

The ADVERTISING
and BUSINESS SIDE
of RADIO

MIDGLEY

THE ADVERTISING AND BUSINESS SIDE OF RADIO

by

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Preface

BROADCASTING has been chronicled to the extent of many millions of words. These words have been devoted to the education, entertainment and news pouring from receiving sets throughout the land. Scant attention has been paid to broadcasting as a business—a business which should receive universal recognition as a stable, responsible enterprise.

The business of radio advertising holds more fascination for thousands engaged in it than even radio program production. It creates the foundation which supports the whole structure. The business principles, ethics, and practices in broadcasting differ from any other business.

It is time that they were drawn together into a complete framework. The following chapters devoted to the buying and selling of radio advertising will, we hope, chart the course, and show not only what broadcasting has to sell, but also how to sell it.

Ned Midgley

Acknowledgment

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Ned Midgley

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THE ADVERTISING
AND BUSINESS SIDE
OF RADIO

CHAPTER I

The American System of Broadcasting

More people spend more time listening to radio programs than they spend doing anything else—except working and sleeping.

THAT IS an amazing statement but a true one. It is both a tribute and a challenge to the American system of broadcasting. In just twenty-five years, broadcasting has carved out its place as an American institution, side-by-side with newspapers, the theatre, the movies, the symphony concert, the county fair, and a chicken dinner every Sunday. It is not strange that it has done so. When newspaper mergers were the order of the day, the phrase "retaining the best features of each" was coined. Radio has merged many longer established American institutions—and retained the best features of each. It has resuscitated, streamlined, and welded them into a compelling force, giving them new life and deeper meaning. It is a blend of advertising, show business, the music world, the classroom, the politician's stump, and today's news, all united under a modicum of government watchfulness.

Our system of broadcasting must be recognized first as a commercial enterprise dependent upon advertising revenue for its very existence. It is not a propaganda tool nor a government-operated activity feeding selected pap to an uninterested populace. It is a living, vital thing with its finger on the pulse of the populace, meeting its demands, catering to its likes and dislikes, building its hopes and

ambitions. American radio is *today*—and *tomorrow*. The world has never heard broadcasting equal to it.

Broadcasting has faced its first challenge. It seems something more than coincidence that it became twenty-one years of age just a month prior to Pearl Harbor. Immediately it was faced with the most perilous war into which the nation had ever been plunged.

Sunday afternoon, December 7, 1941, was a normal Sunday afternoon—until 2:31 P.M. Eastern Standard Time. People were doing what they had been doing on other late fall and early winter Sunday afternoons. Crowds were gathering at the professional football games; families were enjoying unrationed Sunday dinners; millions were listening to their favorite radio programs or otherwise indulging in week-end divertissements. But at 2:31 P.M., the terse United Press dispatch, "Washington—White House Announces Japanese Have Attacked Pearl Harbor," was broadcast to the nation. From that moment on, it was not a normal Sunday but "the day of infamy."

At 3:00 P.M., the New York Philharmonic Orchestra was scheduled to start its regular weekly broadcast, but this was delayed. First, commentator Elmer Davis gave additional fragmentary details of the news. At 3:03:15 P.M., Artur Rodzinski launched the Philharmonic into the Shostakovitch *Symphony No. 1 in F Major*; but the concert this day had no coherence for the radio audience. It was interrupted six times more for additional news, which seemed to be received so slowly. As the day progressed, the picture began to fill in more quickly, and the favorite radio programs served merely as bulletin boards for the most startling news development of the centuries. War, which we had dreaded so long, was forcibly thrust upon us. But radio was ready to go to war—with a maturity, an ability, and a vigor which no other system of broadcasting in the world could contribute to its homeland.

Typical of radio's willingness to serve was the following radiogram sent to President Roosevelt at 4:05 P.M. on December 7, 1941 by David Sarnoff, RCA president and chairman of the board of the National Broadcasting Company:

ALL OUR FACILITIES AND PERSONNEL ARE
READY AND AT YOUR INSTANT SERVICE.
WE AWAIT YOUR COMMANDS.

This was the keynote for the entire industry.

And then radio rolled up its sleeves and started to work. It afforded the government an immediate means of communication with virtually every home in the United States, an established means of communication with an assured audience throughout the war. Its facilities were made available for Presidential talks; its talents were devoted to War Bond drives; it was a constant vehicle for OWI and OPA messages; its technical personnel entered the armed forces; its entertainment personnel appeared at service centers at home and abroad; its programs were short-waved to the armed forces overseas; and it reported news while it was being made. In addition, its regular entertainment features served as a firm prop to civilian morale on the home front. And at the war's end there was no danger of the Battle of New Orleans being fought after the truce was signed.¹

While these contributions to the war effort were credited to radio, they could never have been achieved in such measure without an equal degree of willingness on the part of the advertisers. It was their co-operation with the broadcasting industry that made the task phenomenally successful. Hundreds of millions of dollars in broadcasting time were donated by advertisers to the government for its many pressing needs.

During war years, the President, by law, may “. . . cause the closing of any station for radio communication and the removal therefrom of its apparatus and equipment, or he may authorize the use or control of any such station and/or its apparatus and equipment by any department of

¹ By the end of 1814, England and America were ready to end the War of 1812. On Christmas Eve, 1814, both countries agreed to terms of peace at Ghent in Belgium. It was February 11, 1815 before the news could be carried across the Atlantic to the United States. Just one week before this, on February 4, Washington learned that a great battle, the greatest of the entire war, had been fought at New Orleans.

the government under such regulations as he may prescribe, upon just compensation to the owners."² So complete was radio's contribution that not once from December 7, 1941 through August 14, 1945 was there the slightest hint that these powers would be exercised in regard to any domestic radio station or network.

Thus radio accepted its first challenge, and the results are history. It faces now the second challenge, in a world at peace, with newly drawn lines—ever improved service to its vast listening audience combined with technical improvement and expansion. This history will be written during the next decade. Any predictions made today might well be dwarfed by actual accomplishment during the next ten years.

