. mgr.
74. VICKERS PETROLEUM CO.	*First Nat'l Bank Bldg., Wichita*	J. W. Vickers, exec. v.p.
75. WHITE & BAGLEY CO.	*100 Foster, Worcester 8, Mass.*	M. T. Holland, adv. mgr.
76. WYNN OIL CO	*1151 W. 5th, Azuza, Calif.*	Y. T. Beverly Klein, dir. adv.

adjunct.

Since the campaign broke in the springtime, and ran through the summer, radio was especially valuable in Carter's marketing areas; the big vacation center of Denver, northwest to Seattle, Spokane and Portland. It was McCann's feeling that the vast out-of-home vacationing public could be reached very effectively via radio. There were other advantages, too.

The "tonnage" factor was important in covering the vacation area; and to reach others who would be on the road during special holiday times and weekends, special schedules were used on 4 July, Labor Day, and weekends. But generally, to reach residents in Carter's regional area of distribution, heavy traffic times were the base of radio's schedule. Carter concentrated, as did Oklahoma, on the power stations.

During Continental Oil's tenure at Clinton E. Frank thus far, no major marketing changes have occurred, but general advertising conducted for this client has included radio. Continental, or Conoco, uses radio on a 52-week basis in areas where driving is good all year round.

This includes a pretty good share of Conoco's marketing area, which extends from the Mississippi west to Arizona and Utah.

ional radio schedules and their advertising agencies

ADVERTISING AGENCY	ADDRESS AND CITY
KENYON & ECKHARDT, INC.	*247 Park Ave., New York 17, N. Y.*
HONIG-COOPER & HARRINGTON	*304 Kingsley Dr., Los Angeles 5, Calif.*
BARTON A. STEBBINS, ADV.	*3142 Wilshire Blvd., Los Angeles 5, Calif.*
GEYER, MOREY, MADDEN & BALLARD, INC.	*595 Madison Ave., New York 22.*
BRUCE B. BREWER & CO.	*Illinois National Bank Bldg., Rockford, Ill.*
HOWARD H. MONKS & ASSOC., INC.	*900 Walnut St., Kansas City 6, Mo.*
COMPTON ADV. INC.	*625 Madison Ave., New York 22, N. Y.*
ADAMS & KEYES, INC.	*354 E. 54 St., New York 22, N. Y.*
GODWIN ADV. AG.	*316 East Pearl St., Jackson 5, Miss.*
W. B. DONER & CO.	*Washington Blvd. Bldg., Detroit 26, Mich.*
BBDO	*120 Montgomery St., San Francisco 4, Calif.*
D'ARCY ADV.	*Prudential Plaza, Chicago 1, Ill.*
BBDO	*805 Peachtree St., N.E., Atlanta 8, Ga.*
McCANN-MARSCHALK	*335 Euclid Ave., Cleveland 14, Ohio*
WHITE & SHUFORD	*1821 Wyoming St., El Paso, Tex.*
LANDO ADV. AG. INC.	*197 Carlton House, Pittsburgh 19, Pa.*
LYNCH & HART ADV. CO.	*7730 Carondelet St., St. Louis 5, Mo.*
ERWIN WASEY, RUTHRAUFF & RYAN	*3 Penn Center, Phial. 2, Pa.*
BENTON & BOWLES	*666, Fifth Ave., New York 19, N. Y.*
FOOTE, CONE & BELDING	*900 Wilshire Blvd., Los Angeles 17, Calif.*
GRANT ADV. INC.	*1111 Wilshire Blvd., Los Angeles, Calif.*
YOUNG & RUBICAM, INC.	*611 Wilshire Blvd., Los Angeles 17, Calif.*
RALPH H. JONES CO.	*3100 Carew Tower, Cincinnati 2, Ohio*
LAGO AND WHITEHEAD, INC.	*514 So. Topeka St., Wichita 2, Kan.*
NOYES & CO., INC.	*1800 Industrial Bank Bldg., Providence 3, R. I.*
ERWIN WASEY, RUTHRAUFF & RYAN	*5045 Wilshire Blvd, Los Angeles, Calif.*

3. CLIENTS DETAIL MEANS FOR RADIO'S PUSH TOWARD MORE REVENUE

Advertisers say radio's breakthrough into more gas and oil billings and to bigger schedules will come when the medium matches marketing needs more precisely

In the Midwest, a major factor among independent oil companies, is Clark Oil & Refining, headquartered in Milwaukee. Clark, distributing in the prominent midwest markets (Minneapolis, Chicago, Detroit, St. Louis, Kansas City, and Milwaukee) used a Chicago agency, Tatham-Laird, until an agency shift reported in mid-January. (No new agency has been appointed at press time.)

The Clark advertising budget is almost 100% radio, and, like the giant national brands, Clark buys two or three stations in each market, year-round.

Most of Clark's radio is bought direct through its own advertising department. Creatively, Tatham-Laird's approach to Clark commercials has been one of unique humor, and for the past three years Clark has consistently won national awards for commercial excellence. But, the commercials emphasize Clark's stock-in-trade—just one grade of gasoline, a high octane, priced midway between the regular and ethyl brands of the nationals.

D-X Sunray gasoline, out of Potts-Woodbury, Kansas City, handles its radio placement on a direct distributor basis, with budgets generally allocated according to distribution weight in each market.

On the periphery of the gas and oil field, a rather interesting experiment is going on for STP (Chemical Compounds, Inc., St. Joseph, Mo.), a fuel oil additive, through Standart & O'Hern, Inc., a Kansas City advertising agency. STP is conducting a two-month test in about 250 markets, to determine whether their local distributors can buy radio and get results.

Almost two months ago, STP allocated its radio budget to the local distributors for buying in their own territories. When the two months are up, STP and its agency will evaluate the results on the basis of rating points, cost, and merchandise delivered, to see whether these local buys compare with national spot buys. So far, according to radio rep sources, the STP distributors have achieved good price buys, but poor media buys.

Although 1961 has been unusually atcive in the Midwest for major gas and oil radio schedules, changes have occurred which make the future outlook somewhat dim.

- Humble's entire Enco operation leaves Chicago effective 1 January, going to McCann-Erickson, Houston. However, for an undetermined interim period, all media buying on the account will be conducted through McCann in New York. (But, Humble has awarded NL&B its home heating oil account, with a total budget equalling that of the former Oklahoma account, which it replaces.)

- Pure Oil (Burnett) may abandon radio entirely, in favor of tv news, weather and sport strips as they become available in each market. To industry observers, this hackneyed conventional approach to

Matching markets keys Sinclair Refining media mix

Sinclair *strategists at the top planning level are James J. Delaney, l, ad manager, and William Wernicke, v.p., Geyer, Morey, Madden & Ballard, N. Y., who use network, spot, local radio. Sinclair pioneered 10-second quickie announcements.*

gas and oil advertising seems rather odd in view of Leo Burnett's consistently unique approach to media.

National market patterns

Pressure to develop has been extraordinarily heavy in the past two years. Eighteen major companies spent about $222 million on marketing alone in 1961, three quarters of it to add new stations or improve old ones. This was 13% above 1960—in a year when average marketing expenditures for all industry was 2% *below* the previous year, according to the U. S. Department of Commerce.

Having secured bases, the gas giants now are ready to launch their offensive. Forcing them to this is the immense productive capacity of the new Middle East and Libyan oilfields, and the insatiable thirst of U. S. refineries. (The majors last year refined many billion gallons more than could be sold at stabilized prices.)

Though the companies traditionally dislike retailing—ever since the chainstore-tax headache of the 20s, which led to the franchise system—each group has been pushed farther into the market.

So-called integrated companies which produce, refine, transport and market do not tailor one operation to the other. The refining arm, for example, will "crack" all the crude it can get, because refineries work most efficiently at maximum throughout. The refinery then will pare its middleman prices and force its own retail arm into competition with cutrate dealers and jobbers who themselves have been supplied—at rebate—by the same refinery.

Despite protest from both the marketers and the crude producers, the refineries have run far ahead of demand. By the end of 1960, stocks of crude oil were at a 13-year low; the inventory was only 4.7% higher than in 1947, although production was 54% higher.

So much product had been cracked that even the major companies were forced to admit that stocks ran 57 million barrels more than was desirable.

Part of the excess run came from "standby" plant whose construction was encouraged by accelerated tax depreciation. Conservation authorities charged that the additional, emergency capacity was being misemployed "to flood the market with gasoline." Because of this oversupply—drawn from crude stockpiles—the number of "producing days" on most oilfields had to be severely curtailed.