One certain thing is that the extent to which this history is written will be related directly to the continued effectiveness and success of commercial broadcasting. To the most uninitiated observer, it must be apparent that the bulk of the funds for development of program ideas and for technical expansion comes from the revenues accruing to broadcasting from advertising. No network could afford to present a complete season of concerts of the New York Philharmonic Orchestra, "America's Town Meeting," or the "University of Chicago Round Table" solely as a service to the listening public unless there were revenue available from the sale of commercial time. Station WMBD in Peoria could not broadcast twenty-six local high school basketball games simply because of keen listener interest in the sport if there were no income from advertising. Bear in mind that radio sets are not licensed in the United States as they are in many foreign countries, providing an annual fund from which governmentally selected programs can be budgeted and prepared.³

Radio is a business, and the inexorable laws of economics function in it just as they do in every other business.

² Federal Communications Act of 1934.

³ In all foreign countries, an annual license fee or tax is charged radio set owners much as automobiles are licensed by the individual states in this country. From this fund the government prepares the year's schedule of programs which it believes the listeners should hear.

Radio can now take its place in the ranks of American business achievements as one of the most fascinating of them all. There are thousands of persons employed in the business departments of radio who have never faced a microphone, who have never twisted a dial in a control room, and whose names have never graced a marquee. They work in a world of anonymity which they desire, but they are the business men and women who make the whole complicated system of broadcasting function.

Government Licensing of Radio Stations

To understand the business of radio, it is necessary first to be familiar with and understand the government's licensing requirements for the industry. This is met with at every hand and is the basis for many of the practices and tenets of broadcasting.

The structure of commercial broadcasting rests on a foundation of governmental supervision, most recently revised and summarized in the Federal Communications Act of 1934 with subsequent additions in 1941. Supervision of radio was first vested in the Department of Commerce. On March 2, 1927, President Coolidge appointed the first Federal Radio Commission. The sensational growth of the industry and the multiplicity of details involved resulted in the realignment of authority provided in the 1934 legislation.

The "air" over the United States does not belong to any radio station nor to any network. It belongs to Mr. and Mrs. American Citizen, and their rights are protected by this Act. A knowledge of its essential, less technical provisions is necessary for the most effective use of radio as an advertising medium.

The Federal Communications Commission, which administers the provisions of the Act, consists of seven members appointed by the President for a term of seven years at an annual salary of \$10,000. One of these is appointed chairman. None of these appointees may be connected with any branch of the broadcasting business during his tenure of office. The Commission is subdivided into operating divisions: legal, technical, and others, in which are

prepared all of the decisions and judgments of the group. An annual budget of approximately \$16,000,000 is appropriated for this body, which also supervises telephone and telegraph industries.

It is not as easy to start a radio station as it is a haberdashery shop or delicatessen. All stations must be licensed by the Commission upon proper application. The financial responsibility and integrity of the applicant and the method in which he proposes to operate the facilities are reviewed by the Commission. If these factors are found satisfactory and it is deemed ". . . the public interest, convenience and necessity would be served," the license is granted. Note the phrase "the public interest, convenience and necessity." It was taken verbatim from the Federal Radio Act of 1927, which was the original law outlining governmental interest in broadcasting. It recurs frequently throughout the Communications Act of 1934 and is the guiding principle of most of the Commission's rulings. But further, it is the explanation and justification for many arrangements in commercial broadcasting which are encountered from day to day.

A license is granted for a period not exceeding three years. It specifies the power and frequency (spot on the dial) on which the station will broadcast and the actual hours of daily operation. In addition, it assigns the permanent call letters by which the station will be known.

By international agreement, call letters starting with "W" and "K" are assigned to United States broadcasting stations. (Mexican call letters start with "X," and Canadian call letters with "C.") Within our borders, call letters starting with "W" are assigned to stations east of the Mississippi River, and with "K" west of the Mississippi River. There are a few exceptions, of course, to the general rule; the two most notable are: KDKA in Pittsburgh, which is the pioneer commercial broadcasting station in the country, and KYW in Philadelphia, which was originally licensed in Chicago and years later moved to Philadelphia.

Some call letters have interesting connotations denoting ownership, geographical location, or just novelty arrange-

ments of the letters. WTAG in Worcester indicates ownership by the Worcester *Telegram and Gazette*. WEEI in Boston retains the flavor of former ownership by the Edison Electric Illuminating Company. WTIC in Hartford is owned by the Travelers Insurance Company, and WGST in Atlanta by the Georgia School of Technology. WRVA is located in Richmond, Virginia, WBAL in Baltimore, Maryland, and WWVA in Wheeling, West Virginia. Some of the more novel call letters are WHAM in Rochester, New York, KOIN in Portland, Oregon, WHO in Des Moines, Iowa, and KOY in Phoenix, Arizona.

The use of station identifications is prescribed in detail by FCC Rules and is of particular interest to the sponsors of commercial programs, for many times these announcements are of necessity an integral part of an entertainment period. The provisions are as follows:

“§3.187 Station identification—(a)—A licensee of a standard or high frequency broadcast station shall make station identification announcement (call letters and location) at the beginning and ending of each time of operation and during operation (1) on the hour and (2) either at the half hour or at the quarter hour following the hour and at the quarter hour preceding the next hour: Provided,

“(b) such identification announcement need not be made on the hour when to make such announcement would interrupt a single consecutive speech, play, religious service, symphony concert or operatic production of longer duration than 30 minutes. In such cases the identification announcement shall be made at the beginning of the program, at the first interruption of the entertainment continuity, and at the conclusion of the program.

“(c) Such identification announcement need not be made on the half hour or quarter hours when to make such an announcement would interrupt a single consecutive speech, play, religious service, symphony concert, or operatic production. In such cases an identification announcement shall be made at the first interruption of the entertainment continuity and at the conclusion of the program. Provided, that an announcement within 5 minutes of the times specified in subdivision (2) of paragraph (a) of this section will satisfy the requirements of identification announcements.

“(d) In the case of variety show programs, baseball game broad-

casts, or similar programs of longer duration than 30 minutes, the identification announcement shall be made within 5 minutes of the hour and of the times specified in subdivision (2) of paragraph (a) of this section.

“(e) In the case of all other programs the identification announcement shall be made within 2 minutes of the hour and of the times specified in subdivision (2) of paragraph (a) of this section.

“(f) In making the identification announcement the call letters shall be given only on the channel of the station identified thereby.”

The act also provides in Section 317 that:

“. . . all matter broadcast by any radio station for which service, money, or any other valuable consideration is directly or indirectly paid or promised to, or charged or accepted by the station so broadcasting from any person shall, at the time the same is so broadcast be announced as paid for, or furnished as the case may be, by such person.”

This might seem to be a curious and unnecessary requirement, for the average commercial sponsor is more than willing to identify himself and his product. However, it was necessary to invoke this provision in at least one case. A patron of music, president of a small manufacturing company, sought to further the career of a promising young tenor with his own personal funds. Time was purchased on Sunday morning on a limited network, and continuity was submitted containing no mention of the patron or of any sponsor. It was not until the president agreed to the use of his company's name, just the barest mention possible, that the program could go on the air.

FCC Political Broadcast Requirements

Radio in recent years has become a vital medium for politicians during election periods. Time for political broadcasts is purchased the same as regular commercial program time is, through the same channels and at the same costs. Placement of these broadcasts is a lucrative business for advertising agencies, but there is always the danger of alienating other clients of opposing political faiths. As a protection to radio stations and to secure equality of treat-

ment for all candidates, the Communications Act has prescribed definite provisions on this subject. These are summarized in the following excerpt from the Rules:

“§3.190a Definitions. A “legally qualified candidate” means any person who has publicly announced that he is a candidate for nomination by a convention of a political party or for nomination or election in a primary, special or general election, municipal, county, state or national and who meets the qualifications prescribed by the applicable laws to hold the office for which he is a candidate, so that he may be voted for by the electorate directly or by means of delegates or electors and who (a) has qualified for a place on the ballot or (b) is eligible under the applicable law to be voted for by sticker, by writing in his name on the ballot, or other method, and (1) has been duly nominated by a political party which is commonly known and regarded as such, or (2) makes a substantial showing that he is a bona fide candidate for nomination or office, as the case may be.

“§3.190b General requirements. No station licensee is required to permit the use of its facilities by any legally qualified candidate for public office, but if any licensee shall permit any such candidate to use its facilities, it shall afford equal opportunities to all other candidates for that office to use such facilities, provided that such licensee shall have no power of censorship over the material broadcast by any such candidate.

“§3.190c Rates and practices. The rates, if any, charged all such candidates for the same office shall be uniform and shall not be rebated by any means, directly or indirectly; no licensee shall make any discrimination in charges, practices, regulations, facilities or services for or in connection with the service rendered pursuant to these rules, or make or give any preference to any candidate for public office or subject any such candidate to any prejudice or disadvantage; nor shall any licensee make any contract or other agreement which shall have the effect of permitting any legally qualified candidate for any public office to broadcast to the exclusion of other legally qualified candidates for the same public office.

“§3.190d Records; inspection. Every licensee shall keep and permit public inspection of a complete record of all requests for broadcast time made by or on behalf of candidates for public office, together with an appropriate notation showing the disposition made by the licensee of such requests, and the charges made, if any, if request is granted.”

In May 1941, the Federal Communications Commission adopted a series of eight new rules applicable to stations engaged in chain broadcasting. These new provisions are now an integral part of the Commission's *Rules and Regulations for Broadcast Services* and have had a marked effect on commercial broadcasting. They will be discussed further in Chapter IV.

Most of the other provisions in the Communications Act are of vital importance only to a station operator. The interest of the Commission in broadcasting is perpetuated through license renewal and by punitive measures reserved to it in case of infractions of the regulations. Through all of its operations, the Commission operates constantly as custodian of the air-waves, checking, prescribing, and making certain that radio is conducted truly "in the public interest, convenience and necessity" and that it performs a definite public service.

An excellent definition of "public service" has been offered by Station KOIN, Portland, Oregon: "the successful communication of local and national ideals (economic, social, and cultural) according to the peculiar needs of each station's listening audience. It is democratic in function, free from bias, or selfish interest, and inseparable from every phase of station operation."

Growth of Radio Stations and Set Ownership

This process of developing the tremendous force of broadcasting into an effective advertising medium, while still serving the public interest, has been the story of the business side of radio for the past twenty-five years.

Most of the first commercial broadcasting licenses were issued to amateurs, schools, and churches. The amateurs were technicians, "hams," if you will, who were interested in radio from an engineering and experimentation standpoint. They were men of imagination and vision, as was Alexander Graham Bell, but they looked upon broadcasting only as a new and improved means of communication. They could be forgiven if they did not see in their headphones, hand-cranked generators, and crystal sets today's gigantic structure of broadcasting. Schools acquired radio

stations for experimentation and study, and churches acquired them to broadcast their sermons. Transmitters were set up in barns, outbuildings, and other generally idle places. The material that was broadcast was most uninteresting, but it was the fact that it could be heard through the ether without wires that was important.

On election day in 1844, James Polk and Henry Clay were the rival candidates for President of the United States. Eight days after the election, the New York *Evening Post*, on the basis of incomplete returns, reported that James Polk had been elected. On election day 1920, listeners to Station KDKA, Pittsburgh, learned that evening that Warren G. Harding had defeated Governor James Cox in that day's Presidential election. On election day evening in 1944, 100,000,000 listeners in the United States and throughout the world learned that President Roosevelt had been elected for his fourth term, over Governor Thomas Dewey.

An interesting commentary on the effect of radio listening upon the course of American politics is seen in the following correlation of radio sets owned and ballots cast in Presidential election years, prepared by Robert J. Landry in *This Fascinating Radio Business*.⁴

<u>Election</u>	<u>Radio Sets Owned</u>	<u>Ballots Cast</u>
1920	Negligible	25,705,340
1924	3,000,000	29,022,260
1928	8,000,000	36,879,440
1932	18,000,000	39,816,522
1936	33,000,000	45,646,817
1940	40,000,000	49,815,312
1944	59,000,000	48,026,170*

* 1944 ballots cast less than 1940 due to small percentage of soldier vote.

These figures do not indicate an inordinately large number of voters coming of age within each four-year cycle. They do indicate the rapid growth of set ownership plus the effect of one of radio's outstanding nonprofessional person-

⁴ Landry, Robert J., *This Fascinating Radio Business*, page 311. New York: The Bobbs Merrill Co., 1946.

alities—the late Franklin D. Roosevelt, who was the vice-presidential running mate of James M. Cox in the 1920 election.