At the start of 1961, there was hope that refineries would play a more balanced part within the industry. But contrary to usual seasonal practice, runs were increased in January, February and March, and in the next three months ran 350,000 barrels daily above demand.

The inevitable result was a flare of price-cuts in market after market. Los Angeles was briefly the center of a war which slashed motorists' prices by eight cents per gallon: in Chicago, hundreds of private branders were distributing at three to five cents below Shell's price, and 15% of the major companies were also selling at one to five cents below Shell.

The paradox was crystallized by Ernest O. Thompson, chairman of the Texas Railroad Commission (which despite its title, is an oil-regulatory body). Thompson said: "It is the industry itself which refines more oil than can be sold. Why the industry does this is beyond my ken."

This situation makes a little more sense, however, when viewed from the 21st floor of Rockefeller Plaza in New York, where Standard Oil (New Jersey) has its headquarters. Standard has spent a lifetime living down the reputation earned by its founder, but The Jersey Co. still believes that the best way to sell oil is firstly to get it out of the ground—the more barrels refined, the more pressure on the retailing arm, the more sales.

(John D. Rockefeller carried the

Clark Gas airs award-winning commercials

Consistent recognition *of Clark's superior radio commercials has come from many segments of advertising and broadcasting, one being the John Blair Co. and its No. 1 spot radio commercial award for Super 100 gasoline announcements. Nick Takton, l, ad. mgr., Clark Oil & Refining Co., receives the top award from Tom Cinquina, c, and Tom Harrison, r, of the Blair Company.*

squeeze-play a little too far. His example was greatly responsible for ensuring passage of the Sherman Act, of which—with symmetry all too rare in human affairs—he became an early and celebrated victim.)

And it was the disruption of Rockefeller's empire into separate suzereignties which set the pattern of oil marketing that continued almost unchanged into this decade.

Standard broke up into half a dozen separate companies, each with its own stockholders and its own profit-and-loss worries, (though SO N.J. continued as stockholder in some, as a developer of specialized services—research, public relations—and as an invaluable low-interest bankroller for its associates). Each Standard company had its own territory—SO Indiana, SO California—and exclusive right to the Standard, SO or Esso name within its own bailiwick.

At the breakup in 1911, the Jersey Company's fortunes were repaired by Walter Teagle, an industrial genius who, at the birth of the auto age, bought a young Texas refinery for Jersey and on Humble Oil & Refining's capacity built up, within 15 years, a complex greater than the original group.

Exactly 50 years later it was Humble which became the new marketing arm for all of Jersey's domestic operations.

There's a simple reason. Jersey has outgrown its original boundaries and wants to invade the territory of its brother, Standard of Indiana, as well as stretch outward in other directions. But Jersey can't use its ESSO name in conflict with SO Indiana, and compromises meantime with selling, in the west, under the newly-minted ENCO label (an acronym based on Humble's claim to be the greatest energy company in the world). Since the aim is nationwide distribution, this stopgap won't serve: either ESSO must disappear, or HUMBLE take the place of both as the national brand-name.

Meantime, Standard of Indiana is feeling its own pinch, and looking eastward at Jersey territory as well as west to the Pacific Coast. Same problem, and a similar solution. SO

The top 51 integrated oil companies whic

Company	No. of branded retail outlets	Main marketing area (no. of s
1. AMERICAN OIL sub. of Standard (Ind.) subs: American (Tex), Braun, Murphy Miles, True's.	34,351	46
2. AMERICAN PETROFINA subs: Colonial Oil	2,003	Central West (13)
3. ASHLAND subs: R. J. Brown, Louisville Ref., Valvoline Oil.	3,400	East No.-central (12)
4. ATLANTIC subs: Griffith-Consumers Orr, Major, Cundiff.	8,500	N.E., Middle & So. Atlantic (17)
5. CALIFORNIA OIL (EAST.) sub. of SO Calif.	2,471	N.E., Middle & So. Atlantic (13)
6. CALIFORNIA OIL (WEST.) sub. of SO Calif.	2,000	Mountain & West No.-central (9)
7. CARTER OIL sub of Humble for central region.	1,170	West No.-central & Mountain (13)
8. CITIES SERVICE	16,183	40
9. CHAMPLIN	1,210	West No.-central (11)
10. CLARK	535	East & West No.-central (9)
11. CONSUMERS COOP. sub. Coop. Ref. Assoc.	725	West No.-central East S. & No.-central (1
12. CONTINENTAL OIL subs: Coastal, Kayo, Malko, Oco, Westcott, Western Oil.	8,248	Mountain & W.-central East S. & No.-central (2
13. COSDEN sub. of W. R. Grace & Co. subs: Col-Tex Ref., Spencer.	750	New Mex., Tex., Okla. (3
14. CROWN CENTRAL	2,000	Middle & So. Atlantic (1
15. DX SUNRAY sub. of Sunray Mid-continent subs: Gafill DX	6,100	West No.-central East No. & So.-central
16. DERBY REFINING sub. of Colorado Gas & Oil	550	West No.-central (6)

1 MAIN MARKETING AREAS: **N.E.:** Maine. N.H., Vermont, Mass., Rhode Island, Connecticut. **Middle Atlantic:** New York. New Jersey, Pa. **South Atlantic:** Delaware, Maryland, D.C., Virginia, W. Va., N.C., S.C., Georgia, Florida. **East No.-central:** Ohio, Indiana, Illinois, Michigan, Wisconsin. **East So.-central:** Kentucky, Tennessee, Alabama, Mississippi. **West No.-central:** Minnesota, Iowa, Missouri, N.D., S.D., Nebraska, Kansas. **West So.-central:** Arkansas, Louisiana, Oklahoma, Texas. **Mountain:** Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada. **Pacific:** Washington, Oregon, California.

2 PRODUCT KEY: I . . . integrated company: production., refining, marketing. RM . . . refiner & marketer, non-

roduce, transport, refine and market consumer branded lines

Gross sales ($000)	Product key[2]	Brand names[3] (R—regular; P—premium; T—super premium)
....	I, G, F	American (r) / American Super Premium (t) (GASOLINES) Amolube / American / Permalube / Super Permalube (MOTOR OILS)
73,829	I, G, F, LPG	Fina (r) / Fina Supreme (p) Fina Shield / Fina HD Premium / Fina 10W-30 Special
303,763	I, G, F, LPG	Ashland Flying Octanes (r) / Ashland A-Plus (p) / Go-Mix (t) Minimax / Old Gold / Enarco / Valvoline / Topflite HD
561,205	I, Gb, Fb, LPG	Atlantic (r) / Imperial (p) Capitol / Atlantic / Atlantic Aviation / Atlantic Premium
....	R-M, Gb, Fb, LPG	Chevron (r) / Chevron Supreme (p) RPM Supreme / Zerolene / Monogram / RPM Delo / RPM
....	I, G, F, LPG	As above
....	....	Carter (r) / Carter Extra (p) / Enco (r) / Enco Extra (p) Powerlube / Carter / Carter Extra / Carter Uniflo / Humble Uniflo
980,633	I, G. F.	Milemaster (r) / Super 5-D (p) / 100 Plus (t) Blue Club / Trojan / Koolmotor HD / Koolmotor 5-D
86,208	I, G, F, LPG	Champlin (r) / Champlin Deluxe (p) Champlin / Champlin Hi-V-1 / Champlin Deluxe / Champlin Deluxe MG
86,930	I, G. F.	Clark Super 100
....	I, G. F.	
789,000	I, Gb, Fwb	
83,293	I, G, F, LPG	Cosden Higher Octane (r) / Cosden Ethyl (p) Coltex Cos-lube / Cosden
....	I, G. F.	
463,769	Trans. R-M; Gb, Fb, LPG	D Lubricating (r) / DX Boron (p) (GASOLINES) DX Power / DX iDamond / DX HD / DX Extra HD DX Boron / Ultra Special (MOTOR OILS)
....	Trans. R-M; Gb, Fb	Derby (r and p) Derby Triumph / Derby Flex-Lube

producer. M . . . marketer. Prod . . . production. Trans . . . transportation. G . . . gasoline wholesale, branded and unbranded. Gb . . . gasoline wholesale & retail, branded. Gu . . . gasoline, unbranded or private-branded. Gw . . . gasoline wholesale, branded and unbranded. Gwb . . . gasoline wholesale branded. Grb . . . gasoline retail branded. F . . . fuel oil wholesale and retail, branded and unbranded. Fb . . . fuel oil wholesale and retail, branded. Fu . . . fuel oil wholesale, branded and unbranded. Fw . . . fuel oil wholesale, branded and unbranded. Fwb . . . fuel oil wholesalt, branded. Fwu . . . fuel oil wholesale, unbranded or private-branded. Fr . . . fuel oil, retail. LPG . . . liquefied petroleum gas.