Immediately following KDKA's broadcast of the Harding-Cox returns, the potentialities of the medium began to evolve in rapid succession. Radio caught on with the public. People interested in developing it as an advertising medium began to enter the field either with a new license or by buying out the original licensees. Some schools and churches retain their licenses to the present day, but many transferred them when it became apparent that they could not fill a sixteen-hour or eighteen-hour broadcast day and retain the listeners' interest.

By March 1923, there were 556 radio stations licensed in the United States. The purchase of receiving sets kept pace with the increase in stations. Then radio went out to sell itself as an advertising medium, and advertisers, ever on the lookout for new and effective means of reaching consumers, began to experiment with it.

✱ **Broadcasting—The New Advertising Medium**

The twentieth century economy of the United States could not have been written without the functions of advertising. Individual initiative, imagination, and enterprise, all would have been lost if the ultimate consumer could not have been told of industry's products. All would have been lost if the ultimate consumer could not have had faith and have placed his trust in the representations of manufacturers. Millions of units were produced by mass production; and they could be sold only by advertising to millions of people and sold at a cost per unit below any previous dreams. This represented actual dollar savings to the consumer far exceeding advertising expenditures.

Virtually all national advertising in the newspapers and magazines, on the billboards, on the air, and a high percentage of local advertising is prepared and placed through advertising agencies. The agencies⁵ receive a set 15 per

⁵ Accredited advertising agencies should be distinguished from direct-mail houses, photo-offset companies, and specialty shops. The established 15 per cent commission does not apply for these types of advertising services.

cent commission on the cost of all advertising placed for the companies they represent. As the advertiser spends, the agency earns commission. But the commission is not an expense to the advertiser; it is allowed by the newspaper, magazine, or radio station in return for the complete preparation of the advertising by the agency. It would cost the manufacturer exactly the same amount if he placed his advertising direct, without benefit of an agency. This relationship between advertisers and agencies, on the one hand, and magazines and newspapers on the other, had functioned flawlessly for years. It was but natural, then, that radio stations should conform to the same procedure for broadcast advertising. The advertiser-agency-station triumvirate was established from the start in the field of radio.

Then followed years of experimentation, years of trials and errors. A new advertising medium had been born, and how to use it to its maximum advantage was the problem of the day. It was like, but unlike, the old established forms of advertising. Some of the old concepts and practices still held and could be transferred, and others could not possibly be adapted to this new field. National networks were formed, raising the horizons; and then the networks joined with the advertisers, agencies, and stations, and began to chart a true course.

Although many of the original purchases of radio sets were made because of the novelty appeal, those purchasers remained to be entertained—and sold! Set ownership rose and rose, and by January 1948 there were 35,900,000 U.S. homes with radios.⁶ Many of these owned two, three, and four sets. By the same date, there were 1,510 domestic radio stations in the country, exclusive of FM and television stations.

After more than twenty-five years, the four interested parties, radio stations, networks, advertising agencies, and advertisers, are still working together more closely, perhaps, than is the case in any other form of advertising. Eloquent testimony to the success of the business is seen in the annual

⁶ CBS Research Department.

net sale of broadcasting time alone, which totals approximately \$356,000,000.

Paul Porter, upon his appointment as Chairman of the Federal Communications Commission, said: "I see in broadcasting a vital agency for carrying forward our traditional American policy of free speech and for protecting and strengthening our system of free enterprise. We are committed so definitely in the United States to freedom of speech . . . that there is no vogue for government-owned radio here. Far more than is generally realized, the radio executive stands between importunate, short sighted advocates of this or that, on the one hand, and the general public on the other. The industry has already perfected an organization of broadcasters and established canons of conduct which compare favorably with those of professional groups with centuries of experience behind them."

CHAPTER II

How Big Is Radio?

ALTHOUGH it is difficult to apply any single gauge to broadcasting and say that radio is "so big," certain soundings can be taken which will give an accurate definition of the length, breadth, and depth of the medium. It is known that there are 53,500,000 home radios and 8,200,000 automobile radios in use in the United States today. These are distributed so that there are 35,900,000 homes with one or more radio sets. Even during war years, surveys showed that 95 per cent of these were kept in good operating condition.

This set ownership is not evenly distributed throughout the United States. While 93 per cent of all U.S. homes have one or more radio sets, this percentage drops as low as 76.2 per cent in rural-farm areas. A complete breakdown of set ownership, prepared by the Broadcast Measurement Bureau, is shown on pages 16-17.

While these figures by themselves are impressive, when considered in relation to other national totals they take on added significance:¹

Total U.S. Families.....	37,500,000
Radio Families.....	35,900,000
Automobile Families.....	20,000,000
Bath-tub Families.....	24,900,000
Telephone Families.....	17,500,000

¹ CBS Research Department.

HOW BIG IS RADIO?

1946 URBAN, RURAL NON-FARM AND RURAL FARM

Geographic Areas and States	Total			Urban		
	Families	% Radio	Radio Families	Families	% Radio	Radio Families
New England.....	(2,353,000)	(96.9)	(2,280,000)	(1,822,000)	(97.9)	(1,784,000)
Maine.....	224,100	92.2	206,600	98,700	96.0	94,800
New Hampshire.....	135,200	94.2	127,400	79,900	96.1	76,800
Vermont.....	88,600	93.6	82,900	35,600	97.5	34,700
Massachusetts.....	1,183,400	97.9	1,158,900	1,063,300	98.2	1,044,200
Rhode Island.....	205,100	97.7	200,300	187,700	97.9	183,800
Connecticut.....	516,600	97.5	503,900	356,800	98.0	349,700
Middle Atlantic.....	(7,600,000)	(96.9)	(7,365,000)	(6,022,000)	(97.9)	(5,897,000)
New York.....	3,759,000	97.6	3,667,000	3,180,000	98.2	3,122,000
New Jersey.....	1,217,000	97.5	1,186,000	1,006,000	97.9	985,000
Pennsylvania.....	2,624,000	95.7	2,512,000	1,836,000	97.5	1,790,000
East North Central...	(7,911,000)	(95.4)	(7,550,000)	(5,518,000)	(97.4)	(5,375,000)
Ohio.....	2,085,000	95.4	1,989,000	1,476,000	97.3	1,436,000
Indiana.....	1,048,000	93.4	979,000	635,000	96.2	611,000
Illinois.....	2,330,000	95.7	2,230,000	1,785,000	97.4	1,738,000
Michigan.....	1,596,000	96.4	1,538,000	1,106,000	98.0	1,084,000
Wisconsin.....	852,000	93.5	814,000	516,000	98.1	506,000
West North Central..	(3,658,000)	(92.0)	(3,365,000)	(1,916,000)	(95.8)	(1,836,000)
Minnesota.....	723,500	95.2	689,000	417,500	97.7	408,000
Iowa.....	682,200	94.5	644,700	343,100	96.4	330,800
Missouri.....	1,089,400	89.0	969,100	637,500	94.7	603,900
North Dakota.....	137,700	93.5	128,800	42,600	96.9	41,300
South Dakota.....	150,600	91.4	137,700	51,700	95.7	49,500
Nebraska.....	350,800	91.6	321,200	164,200	95.8	157,300
Kansas.....	523,800	90.6	474,500	259,400	94.5	245,200
South Atlantic.....	(4,731,000)	(80.9)	(3,829,000)	(2,286,000)	(89.0)	(2,034,000)
Delaware.....	81,000	92.6	75,000	44,000	95.5	42,000
Maryland.....	563,000	93.3	525,000	355,000	96.3	342,000
District of Columbia	234,000	96.2	225,000	234,000	96.2	225,000
Virginia.....	724,000	81.4	589,000	318,000	90.6	288,000
West Virginia.....	451,000	85.8	387,000	162,000	93.8	152,000
North Carolina.....	817,000	78.3	640,000	303,000	86.8	263,000
South Carolina.....	455,000	71.2	324,000	160,000	80.6	129,000
Georgia.....	792,000	72.7	576,000	350,000	81.1	284,000
Florida.....	614,000	79.5	488,000	360,000	85.8	309,000
East South Central...	(2,718,000)	(75.1)	(2,040,000)	(1,116,000)	(85.3)	(952,000)
Kentucky.....	688,000	81.0	557,000	286,000	90.9	260,000
Tennessee.....	770,000	79.2	610,000	353,000	87.3	308,000
Alabama.....	719,000	71.6	515,000	298,000	82.2	245,000
Mississippi.....	541,000	66.2	358,000	179,000	77.7	139,000
West South Central...	(3,555,000)	(78.8)	(2,803,000)	(1,751,000)	(86.9)	(1,522,000)
Arkansas.....	487,000	72.5	353,000	167,000	83.8	140,000
Louisiana.....	651,000	73.4	478,000	326,000	83.7	273,000
Oklahoma.....	571,000	82.7	472,000	274,000	90.5	248,000
Texas.....	1,846,000	81.3	1,500,000	984,000	87.5	861,000
Mountain.....	(1,211,000)	(88.9)	(1,077,000)	(606,000)	(93.9)	(569,000)
Montana.....	143,400	92.3	137,000	67,600	95.1	64,300
Idaho.....	141,700	92.4	131,000	59,900	95.2	57,000
Wyoming.....	73,100	91.4	66,800	32,700	95.4	31,200
Colorado.....	332,100	91.4	303,600	196,400	95.3	187,200
New Mexico.....	133,400	73.5	98,000	56,000	83.9	47,000
Arizona.....	169,800	82.4	139,900	70,800	89.8	63,600
Utah.....	166,700	95.9	159,800	102,800	97.4	100,100
Nevada.....	45,800	89.3	40,900	19,800	93.9	18,600
Pacific.....	(3,863,000)	(95.5)	(3,689,000)	(2,711,000)	(96.9)	(2,628,000)
Washington.....	667,000	94.5	630,000	397,000	95.7	380,000
Oregon.....	412,000	93.7	386,000	227,000	96.0	218,000
California.....	2,784,000	96.0	2,673,000	2,087,000	97.3	2,030,000
United States Total...	37,600,000	90.4	33,998,000	23,748,000	95.2	22,597,000

HOW BIG IS RADIO?