3 Top line: gasoline; bottom line, motor oils. R—regular; P—remium; T—super-premium.

SOURCES: American Petroleum Institute; National Petroleum News; Bureau of Census; Chase Manhattan Bank; Survey of Current Business. (1961)

Continued on next page

Indiana reorganized its marketing division into the American Oil Co.; announced national plans under the banner "all American." (And with an eye to a quiet legal future, bought-in several minor oil companies around the country which also shared the "American" title.)

West of the Rockies it was much the same story. Fratricide was in the air, as Standard of California bought and merged with (among others) the California Co. of New Orleans, the California Co. of Perth Amboy, Standard of Texas, Salt Lake Refining and Standard of Kentucky. Its march to the east would also involve name-dropping, this time in favor of Socal's "Chevron."

Said ad manager Stanley Mattes of Standard of California: "Of course we're going national, in time. Our purchase of SO Kentucky is part of that. And our marketing and advertising goal for 1962 is firstly to secure uniform brand-naming in all our territories."

The need for lebensraum is not confined to the Standard family. Phillips Petroleum is marching north, bringing $17 million dollars for refurbishing its service stations.

Continental Oil (Del.) is trying to buy its way into California, while Tenneco, a brand-new company, is in 22 states less than one year after its creation by the Tennessee Gas Transmission Co. (of Houston).

Tidewater is 5,000 miles away from its California home, having bought 30 east coast distributors in the past four years, concentrating on Virginia and North Carolina, with S.C. next on the list.

(Tidewater felt the pent-up pressure of oil so much that it bought distribs at prices which rocked the competition: it borrowed $200 million in five years to finance market expansion; invested about $20 million annually in new outlets, and passed several dividends on common stock.)

The prelude to 1962 included over 500 acquisitions and mergers in seven years, about half by less than 50 companies. The build-up became intense by 1959, when in a nine-month period, 49 companies made 51 acquisitions (compared with 28

The top 51 integrated oil companies whi

Company	No. of branded retail outlets	Main marketing area (no. of
17. **EDDY REFINING**	500	Texas (1)
18. **EL PASO GAS** sub. of El Paso Natural Gas Co.	571	Mountain (5)
19. **ELK REFINING** sub. of Tiona Pet. Co.	600	So. Atlantic (5)
20. **ESSO STANDARD** see Humble	24,018	N.E., Middle & So. Atlantic (19)
21. **FRONTIER REFINING** sub. of Florida Southern Oil Co.	600	Mountain & W.-No.-central (17)
22. **GULF OIL** sub: Wilshire Oil of Calif.	33,970	38
23. **HUMBLE OIL & REF.** sub. of Standard (NJ)	3,401	Mountain & W. So.-central (6)
24. **KERR-McGEE** subs: Cato Oil, General Asphalts, Peoples Service, Rob-Lon Stations, Triangle Ref., Knox Industries, Knox Oil, Mileage Mart.	1,133	E. & W.-central (17)
25. **LEONARD REFINING**	550	Illinois (1)
26. **LION OIL** div. of Monsanto	2,200	E. & W. So.-central (9)
27. **MOBIL OIL** domestic div. of Socony Mobil	30,022	45
28. **MURPHY CORP.**	640	So. Atlantic, E. & W. central (25)
29. **OHIO OIL** subs: Ross Oil, Aurora Gas.	3,009	E. No.-central (6)
30. **OKLAHOMA-PATE** see Humble	651	E. No.-central (6)
31. **PHILLIPS** subs: American Independent, Pacific Petrol.	2,357	38
32. **PREMIER OIL REF.** div. of Western Natural Gas	600	West. So.-central (3)
33. **PURE OIL** subs: Fuel Oil, Pure Fuel, W. H. Barber, Shaw Bros., Sherrill Oil.	15,979	South Atlantic & E.-central (24)

oduce, transport, refine and market consumer branded lines

Gross sales ($000)	Product key[2]	Brand names[3] (R—regular; P—premium; T—super premium)
....	I, Gu	Eddy (r) / Eddy Ethyl (r) / Eddy Premium (p) / Eddy 100 Plus (t)
....	I, G, Fwu, LPG	Dixie (r) / Red Flame (6 grades) Escort / El Paso / El Paso HD / El Paso Red Flame
....	R-M, G. F.	Keystone (r) / Keystone Super Premium (p) Strata / Red Top / Elk
....	....	Esso (r) / Esso Extra (p) / Golden Esso Extra (t)
....	I, G, Fb, LPG	Frontier Bronze (r) / Frontier Platinum Beeline (r & p) Econolube / Ultralube / Stratolube S-3
3,212,205	I, G, F	Good Gulf (r) / Gulf Super No-Nox (p) / Gulf Crest (t) / Gulftane Gulf Supreme / Gulflube / Gulfpride / Gulfpride Select
....	I, G, F, LPG	Humble (r) / Esso Extra (p) / Golden Esso Extra (t) / Enco / Enco Extra (p) 997 / Esso Extra / Uniflo
156,306	I, G, Fw, LPG	Deep Rock (r & p) Deep Rock / Valu Lube / DR Prize / DR HD / DR Special HD
....	Trans. R-M; Gw, Fw, LPG	X-Tane (r) / Super X-Tane (p) Leonard Thrift / Leonard Safe-T-Lube / Leonard Super Lube
....	I, G, F, LPG	Lion (r & p) Tiger / Naturalube / N.HD / N.DHD / N.Super HD / N.Multi Temp
....	I, G, F	Mobilgas (r) / Mobilgas Special (p) Lubrite / Mobiloil / Mobiloil Special
....	I, G, F	Spur / Royal Royal Regular / Royalube HD / Royalube Supreme / Reliable / Durable
351,979	I, Gb, Gwu, Fwu, Fb, LPG	Golden Spur Marathon Milemaker (r) / Super M (p) Multipower / Marathon Endurance / Mara. VEP / Mara. VEP S3
....	....	Enco (r) / Enco Extra (p) Perfect Lube / Enco / Enco Extra / Uniflo
1,200,172	I, G, F, LPG	Sixty-Six (r) / Flite-Fuel (p) / Unique (t) Unique / Sixty-Six / Trop-Artic
....	I, G, F	Premier (r & p) Premier / Premier Premium / Premier HD
647,921	M, G, F, LPG	Firebird (r) / Firebird Super (p) Guardian / Puritan / Purol HD / Super Duty Purelube / Hi-HP Purelube

Continued on next page

buys in 1951). About 60% of these were market outlets.

Buying continued unabated throughout 1960, but last year was mainly one of digestion, as the new companies were fitted into the reorganized, streamlined marketing divisions created in 1961.

Many agency shifts

Hand in hand with these preparations went the revision of some long-established advertising policies—reflected in upheavals on Madison Avenue. A dozen important accounts changed over: Shell broke with JWT after 20 years; Mobil ended an 18-year liaison and took its $12 million to Ted Bates; Texaco left Cunningham & Walsh after 26 years to join Benton & Bowles, while Cities Service, American Oil, Standard of N.J., Union, Continental, Gulf and Standard of Indiana also found fresh ad directions, in whole or part.

Few would deny that, even apart from the marketing problems of the 60s, most accounts could use a fresh approach. One reason is that oil is not oriented toward advertising: out of 25 companies recently surveyed, none had a chief executive who'd come up through advertising (though several had sales and/or marketing experience.)

The entire industry budget of $120 million is less than, say, Procter & Gamble's, yet 14 of the top 50 U.S. corporations are oil companies. And in *Fortune's* 1961 directory of the 500 leading industrial groups, two oil companies were in the top 10 for return on sales. (Amerada Petroleum led the entire United States with a gushing 26.9% return, compared with an all-industry average of 4.4%.)

Low ad appropriations

But good fortune isn't reflected in ad appropriations. Standard NJ spends only 0.3% of sales; SO Indiana, 1%; Shell, 0.9%; Texaco, 0.5% and Gulf, 0.3%. (Other industry averages: hardware, 4%; tobacco, 5.36; drugs, 10.40; soaps, 8.21; cosmetics, 13.81%).