17

OWNERSHIP BY GEOGRAPHIC AREAS AND STATES

Geographic Areas and States	Rural-Non-farm			Rural-Farm		
	Families	% Radio	Radio Families	Families	% Radio	Radio Families
New England.....	(414,000)	(94.4)	(391,000)	(117,000)	(89.7)	(105,000)
Maine.....	90,400	90.4	81,700	35,000	86.0	30,100
New Hampshire....	41,400	92.0	38,100	13,900	89.9	12,500
Vermont.....	33,000	92.4	30,500	20,000	88.5	17,700
Massachusetts....	98,000	96.0	94,100	22,100	93.2	20,500
Rhode Island.....	14,900	95.3	14,200	2,500	92.0	2,300
Connecticut.....	136,300	97.1	132,400	23,500	92.8	21,800
Middle Atlantic.....	(1,208,000)	(94.4)	(1,140,000)	(370,000)	(88.6)	(328,000)
New York.....	422,000	95.5	403,000	157,000	90.4	142,000
New Jersey.....	180,000	95.6	172,000	31,000	93.5	29,000
Pennsylvania.....	606,000	93.2	565,000	182,000	86.3	157,000
East North Central...	(1,350,000)	(92.7)	(1,251,000)	(1,043,000)	(88.6)	(924,000)
Ohio.....	362,000	92.5	335,000	247,000	88.3	218,000
Indiana.....	220,000	91.4	201,000	193,000	86.5	167,000
Illinois.....	324,000	91.7	297,000	221,000	88.2	195,000
Michigan.....	282,000	94.7	267,000	208,000	89.9	187,000
Wisconsin.....	162,000	93.2	151,000	174,000	90.2	157,000
West North Central..	(787,000)	(89.8)	(707,000)	(955,000)	(86.1)	(822,000)
Minnesota.....	132,200	92.5	122,300	173,800	91.3	158,700
Iowa.....	153,200	92.6	141,900	185,900	92.5	172,000
Missouri.....	203,500	86.1	175,200	243,400	76.5	190,000
North Dakota.....	41,400	91.5	37,900	53,700	92.4	49,600
South Dakota.....	43,900	89.1	39,100	55,000	89.3	49,100
Nebraska.....	84,700	89.7	76,000	101,900	86.3	87,900
Kansas.....	128,100	89.5	114,600	136,300	84.2	114,700
South Atlantic.....	(1,272,000)	(80.3)	(1,021,000)	(1,173,000)	(66.0)	(774,000)
Delaware.....	25,000	92.0	23,000	12,000	83.3	10,000
Maryland.....	150,000	90.7	136,000	58,000	81.0	47,000
District of Columbia	—	—	—	—	—	—
Virginia.....	199,000	80.4	160,000	207,000	68.1	141,000
West Virginia.....	192,000	84.9	163,000	97,000	74.2	72,000
North Carolina.....	221,000	80.5	178,000	293,000	67.9	199,000
South Carolina.....	129,000	76.0	98,000	166,000	58.4	97,000
Georgia.....	177,000	74.6	132,000	265,000	60.4	160,000
Florida.....	179,000	73.2	131,000	75,000	64.0	48,000
East South Central...	(589,000)	(76.1)	(448,000)	(1,013,000)	(63.2)	(640,000)
Kentucky.....	172,000	79.7	137,000	230,000	69.6	160,000
Tennessee.....	159,000	79.2	126,000	258,000	68.2	176,000
Alabama.....	164,000	72.6	119,000	257,000	58.8	151,000
Mississippi.....	94,000	70.2	66,000	268,000	57.1	153,000
West South Central...	(764,000)	(76.8)	(587,000)	(1,040,000)	(66.7)	(694,000)
Arkansas.....	106,000	72.6	77,000	214,000	63.6	136,000
Louisiana.....	146,000	71.2	104,000	179,000	56.4	101,000
Oklahoma.....	127,000	78.7	100,000	170,000	72.9	124,000
Texas.....	385,000	79.5	306,000	477,000	69.8	333,000
Mountain.....	(362,000)	(85.6)	(310,000)	(243,000)	(81.5)	(198,000)
Montana.....	44,400	90.8	40,300	36,400	89.0	32,400
Idaho.....	39,500	90.6	35,800	42,300	90.3	38,200
Wyoming.....	23,100	90.0	20,800	17,300	85.5	14,800
Colorado.....	78,900	86.8	68,500	56,800	84.3	47,900
New Mexico.....	42,600	68.8	29,300	34,800	62.4	21,700
Arizona.....	69,700	81.6	56,900	29,300	66.2	19,400
Utah.....	42,800	94.2	40,300	21,100	91.9	19,400
Nevada.....	21,000	86.2	18,100	5,000	84.0	4,200
Pacific.....	(787,000)	(92.9)	(731,000)	(365,000)	(90.4)	(330,000)
Washington.....	173,000	93.1	161,000	97,000	91.8	89,000
Oregon.....	111,000	91.9	102,000	74,000	89.2	66,000
California.....	503,000	93.0	468,000	194,000	90.2	175,000
United States Total...	7,533,000	87.4	6,586,000	6,319,000	76.2	4,815,000

The chart on page 15 shows the penetration of radio into American family life. Actually, except for the very poor and a small number of cranks who just plain do not want to own a radio set, everybody owns a radio. The non-owners do not represent an appreciable market for the goods advertised on the air.

It is interesting to compare set ownership in the United States with that in other countries. On the basis of the latest available figures (1941), the totals were:

Germany.....	14,965,048	radio sets
USSR.....	10,551,361	“ “
Great Britain.....	9,132,200	“ “
Japan.....	5,369,898	“ “
France.....	5,133,035	“ “

The vast set ownership in the United States bespeaks intense listener interest in broadcasting. *Fortune* magazine found this to be true. In a survey, it established that radio ranked first, over all other forms of entertainment—ahead of movies, magazines and books, hunting and fishing and sports events, and newspapers. And *Fortune* found, also, that for no group of people, by class or occupation, or by age or sex, was the vote less than 70 per cent for giving up the movies rather than the radio.²

These facts were confirmed six years later in a survey made by the University of Denver in which the question was asked: “If you had to give up either going to the movies or listening to the radio, which one would you give up?”³

The results showed:

Give up movies.....	84%
Give up radio.....	11%
Don't know.....	5%

In the same year, book publishers engaged the Psychological Corporation to conduct a survey of the percentage of

² *Fortune Magazine Survey*, 1939.

³ Lazarsfeld, Paul F. and Field, Harry, *The People Look at Radio*, page 101. University of North Carolina Press, 1946.

time people devote to reading, movie-going, and listening to the radio.⁴ The survey showed:

- 8% of time devoted to reading books
- 11% of time devoted to reading magazines
- 11% of time devoted to movie-going
- 21% of time devoted to reading newspapers
- 49% of time devoted to listening to radio programs
- (100% = time devoted to reading, movie-going and listening)

News by Radio

Radio looms large as a medium for disseminating news. It has been a long time since the newsboys' cries of "Extra! Extra!" have been heard on the streets; and radio is to blame. An important bulletin is now flashed from coast to coast before it would be possible to stop the presses and insert the news in the next edition.

In the early years of broadcasting, controversies raged between newspapers and radio. So intense did these become that broadcasting set up its own world-wide news-gathering service during a period when established agencies refused to supply material for broadcast purposes. The march of progress could not be denied. The essence of good reporting is timeliness, a "scoop" if possible, and radio could "publish" the news faster than newspapers could. Just as the linotype speeded up publication, so radio supplied the next advance. Soon these differences were composed, to the very evident relief of a number of newspaper-owned radio stations; and today the major news-gathering services are available to stations, networks, and newspapers alike.

During the war years when battle lines literally changed hourly, listeners found the greatest service in radio news. In November 1942, a survey made in ninety-five localities to provide an accurate cross-section of the urban United States asked:

"Where do you get most of your news about the War: from talking to people; from the newspapers; from the radio?"

⁴ Link, Henry C. and Hopf, Harry A., *People and Books*, page 113. Book Manufacturers Institute: New York, 1946.

The answers:

Radio.....	73%
Newspapers.....	49%
Talking to people.....	5%

Note: These figures total to more than 100% as many people gave two sources.⁵

In some quarters, it was felt that this situation would not hold in post-war years; yet, a survey made on a nationwide basis in the spring of 1946 got the following answers to two questions:⁶

1. "Where do you get the most of your daily news about what is going on—from the newspapers or the radio?"