Some improvement can be expected this year. Though budgets aren't quoted, most oil executives

The top 51 integrated oil companies whic

Company	No. of branded retail outlets	Main marketing area (no. of s
34. QUAKER STATE subs: Quaker of Calif., Quaker of Canada	715	E. No.-central (4)
35. RICHFIELD OIL CORP.	4,600	Pacific & Mountain (6)
36. SEASIDE OIL sub. of Tidewater	515	Pacific (4)
37. SHAMROCK OIL & GAS	706	Mountain & W. central (8)
38. SHELL OIL subs: Internat. Lubricant, Shell of Canada.	23,000	42
39. SIGNAL OIL & GAS subs: Regal Pet., Western Hywy. Oil.	788	Pacific & Mountain (5)
40. SINCLAIR OIL	29,000	38
41. SKELLY OIL	3,841	W.-central, Mountain, E. No.-central (18)
42. STANDARD OF CALIF. (WESTERN) sub. of Standard of Calif.	8,228	Pacific & Mountain (8)
43. STANDARD OF OHIO subs: Fleet-Wing, Canfield, Sohio.	4,300	Ohio (1)
44. STANDARD OF TEXAS sub. of Standard of Calif.	867	Arizona, Texas (2)
45. SUN OIL	8,700	N.E., middle & So. Atlant & E. No.-central (24)
46. TENNECO OIL	832	Mountain, So. Atlantic, E. & W.-central (20)
47. TEXACO INC. subs: Paragon Oil, Texaco Canada.	40,000	51
48. TIDEWATER OIL subs: Seaside Oil.	9,371	N.E., middle & So. Atlanti Mountain & Pacific (23)
49. TIME OIL sub. of US Oil & Ref.	500	Pacific & Mountain (6)
50. UNION OF CALIF. sub. of Westway Petrol.	4,244	Pacific & Mountain (13)
51. WILSHIRE OF CALIF. sub. of Gulf Oil.	729	Mountain & Pacific (3)

roduce, transport, refine and market consumer branded lines

Gross sales ($000)	Product key[2]	Brand names[3] (R—regular; P—premium; T—super premium)
....	I, Gb, Fwu	Sterling / Sterling Super Blend Penn Seal / Sterling / Quaker State / Quaker State HD Quaker State Super Blend
288,960	I, Gw, Fw, LPG	Richfield Hi-Octane (r) / Super Premium Richfield (p) Richlube / Richlube Premium
....	Trans. R-M; Gw, Fw	Seaside (r) / Seaside Special Ethyl (p) / Seaside Premium Ethyl 100 Octane (t) Veedol
....	I, Gb, LPG	Trailmaster (r) / Cloudmaster (p) Eco Lube / Motor Master / Triple Action / Shamrock Penn
1,827,832	I, G, F, LPG	Shell (r) / Super Shell (p) Silver Shell / Golden Shell / Shell X-100 / Shell X-100 Premium
305,559	M, Gb, Fb	Regal / Norwalk / Hancock / Starfire Regal / Norwalk / Hancock / Starfire
1,222,384	Trans. R-M; Gb, F	Sinclair H-C (r) / Sinclair Power-X (p) Opaline / Pennsylvania / Extra Duty / Triple-X
254,926	Prod. R-M; G, F, LPG	Skelly (r) / Skelly Supreme (p) / Powermax (t) Ranger / Skelly / Tagolene / Skelly Supreme
1,922,475	L, Gb, Gwu, Fwb, LPG	Chevron (r) / Chevron Supreme (p) / Chevron Custom Supreme (t) Zerolene / RPM Special / S.O. Penn / RPM Supreme
371,677	I, Gb, Fb, LPG	Crown (r) / Crown Extra (p) / Super Crown Extra (t) Actol / Esso Motor Oil / Esso Extra / Esso Uniflo / Mobiloil / Mob. Special
....	I, Gu, Fw, LPG	Chevron (r) / Chevron Supreme (p) / Chevron Custom Supreme Zerolene / Standard Penn / RPM
749,767	I, G, F, LPG	Blue Sunoco 200-X (r) / Blue Sunoco (p, 5 grades) Sunoco Mercury / S. Sun Motor / S. Dynalube / S. Special
....	I, G, F, LPG	Tenneco (r & p) / Bay (r & p) Tenneco Non Detergent / Tenneco Extra HD / Tenneco Four Season
3,140,805	I, G, F	Texaco Fire Chief (r) / Texaco Sky Chief / Supreme Texaco / Custom Made Havoline
583,150	I, G, F, LPG	Flying A (r) / Flying A 100+ (p) / Flying A Super Extra (p) Tidex / Veedol Econ. / Veedol Special / Veedol HD / Veedol
....	R-M; G, F	Time (r & p) / Time Platinum (t) Royal Triton / Reliable / Atlas Quaker State / Pennzoil / Deep Rock
532,535	I, Gb, F	7600 (r) / Royal 76 (p) Motoreze / Kordol / Kordol X / T5X 10-30 / Royal Triton
....	R-M; G	Wilshire (r, p & t) Wil-Oil / Special / Mil-Oil / Wilshire Super HD / Wilshire Super

polled by U. S. RADIO admit that purse strings are being loosened in 1962. "We ploughed over $11 million into domestic marketing last year," said one. "Do you think we're not going to back that up in our advertising?"

There's big news in oil and good news for radio from the west coast, where Wynn Oil in December reported its 1962 budget would exceed that of 1961 by 25% and that it would spend $1.7 million this year, wtih network radio as a key buy. Radio buys, as reported by T. Beverley Keim, director of advertising, will include news programs on ABC and CBS through Erwin, Wasey, Ruthrauff & Ryan, Los Angeles. Wynn headquarters in nearby Azusa.

Keim, commenting on his network radio plans, says "Net radio affords one of the most economic and effective media buys in today's market, providing, of course, the use of the medium is properly applied."

Radio gets 35% of Wynn's budget, with tv—mainly network—60% and trade publications about 5%. Promoting gas and oil additives, the company in local market radio prefers alternate-week flights; in network, six- or 13-week cycles "for budgetary reasons." Although the product line has 17 items, "we are concentrating on two or three main line products plus endeavoring to identify retail outlets through our Bullseye trademark display rack," says Keim.

Why radio? It affords us frequency and continuity with a relatively low budget; provides flexibility for commercial messages without heavy production cost limitations. Network radio is highly merchandisable to our dealers (in all 50 states), distributors, salesmen and dealers as local advertising support, even though it is a national buy with the resulting economies."

He detailed one of the oil industry's biggest marketing problems: "It seems they (other oil companies) share with us the problem of price-footballing through chains and discount houses."

Radio is also slated as a key medium for Rayco and its TBA (tires, batteries, accessories) line this year subsequent to its purchase a year ago by B. F. Goodrich. TBA items are being introduced into some of the Rayco installations across the country. Peak activity will take place in the second and third quarters—coincident with heavier travel and vacation times—with radio's pattern a schedule of minute announcements in selected areas of up to 100 commercial per week frequency.

These budgets represent expansions. Another advertiser who reports his radio budget is "growing" is Jack E. Osman, manager of advertising and sales promotion for Pennzoil South Penn. Oil Co., Oil City, Pa. (through Fuller & Smith & Ross, Cleveland).

Radio currently gets some 10% of a total media appropriation which allots magazines about 85% and newspaper and tv about 5%. Why is radio growing?

Osman says simply: "Because it produces results." Here's what radio "does best" for him and his company: "gives concentrated regional market coverage when necessary; offers the proper audience, particularly with car radios; has instant, immediate flexibility."

Pennzoil, in his view, is an independent marketer "different from the majors (Shell, Gulf, Texaco, etc.) who have "captive outlets or service stations. His company operates in 48 states with 60,000 dealers in marketing motor oil, motor fuels and lubricants. He, in using radio, prefers five-minute programs and 60-second commercials on a year-round basis.

Pennzoil in Los Angeles with 20% in radio, reports growing appropriations (up 10% from a year ago) because it has "produced outstanding results." These are the words of Fred L. Williams, advertising and sales promotion manager. He thinks radio "best" does these things: Radio "news provides prestige, is believable with a good newscaster convincing listeners and the five-minute format providing a good close on 'How to buy and where'."

Client and agency men answering U. S. RADIO's questionnaire traced some revealing patterns. Excerpts from among them:

California Oil Co., western division, uses radio year-around with seasonal emphasis in spring and summer. Radio gets 11% of the total ad budget and a growing share even though it's less than amounts allocated to newspapers, tv and outdoor.

Why is the budget for radio growing? "Because of its increasing effectiveness," says M. J. Merton, sales development manager, who explains radio is used to sell gas, oil, TBA and to promote service stations. Agency is White & Shuford, Denver, with Stanley Shuford as account supervisor.

Richfield Oil Corp. of New York, reports Ben N. Pollak, advertising and sales promotion manager, allocates radio through its cooperative advertising program for Richfield distributors.

He says: "In 1960, 57% of our total budget for consumer advertising was spent in outdoor, 38% in co-op and 5% in other media. We market exclusively through independent distributors, and under our co-op program the selection of media is local and at the initiative and option of the local independent distributor, subject to our approval. Our distributors spend 60% of co-op allotments for radio, 5% for tv, 28% for newspapers and 7% for other media. The conclusions from these data are obvious."

Thus six in 10 co-op dollars—with management approval—are placed in radio at the option of the local distributor.

Richfield markets regionally in 14 states and among 2,000 dealers on the eastern seaboard. Agency is Geyer, Morey, Madden & Ballard, New York, with David Wasko as account supervisor.

Derby Refining Co. puts 90% of its media budget into radio, reports Preston Huston, president of Associated Advertising Agency in Wichita, which services this account.

Why this amount to radio? Because "We can penetrate our area better on radio; we need to be dominant in one medium, and can't compete with the major companies in tv." He and his client choose announcements and participations, usually minutes, and are on the air a minimum of half of the year with at least 18 announcements per station per week, with buying grouped by seasons.

Douglas Oil Co. invests about one-third of its ad budget in radio, with a growing radio budget attributable to "a company-wide expansion program in retail marketing requiring increased dealer support."

This is reported by Claude R. Miller of Miller-Morse agency in Fullerton, Calif., who says he and the client prefer minute announcements during traffic times adjacent to news and sports shows and a year-round basis. Douglas markets gasoline with 300 dealers in California, Nevada and Oregon, and considers its biggest current problem "the price of gasoline!"

Bardahl International Oil. Co., Seattle, puts 15% of its ad money into radio—more than for newspapers, less than for tv and magazines, reports James W. Phillips, advertising and sales manager.

Its additive oils are advertised in radio, as a back-stop to tv, in five- and 15-minute news and sports shows and with minute announcements, usually in month-long saturations in peak-drive times. Bardahl's goal: to establish the concept of the "world's number one seller."

Phillips lists radio's five "best jobs" done for his company: "Reminds radio listening motorists of the problem in their car; of Bardahl when they are in a position to buy; gives us the impact in major markets not available budget-wise in tv; inexpensively in lesser markets where there is no tv; allows us to select our audience, motorists at traffic times and men with sports shows."

He also has a list of the jobs radio should do and does not now do for oil companies and their products:

"Slant more programing toward adults and particularly during driving times; screen commercials to eliminate shady or unreliable products; realize motorists in cars are the *big* audience and program to them with some educational features; stress believability and authenticity of products, not teen-age gimmick approaches via corn-ball disk jockeys."

Sinclair Refining Co., through Geyer, Morey, Madden & Ballard, New York, puts 15% of its budget into radio, 70% to tv and 15% to miscellaneous. So reports James J. Delaney, advertising manager directing efforts on behalf of 25,000 dealers in 36 states.

Radio is used to push gasoline, motor and fuel oil in a program of "continued maintenance of the basic umbrella of coverage to keep the company name before the public." Radio preferences are—in this order—national network, national spot and local radio with announcements of five to 20 seconds in length on a year-round basis.

The things radio does best for Sinclair: "keeps the name alive; addresses drivers in their cars; gives wide coverage at low cost; offers low production cost for commercials; has multi-daily exposure." William L. Wernicke, agency v.p., is account supervisor.

Frontier Refining Co., marketing in 21 states with 800 dealers for its gas, motor oil and diesel fuel, places 20% of its ad appropriation in radio, with newspaper getting 60%, tv, 10%, and direct mail, 10%.

Richard Skinner, advertising manager, says "We are using more radio than before because we are marketing in a larger area." He prefers 30- and 60-second announcements in what he terms "saturation crash campaigns." Radio's biggest advantages, in his view: coverage of sparse population areas, offers creation of good will, tells people where they can get the products and from whom they are going to buy. Jack McCrea is account executive at Tool & Armstrong in Denver.

Classic in the radio annals of oil company usage is Mars Oil Co. of St. Louis, a 100% radio advertiser with the budget—about $60,000 annually—placed on a single local radio station, WIL St. Louis.

Mars, a retail marketing subsidiary transportation company, sells its private brands throughout 75 company-owned and operated service stations, 13 in the St. Louis area. Concentrating its limited ad budget, Mars slots around-the-clock commercials seven days a week at the rate of about 20 announcements per day.

Spot, a favorite with both the majors and minors in oil, has a popularity feature of special appeal: merchandising.

Extending the sales power regionally and locally with merchandising is a plus which oils look for, reports Anne Owen, sales development manager of the Robert Eastman Co. station representatives.

She points to KTHT Houston, which accompanied a Tenneco commercial schedule with merchandising and promotion tied in with the opening of the first Tenneco retail outlets in that market; and to another promotion at WORC Worcester where a contest encouraged dealer co-operation with Tidewater Oil.

With many a crack in the oilmen's conservative facade, radio stands an improved chance to increase its share of oil's total ad dollars. Chances are good—if radio rustles and *keeps* on rustling.

The new media thinking might produce some bizarre results—Shell's plunge into print, and the Megatane story developed by Bates for Mobil, have raised some eyebrows—but at least it's an assurance that oil is open to suggestion.

And even Shell's print orgy could have some useful broadcast result. Jack Openshaw, who supervises Caltex ads in worldwide markets, comments that "Shell has done everyone a hell of a service by starting them thinking about whether it's such a good idea to spread your ads around in all media. Can Shell go into one top medium and hit it so hard it gives the impression of dominating the medium—and the market?"

Shell and newspapers

This would require hitting all media in turn. Shell hasn't yet finalized its plans for 1962; though it was shopping for tv availabilities at the end of last year, the company openly concedes the idea that "Shell will probably continue to be the largest oil-company user of newspapers."

Mobil also rejected the "all over" theory, although not quite so spectacularly. The Bates agency, which made its own study of the petroleum industry before Mobil came its way, found most media programs were "cut up in bits and pieces." Bates' recommendation, as explained by account exec Herbert Drake: "Because Mobil had fewer ad dollars to spend we decided to pick the most efficient—newspapers and tv." (Tv gets 80% of the budget).

This is an oversimplification since Mobil is able to use tv so extensively (31 participations last fall) only because of a favorable position in territory, and an absence of brand-name complications.

Mobil is the third largest distributor in terms of states covered (45).

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paign for the medium as a whole). Some examples follow:

Lack of community identification can be one of radio's worst faults, according to Grey agency account executive R. David Kimble. But properly cultivated, a station can become indispensable to its community, replies Harold Fair, broadcast v.p. at Bozell & Jacobs, also New York.

"Hit hard on local news, reports of local activities," Fair urges. "These aren't necessarily audience killers if they're handled properly. A station should have roots in its own community."

THE CLIENT VIEW

Advertisers believe it, too. Quaker Oil, for example, which as a long-time print user, dipped into radio only five years ago, now is riding the popularity of some 200 *local* personalities in the top 100 markets.

Jack Keeshan, Kenyon & Eckhardt account man, says the persuasive power of respected local personalities has added considerably to the weight of Quaker's message.

A similar view is held by General Motors which, for its auto-finance division, buys a national spread of local newscasts. Kenyon & Eckhardt's John Blomstron explains the strategy: "By using community service radio at its most useful and informative, we not only create a healthy climate for GMAC representatives but we make people aware of GMAC as a community organization."

These advertisers are looking beyond the numbers and seeking an emotional climate or image which complements their own.

Not everyone sees it this way, of course. American Tobacco, for example, buys almost entirely "by the rule"; sees radio only as an extremely useful supplementary medium and all-around workhorse.

Ad Manager Carl Schullinger says, "I don't disbelieve anyone who tells me radio is dynamic, vital, exciting—I just know that no one has shown me, yet." Even at a less rarified level, it seems that many stations have not yet been able to exploit their existing reputation for service, let alone glamor.

A rep such as Robert Eastman can declare that "local station's are gold mines to advertisers—they

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DOES RADIO IMAGE-BUILDING NEED AN 'RIO'?

6 in 10 vote against the formation of a combined radio information office to handle NAB, RAB image functions

THE division of effort on behalf of radio falls roughly between two large national trade associations: the National Assn. of Broadcasters in Washington and the Radio Advertising Bureau in New York.