61%	replied Radio
35%	replied Newspapers
4%	replied "Don't know"

2. "Which gives you the fairest, most unbiased news—the newspapers or the radio?"

57%	replied Radio
16%	replied Newspapers
27%	replied "Don't know"

Yet the same study showed that more people depend on newspapers for their "most complete news."

News broadcasters do not editorialize as newspapers do, and no political party lines are drawn. There is no Republican network or station, and there is no Democratic network or station. Radio keeps its eye focused on serving "public interest, convenience and necessity." It reports facts, explains them, and remains free from prejudice. When controversial issues are involved, comparable air time is given free to the opposing factions, or a debate is scheduled in which both sides of the issue can be presented.

⁵ *Psychological Corporation Survey*, November, 1942.

⁶ Lazarsfeld, Paul F. and Field, Harry, *The People Look at Radio*, page 100. University of North Carolina Press, 1946.

Cost of Radio Listening

Radio in this country is unhampered by any license fee or annual tax. It has been reported that, during the taking of the 1930 Census, radio set owners in one section of the country actually hid their sets and took down their aerials when the census-taker was due. They had received an erroneous report that the government was about to impose an annual license fee and that it was compiling a list of taxable persons as part of the census. It is highly improbable that any such fee will ever be enacted, but there is an indirect annual fee for radio which, in advertising parlance, could be termed the "annual subscription rate." It is the highest of any advertising medium, and can be computed from *Radio Retailing's* estimates of U.S. consumer expenditures in 1941 as follows:

For radio sets.....	\$500,000,000
For tubes and repairs.....	98,000,000
For servicing.....	75,000,000
For current and batteries.....	220,000,000
	<hr/>
Total cost of listening.....	\$893,000,000

This total divided by the total number of radio families shows that the average yearly listening cost is \$29.47. Even this voluntary expenditure is a cheap price for the hours of entertainment, education, and news received in return.

Extent of Radio Set Use

The saturation of set ownership is meaningless if the sets are simply owned and not listened to. Manufacturers would not be interested in broadcasting as an advertising medium if there were not some evidence as to the extent of use. Numerous surveys have been made to determine this all-important factor. One of the most comprehensive and reliable of these has shown that 28,957,500 U.S. families use their radios every day: 89.8 per cent of all U.S. urban families listen every day for an average of 3 hours and 50

minutes, and 86.8 per cent of all U.S. rural families listen every day for an average of 3 hours and 26 minutes.⁷

This same survey has shattered a mistaken impression of radio listening. It has been held that the bulk of the audience comprises the middle and lower income groups which could not afford other types of paid entertainment. This survey shows that the difference in listening time between the highest and lowest income groups is less than a quarter of an hour a day. The upper income group listens 3 hours and 36 minutes daily, the middle income group 3 hours and 37 minutes daily, and the lower income group 3 hours and 50 minutes daily.

For all of these groups, it is so easy to listen to the radio, it's so much fun to listen, and there is so much to listen to, because everybody and everything that interests people is on the air. That, too, is why advertising is on the air. Where there are people, there also is advertising.

✱ Use of Broadcasting by Product Types

One of the best gauges of broadcasting is the extent to which it has been used. This experience is particularly valid when it comes from America's 100 leading advertisers—the country's most experienced advertisers, with the biggest stake in advertising. Each year since 1931 these advertisers have increased both their total budget in network radio and the percentage of their total budget earmarked for network radio.

In ten years this expenditure rose from \$45,193,326 in 1936 to \$154,895,211 in 1946—a 243 per cent increase. And in 1946 these advertisers placed more advertising in network radio than in any other medium (\$141,209,323 in magazines and \$53,507,000 in newspapers). The share of their total budget spent in network radio rose from 18 per cent in 1936 to 44 per cent in 1946.

These figures were not compiled by two or three special types of advertisers for whom radio is particularly effective. It is interesting to note the breadth of use of the medium

⁷ Nielsen Radio Index Average projected to total U.S. radio homes by CBS Research Department.

and the wide diversity of products which compose the whole.

★ Food advertising has always been the bellwether for all advertising and one of the best indexes to the vitality of any advertising medium. Food advertisers today invest 7 per cent more money in network radio for time alone, exclusive of talent, than they do in all general magazines, and almost three times as much as they spend in women's magazines.

Soap is another low unit-cost product with universal demand. The success of the business is dependent upon volume and more volume. The leading soap manufacturers have increased their purchases of network radio from \$6,122,092 annually to over \$27,673,497 annually from 1936 through 1946. Mr. Neil H. McElroy, vice-president in charge of advertising and promotion of the Procter and Gamble Company, has said:

★ "Radio advertising has had a tremendous growth in this country at the same time that magazine and newspaper advertising have failed to keep pace. To my mind there is one reason for this; that is that radio demonstrated its ability to give to a larger number of advertisers more sales per dollar of advertising expenditure."

Cigarette and tobacco advertising on the networks showed an equally steady increase from approximately \$12,000,000 in 1939 to over \$16,000,000 in 1946.

The drug and cosmetic industry showed the same marked increases, year by year, from a total annual expenditure in 1939 of \$22,425,000 to over \$60,000,000 in 1946.

Soaps, cigarettes, and drugs and cosmetics are low-cost consumer products. The question has often been asked if radio could sell high-priced products. A leading linoleum-rug manufacturer first tested radio in 1938, switched to network radio in 1941, and since that date has spent the entire advertising appropriation for that product, in broadcasting.

Fine silverware is an expensive product, and visual presentation of design had always been considered a prerequisite for successful silverware selling. Yet one manufacturer dared to use radio, and he has this to say about the results:

“Radio has sold so much silver that we are able to trace the specific effect of our program on our business, a very difficult thing to do in the silverware industry. Our business increased very appreciably on the combinations we featured in the broadcast, expensive combinations, retailing at \$59.50 and \$89.50.”

A good mechanical pencil or fountain pen is not a low-cost purchase. But one manufacturer began advertising over network radio, and in four years trebled his sales and his expenditures for radio time; then he added a second and a third network program.