NAB and RAB operate as bodies resting firmly on a strong radio station base (in the case of NAB, tv also).

NAB's major efforts on behalf of radio are in the operations area, with external stress on government relations and, indirectly, on public relations for the industry.

RAB, on the other hand, targets in on the buyer side of commercial radio, aiming its barrage of information, presentations, appearances to advertising agencies and advertisers at all three levels of advertising: national, regional and local.

Many industry people feel that somewhere between these two broad organization functions there is a gap in activity—and that this gap widens the information gap which they sense between broadcaster and government, broadcaster and the public, broadcaster and buyer.

What's to be done?

U. S. RADIO's survey of broadcasters, advertisers, agencies and reps asked them if they favored establishment of a Radio Information Office, similar in broad public relations function to the Television Information Office, an industry-supported operation headquartering in New York.

The answers show a predominant choice against setting up an RIO, with 60% of those responding saying no. Less than four in 10—37%—said "yes" and another 3% said they didn't know." Even though the yeses are in a minority, it's a sizable enough minority to prompt serious appraisal of whether such a group is needed.

Among the reasons given for setting up an RIO:

- It would promote rate stability and get rid of the "bad apples."
- It would give the local stations an awareness of "the big picture."
- "'We need all the help we can get!"
- It would help to promote much-needed cooperation.
- It would be able to tell the public what we're doing.
- It would help to improve the general image.

Counter-balancing many of these arguments are those of the respondents who are against an all-industry RIO. Here are some of the reasons why:

- Such bodies have proved ineffective.
- It couldn't enforce its decisions on certain points.
- The industry is too diverse for a central body.
- RAB could do the job, with member-support.
- Why do it? Radio's not in trouble.
- This is the best done by stations at the local level. ■

Dramatic reminder *of radio's effectiveness sparked RAB contest last summer, with RAB v.p. Miles David, l, giving $250 check to D. E. Leonard. v.p.-med. dir., Fuller & Smith & Ross, N.Y., who guessed radio's audience lead over tv.*

How BBB's Cliff Barborka looks at the image problem: a rope for hanging radio

"It's a distressing commentary on the life and times of today's advertising that the defeatists have tried to hang radio with a new rope. It's called "image" and is guaranteed to kill off national radio—if not fast, fast, fast at least sure, sure, sure.

Radio, however, has survived many earlier burial attempts and this new rope really represents no insurmountable challenge. The radio station picture, though fraught with problems, is far too vigorous and healthy to here expound its glories.

Radio *does* have an image problem, one in large measure created by people inside of radio; by the industry's salesmen who have unintentionally placed this lynching tie around radio's neck either through a misinterpretation of the value of the medium or through an understandable inclination to use negative selling tactics in an immediate effort to "get the order."

CLIFFORD J. BARBORKA
President, Better Broadcast Bureau

Radio does not have one image because radio is not one medium, conception or idea. Stations have program approaches which fall into at least two dozen major categories. The nature of radio being a mass medium with specialized appeal is probably the most misunderstood value and the chief contributing factor to the national image stigma.

Solution does not only lie in communicating to agencies the "better" things in programing. Radio should incorporate in every agency and advertiser call a message about the total diversity of the medium. Negative selling tactics have already achieved a near maximum in total destruction. Selling must get back on the right foot."

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are radio." And a fairly impressive list of national advertisers supports this view in their station buys; a few of them, Cream of Wheat, Canada Dry, Sinclair Oil, Schaefer Beer, Texaco, Reynolds Tobacco, Atlantic Refining, Ballantine Beer and American Tobacco.

But how many advertisers remain unconvinced or unaware that the local service image is a great radio asset?

Most agencies sampled by U. S. RADIO report that on-the-spot news and community service are the two primary areas in which radio is unparalleled. Media directors know this, but they can't often prove it to the client. The reason: lack of documentation. The image can't be tagged.

THE IMAGE IS FLEETING

Broadcasters know it, too. In their plans for the future, an overwhelming 40% of station men name public relations or education campaigns among agencies and advertisers as the first and outstanding immediate need. Another 30% said that "better research and documentation" is also their first choice in long-range goals. How to do it? A number of agencies, reps and broadcasters favor either a central clearing-house, on the model of tv's Television Information Office, or an expansion of the present educational work of Radio Advertising Bureau or the National Assn. of Broadcasters. But the greater portion of the industry votes against creation of an additional body. Many of those who said "no" gave as their reason: "This is best handled at the local level."

WHAT RESEARCHERS SAY

In the world of factual research, discussion of "the image" tends to be terse and slightly scornful. And with some reason, for the descriptions employed are usually too loose to be useful to the slide-rule men.

Dr. Sydney Roslow, founder of The Pulse, believes radio, and dividual radio stations, have the power of etching a vivid impression on the subconscious mind of the listener, and that this hidden command becomes the dominant voice in regular station selection.

He once described the process as: "The listener has in his mind a picture of the station or program. It possesses characteristics. It gives the listener certain satisfaction. Management may or may not know what the audience thinks about the station or programs. . . . Depth research is helpful in station management. We can ask the audience for its attitude and opinion and reaction to several stations and their programing. . . . Do you operate a station in which people have confidence?"

A contrasting view comes from another research pro.

An image may be insubstantial, but it leaves a trace behind—like light on sensitive film—which can later be developed into a positive picture. Another practitioner of this shadowy, X-ray technique of the subjective is Dr. Ernest Dichter of the Institute for Motivational Research.

Applied to radio-station image, the MR view goes something like this: "When we speak of the personality of a radio station we are speaking of the same kind of judgments we bring into our contacts with human beings. We assign to the station certain qualities and characteristics. Mainly, we expect a certain typical behavior in any situation.

RAB wrestled with the problem when it assigned researchers to defining terms such as "good music," "top 40," "contemporary music." It wasn't possible to get a consensus among stations, or even from record distributors and music publishers so the project was abandoned.

Martin Herbst, media research director at Donahue & Coe agency in New York, has had the same difficulty. "Subjective descriptions of a radio station's image are virtually useless," he comments.

Herbst, like most men in his field, is worried by the fact that almost the only precise radio information he can get is the relative competitive standing in a market, which changes too often.

Is anyone else worried? The U. S. RADIO survey reveals that broadcasters and reps are even more concerned than agencies. Inadequate research was frequently mentioned as a negative aspect of radio's image. With broadcasters alone, this was first choice by 30% as a long-range goal for radio's improvement. (7% of agencies urge that immediate steps be taken toward uniform ratings, and 5% list it as a long-range goal. Eleven per cent of the reps vote for immediate improvement; 19% see it as a more-distant goal).

Confusion between and among different rating systems is a sore point, interviews and analyses show. Coupled with this is the expressed wish for a uniform method of rating, backed by the industry.

Possibly less ambitious—and certainly less controversial—would be a national study of radio listening by socio-economic groups. This is Herbst's proposal to end image-confusion, and one that many researchers support. It's based on the argument that radio is no longer sold on a program basis but on the pulling-power of the station, and that this depends on segments or groups—teenagers, Negroes, over-40s—to which the station appeals.

Yet there's comparatively little information about such groups, in definable terms such as (1) time spent with radio compared with other media, (2) radio tune-in related to geographical distribution, income, education, buying habits.

Herbst maintains that radio's image can only be grasped in terms of basic audience composition. If researchers get this material, they're happy to wait for any suggested revision of ratings methods.

There is, however, no real agreement on a need for new listener measurements. The media director at Donahue & Coe, Jerry Arthur, doesn't believe that multiplicity of ratings has ever hampered a media buyer.

"The more ratings, the more checks you have on what you're doing and how right it is," he claims. "A central ratings system is not only unfeasible, it is unnecessary."

Ratings aside, there's no doubt that all elements within the industry recognize and desire more complete research. Even the major agencies confess they're working, to some extent, in the dark. BBDO, for example, spent around $15 million on radio last year, yet media planner Ed Papazian complains this investment was made on the basis of facts which often were inadequate and frequently out of date. (In the fiscal year, BBDO—as other agencies—was using the Nielsen Coverage Study 2 as a base tool. This is a five-year-old survey which was updated by Nielsen later in '61.)

Papazian says he and other media experts need facts on homes reached per spot or per station; much more information about the socio-economic profile of listeners; a better system for measuring auto listening; intelligible facts about programing, and sales success stories at the local level.

Some of this material may come through broader industry cooperation—a concept which station men vote second on the most-needed list of immediate reforms. A step has already been taken by NAB which is proposing a research center located on a major university campus. (The idea's being studied by a committee headed by Donald H. McGannon, president of Westinghouse Broadcasting, whose report is expected this month.)

According to NAB's LeRoy Collins, "We must begin to match our research in broadcast technology with research into the content and consequences of what we broadcast."

But even if the research is forthcoming, can it be gotten across to advertisers effectively? U. S. RADIO found the entire industry united on one point: radio's own promotion is the job it does worst. Forty per cent of broadcasters and 30% of reps unhesitatingly voted sales education among agencies as the greatest immediate need. Agencies themselves, by a 23% poll result, name it the second greatest lack.

Lack of information not only may prevent a specific sale, but each time a question is asked and left unanswered radio's over-all image is downgraded.

A case in point is at Lennen & Newell, which spends only one and one-half per cent of its billings in radio. Among the reasons, according to Media Director Herb Zeltner, are "unsubstantial ratings," "dearth of competitive information," "unsophisticated" sales presentations which generally include—he maintains—a completely unrealistic emphasis on the station sound and its limited success stories.

On the positive side, RAB's V.P. Miles David points out that good selling is good promotion for the entire industry. At an H-R Reps. seminar late last year, David recounted the success of group-pitching directed by RAB, which campaigned to sell for all radio stations in a single market to crack an important category, the department store.

"We've seen how good selling becomes good promotion," David said. "Advertisers who once knew broadcasters hardly at all, and then with no understanding, have come to see the stature of our medium, its mission and its people.

"When the presidents of department stores doing $30-, $50-, $75, and in some cases over $100 million annually sit for a full day to hear a sales presentation brought to them by the united radio stations of a market, we promote a reputation for professionalism which is the greatest single need of our medium."

In the second survey, "creative selling" was mentioned often as a missing ingredient in today's radio image. The only flaw: "There's no agreement on who is to do the creating; stations to reps, reps to agencies, or agencies to clients?'

WHAT THE REPS SAY

Joseph Weed, v.p. of the rep firm of that name, says "Radio's failure to sell itself properly to national advertisers" is one of the industry's four most negative aspects. From Chicago, another rep put "negative selling" in the same list. Robert Eastman argues that radio needs immediate steps to "sell creatively and continuously the intrinsic values of the medium to media people, account execs, advertisers. No one (hardly) understands the medium—except the public."

Blair's radio v.p. in Detroit, Charles Fritz, says the typical ad manager doesn't know call letters beyond his home town, "let alone having any real knowledge as to what kind of stations they are." And, describing radio's ideal image, Adam Young remarks sharply that it "should command the same respect from its advertisers that it commands from its listeners."

Morris Kellner, radio v.p. of Katz, also agrees that radio's presentation to agencies has been poorly handled. His remedy includes an advertising bureau for spot alone and a radio equivalent of TIO because "we need all the help we can get." (Kellner also believes too many stations are financially hard-pressed, and favors a reduction in the number of licenses.)

When sellers and buyers alike can independently agree on the same assessment of radio strengths, there isn't much room for talk of weaknesses. They agree to these radio pluses:

- Immediacy, reliability
- Cost-efficiency
- Community service
- Listener loyalty.

These represent strong points of departure for 1962. As U. S. RADIO's research has demonstrated, most of the concern is toward how radio can *best* fulfill its manifest destiny.

STATIONS

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Robert Hyland/ graming as a bedrock foundation, any radio station can then enhance its image through activities by executive and air personnel and special campaigns.

An image is built or destroyed each time a listener tunes to your station and listeners inevitably discover inconsistency and hypocrisy. In this regard, the authority and reliability of network news can be a major factor in enhancing station image. Station personnel must approach community projects from the standpoint of "what can the station do for the community"—rather than "what does the station get from this tie-in."

A local sales staff is also a key part of a station's image, since its contacts in the business community are wide-spread. High business principles and ethics at the sales level, confirm a station's image in the minds of business leaders.

It is of vital importance that a station be at the right place at the right time. The absence of radio from an important civic meeting and the presence of the daily newspapers can tarnish radio's image just as surely as any of commission.

Robert E. Dunville/ the answer to the demanding challenge is just reversed, with programing providing the basis for return of a fair revenue. These two factors are inseparable, no matter what kind of programing, what kind of an image a radio station projects.

I believe that radio now is looked upon as an instrument of practical service by listeners and advertisers, and broadcasters who provide the most service through programing with that in mind will be the most successful—both in the rating books and in the ledgers.

At WLW, a station which has always been dominant in its coverage area (which is considerable, as it is a clear channel station with 50,000 watt power), a long and careful study and analysis of programing was made. It was clear that WLW must retain its quality programing concept and its integrity to its advertisers.

There emerged a program format that finally reversed the downward trend and ever so gradually increased the size of audience, which was followed by an increase in sales. Basic ingredients in boosting our audience: establishment and adherence to a standard of melodic music, constant effort to provide interesting and informative talk, and extensive engineering work to improve our sound.

The new program format was simple in concept, really. WLW literally threw rock-and-roll out the window. Dedicated radio announcers and personalities were added to the staff. Programs again were formatted and written—rather than having glib-tongued ad libbers becoming totally lost in their own words. Radar weather was added to WLW weather reports, giving them substance. Three full-time, highly-qualified meteorologists were added to the staff (and of course, they are used on WLW television as well.)

The "image" of quality, integrity, and service which we project to audiences through good programing and selective advertising is also projected to its clients. It is important to note that advertisers are finding out that radio is still very much alive, and with the proper selection of the proper stations, can produce results at extremely low cost.

Yet we broadcasters can never relax our watch. We must keep up with changes and make them when indicated, and we must remember that our format must be adaptable. We probably won't ever be faced with such a threat to radio again, but we must never forget our lesson. ■

NETWORK VIEWS

ABC

(Continued from page 11)

ity programing.

"Stations WAME in Miami, WHHM in Memphis and KHOW in Denver have made important format changes in order to better fit the image of the ABC network and because they felt such an image would enhance their position and prestige in their own communities. Another station, KODA in Houston, which recently started operation, designed its format to fit the network even before it went on the air."

CBS

(Continued from page 11)

"Radio may be said to have many images. In the category of so-called formula stations the image consists of popular music with teen-age appeal, brief news broadcasts of predominantly local interest and talk. This is radio that offers companionship but does not necessarily require attention and thought.

"The image of the 'good music' station is relaxation, mild intellectual stimulation, a sense of cultural awareness.

"And beyond these are the other special-interest areas on which various stations concentrate.

"The network-affiliated station may incorporate one or more of these elements but nevertheless has an image of its own which distinguishes it from other stations in its area."

MBS

(Continued from page 11)

so long as, we are able to provide the type of programing service it wants and desires; namely, a service geared to the radio needs of the listeners in its community.

"The network provides the news, special events, public service public interest and sports programing that a station cannot economically continue to schedule, or maintain on its schedules, without an affiliation or some other method for defraying the high costs of such activities. This philosophy pertained when radio networks were first formed to schedule expensive entertainment features. It still pertains today, but transformed to the more beneficial functions of keeping 180 million Americans constantly and consistently aware of the neighborhood, community and world around them."

NBC

(Continued from page 11)

gardless of the time of day and regardless of where the prospect happens to be.

"The radio audience changed during the fifties. With more time to spend away from home it became an audience of listeners on the go. The placing of cars within the reach of every family pocketbook only accentuated this phenomenon.

"The radio set itself has changed, with reduced size and improved performance. Car radios, portables, transistors—these can be taken with you. Ideal for a highly mobile, tune-in and tune-out audience.

"Because of this, the methodology of radio advertising changed in the fifties. And in return, programing has changed to suit needs of both listeners and advertisers." ■

OIL GUSHER

(Continued from page 33)

It's already established a foothold in most markets and so can draw real value from a national ad medium. Mobil's media director, Edgar Steinmetz, reports the company has "been successful in tailoring its network tv buys to the markets in which its interested; currently, about 100."

Mobil also has a national edge in having only one brand-name: it can plug Mobilgas and Mobiloil from coast to coast with nary an objection.

Cities' first broadcast was in 1925 (a vocal quartet on a four-station hookup), and it took a leading place as a major sponsor with NBC, coming from Carnegie Hall in February, 1927.

Cities Service stayed with network radio, 52 weeks a year, until 1956, nearly all of this was with the Band of America under Paul Lavalle.

Cities now is a fairly heavy user of radio spot, national and local. It's been associated with programing, especially in cooperative campaigns, and found that syndicated packages did a good job. But there wasn't quite enough identification, and the company now buys news, weather and sports.

"Radio newscasts, delivered by people who have respect in their community, give us the identification and image we need," reports Mary Robinson, who directs broadcast buying.

The pattern is to use spot tv in spring, in the top markets; in summer to rely on radio in first and second markets, reverting to tv in fall.

Over the years, Cities has experimented with most variations in radio (and other media) buying. It believes the present radio pattern is good because it has flexibility; is keyed to prime consumer times in each market and, rather than scattering the effort, permits the flights to be concentrated where they'll do the most good. (Aside from nationally-directed activity, Cities also has 300 co-op radio schedules running for it.)

In broadcast, Cities has stayed close to the path of good music, which it believes has wide appeal and is compatible with a quality image. And it's also acceptable to a conservative management which Cities—a utilities holding company for most of its life—certainly possesses.

The company's radio budget in the last measured year (1960) was $1,300,000, compared with $283,247 in magazines and $162,000 in newspapers, plus an undisclosed amount in tv.

1962 will certainly see an increase in ad spending since Cities has no immediate plans to go national, and must first raise its volume in existing markets. The company bought 165 stations in New England last year, and secured many new distributors as part of its consolidation. Cities is actively seeking new dealers, and will advertise to attract them.

Though a big retailer, Cities Service is not self-sufficient; it buys in about half its supply, and thus qualifies as "semi-integrated."

Slightly below this in the oil hierarchy is the marketing company which does nothing but sell, usually to independent distributors and retailers.

There are around 70 big marketing groups, supplying about 20,000 retail outlets, or approximately one-tenth of the national total. The marketer's importance to radio, however, is far greater than these figures relate, because he usually directs sizable dealer advertising at the local level.

How big is 'big'?

The "average" company is a two- or three-state operation, although some are much larger. Star Petroleum serves 18 states from its Illinois base; Hudson Oil, of Kansas, distributes in 24 states; Richfield of New York, in 14. Richfield is unique, since it deals only with independent distributors and never with the service station, but its workings contain most of the elements for a profitable radio study.

Though there are disadvantages in being a marketing company (lack of control over retail sales; lack of unity in marketing and advertising) these are more than offset by the comparatively small capital investment. Richfield owns no real estate, instead has been outstandingly successful in persuading distribs and dealers to "look alike" in Richfield colors and insignia. It does this by providing everything the service-station operator needs, either as a "loan" or at reduced rates.

For such a company, dealer-relations is a continuing task. Turnover is high on service stations—about 30% annually, according to the American Petroleum Institute, and nearly double that figure, according to the House Small Business Committee. Richfield's ad manager, Benjamin Pollak, sighs that "You can't ever assume you've got an educated sales-staff. You just have to keep on and on . . ." (Richfield's house organ in the 30s contained much the same appeals, arguments and exhortations as it does today.)

Because of uneven distribution, Richfield can't use national media. To be economic, its advertising has to pinpoint. Its struggle to achieve this goal is, by implication, an object-lesson in how to sell radio to the gas and oil industry.

Regional for Richfield

Richfield used regional radio for many years, and in the 30s was a network buyer for selective hookups. Radio was then its major consumer ad vehicle. "Being on network," Pollak recalls, "gave us a certain status; it helped persuade many dealers to affiliate with us, which offset the fact we were buying waste circulation."

As the number of dealers attained and passed the minimum, the wastage factor became more important. Richfield turned from network to individual stations; then from radio to metro newspapers, then from metro to suburban news, further and further refining its ad coverage.

In the last six years, its consumer needs have been met mainly through billboards. "After all," says Pollak, "we are an outdoor industry, and the consumer sees a board just at the time he needs gas most. And the dealer is aware of boards as he travels to and from home each day—he mightn't listen to our radio station or buy our newspaper."

With outdoor, Richfield can placate its dealers and also reach the public, but this is not the sum of the company's advertising. At least one-third of its budget is for cooperative campaigning—and about 60% of that goes to radio.

In the co-op system, the marketing company allocates a fixed sum to be spent within each area, providing the distributor matches the company dollar for dollar, to any sum up to the maximum.

Disposal of this budget is almost entirely at the discretion of the local distributor. He can choose print or broadcast or outdoor, and pick the individual newspaper or station.

"We leave it to him," reveals Pollak. "He knows his community best. Sitting here in a New York swivel chair, how can I pick a station for Export, Pa.?"

Left to themselves, most distributors choose to invest in radio. "The extreme localization of radio is an asset for this. Dealers find the local station does the job."

Richfield's experience is quoted at length by U. S. RADIO, since it exemplifies a marketing operation that is especially suited to an intelligent radio approach. Although one of the top 25 companies in the whole oil business, in gross sales, Richfield still ties its advertising to the grass-roots, where most gas sales are made.

Esso Standard theory

The mechanics of radio — flexible yet precise, massive yet capable of high selectivity — lend themselves to strong presentation to the gas and oil industry, at whatever level. There are other important but less tangible values, and they've been well defined by an oilman: Wallace Rusher, of Esso Standard. He comments:

"Other industries are as complicated as gas and oil but not in the same way. Any other product, if you change brands or try a new brand, you merely take it off the shelf. You're in the same store or super, you're doing business in the same place.

"But with gas the customer has to change his place of business, deal with a new guy, so that it's not one chain against another or one market against another — it's one man on the corner against the men on the other three corners.

"It becomes a *local* campaign. The competition is local—and so we use local radio."

The gradual reduction of Esso's radio support contains some valuable lessons. "We came out," says Rusher, "because radio failed to adapt to changing conditions. We were on the air four times a day: some of those time periods became less attractive—audience dropped but rates didn't."

"First it was nights, then evenings, then everything but morning just became too expensive for the results."

(The *Reporter*, it should be mentioned, lost its identity through imitation.)

Standard then found it could buy spot radio more cheaply, and it does so today. But, as Rusher points out, "We would like to make some contribution to the public, aside from giving them our commercials.

Esso and public service

The Esso news was a public service which stations offered their community and which we underwrote. In fact, we often gave up our commercials to allow announcements—road safety, and so on.

"We still feel the time will come when programs once more will be important to radio, and maybe we'll be back sponsoring them. . . ."

Most oil marketers agree that getting a customer to change his station is all-important, and there's also agreement that loyalty is based on convenience and service.

Radio can do an effective job with the premium offer, especially by isolating the weekend family driver. But its real power to secure a switch is inherent: its recognition as a local, even a personal, medium.

This quality exactly fits the image of the "neighborhood" service station. Admen are unanimous in trying to implant the idea of friendly, efficient service, delivered in the neighborhood by a man who himself is a member of that community. And this is where radio makes its biggest score with the driver.

Radio's main strengths

In the gas/oil view, radio's strongest points are:

• Radio is flexible, and can be tailored to the market. This is essential for nearly all oil companies, despite "national" distribution.

• Radio is precise. It can be broken down into smaller units of physical coverage than can most media. More importantly, radio is precise in *time*. It isolates the auto-owner in the critical period of purchase.

• Radio has the human touch. It is psychologically appropriate for delivering either a service message, or conveying company image couched in human terms.

Radio's unmatched power to hammer home a name or a slogan should also prove useful in '62. Several of the majors must popularize new brand names, either through legal complications, as with the battling SO companies, or to efface the memory of once-popular local brands swallowed by a bigger blend.

There's also a christening ceremony ahead for Gulf and Humble, who are marketing new gasolines in the middle and low-price ranges.

Gulf hopes to have Gulftane pouring out of its pumps in 38 states by the end of the year. Humble is still test-marketing *its* economy fuel, and plans broad introduction shortly.

Within the industry it's felt that the outcome of these two experiments may be crucially important.

Success or failure of the new fuels may determine whether or not roughly half the industry had not only to follow suit, but also to re-equip its stations at a cost of hundreds of millions of dollars.

At the low end is the economy-minded driver, who doesn't necessarily own a compact or older model. The high end fits the higher-performance auto. In the middle may be the driver who's found the cheaper fuel doesn't suit his engine but who refuses to go onto premium gas.

There's the nub: as one Gulf executive put it: "Maybe he can be pushed onto a higher grade. I don't know and Texaco doesn't know . . . will they fight back, or add to their range?"

Whatever the reply, it'll have to be effected boldly. Unlike the broader territorial moves, this is not a strategic issue but a tactical battle. It can't be solved in terms of pipelines and bulk storage, but must be carried straight to the consumer. This requires more advertising, better advertising. The oil industry is ready to be shown: radio's part depends on the realization of opportunity and the presentation of a case. ■