Automobile manufacturers, when they have cars to sell, have been one of radio's most consistent groups of customers. Expenditures from 1942 through 1946 by this industry were meaningless, although some manufacturers continued broadcasting without interruption throughout the war years. During 1947 and 1948 there has been an increasing use of radio by automobile manufacturers, and this trend will undoubtedly continue as more cars leave the assembly lines and the former competitive factors in this field reappear.

Case history after case history has proved that radio can sell any product, whatever its price or repurchase cycle, at least as effectively as any other advertising medium.

From 1941 through 1945, radio displayed a new characteristic, the ability to do an outstanding public relations job. During that period, many advertisers whose production was 100 per cent war work used broadcasting to keep contact with their past and future markets. And these were companies which made tires, watches, electrical appliances, housing materials, radio sets, and other high-priced products. It is small wonder, then, that the history of advertising in the past fourteen years can be told in the four curves on the graph on the page opposite.

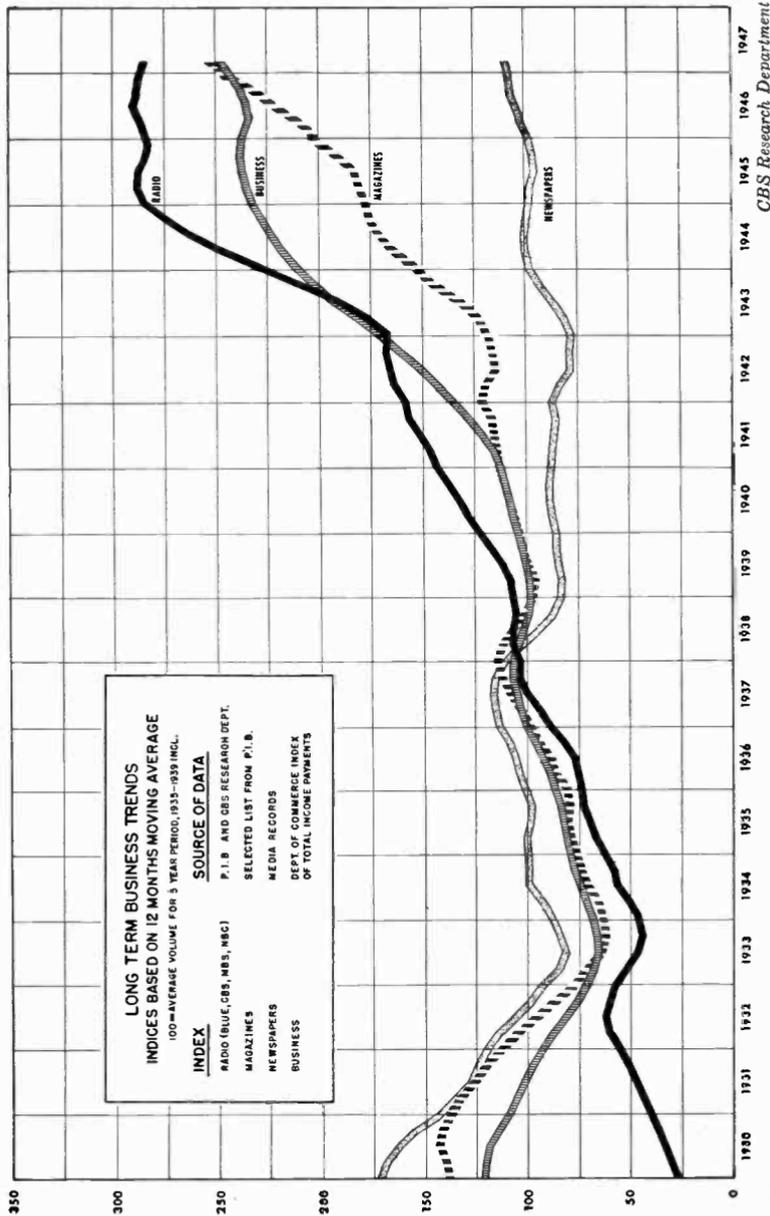


Figure 1.

Distinctive Characteristics of Radio Advertising

There are reasons why radio has been so successful in so short a time. The size of the audience alone cannot explain it, for radio's circulation today is the result, not the cause, of radio's effectiveness. And there are reasons for radio's effectiveness apart from size.

It has been pointed out that many of the established precepts of advertising could be transposed in their entirety to the broadcasting medium. But when it came to using copy on the air—the commercial announcement—it was necessary to build a completely new concept of the sales message because of the wide, new possibilities that spoken advertising offered. ▲ There are many ways in which radio advertising differs from space advertising, and there are many characteristics which radio possesses that no other advertising medium can offer. Although the exploitation and proper application of these characteristics in the broadcasting campaign rests with the creative side—the producing end of the industry—they should be understood and recognized by everyone engaged in radio.

▲ Only in radio does the advertiser get full credit for editorial content; the entertainment is provided by him, and not by the medium. In magazines, the entertainment is planned by an editorial board; in newspapers, the features and editorial policy are prescribed by the editor. The advertiser has no voice in their selection; he buys his space on his faith in the consistency with which the publication hits the bull's-eye of public acceptance. Tragedy, farce, mystery, horror, or scandal may face a particular advertisement, whatever the mood of the advertisement or the need filled by the product advertised. The extra dividends paid by this factor of good will, that is, direct gratitude for the entertainment received, do not accrue to the advertiser. They go to the magazine or newspaper.

In radio, this good will and gratitude are a distinct plus to the advertiser, for there he can make certain of the selection of the editorial frame and mood which will surround his own particular sales message. He is his own editorial board and editor. He selects the entertainment which he considers most attractive to the listening audience

and best adapted to carry his commercial announcements. He can select comedy, mystery, drama, music, or news to meet the requirements of his copy. The listening audience knows that the choice has been his; and good will is built primarily for the advertiser, not for the network or station.

It should not be inferred that this latitude in program selection is an unmixed blessing for the advertiser. As the credit for a popular program accrues to him, just as surely the censure or blame for an unpopular or distasteful program is entered on the wrong side of his ledger. There have been grievous program failures in radio advertising, grievous failures on either or both of two counts: (1) failure to attract an audience, and (2) failure to sell goods. Intelligence, study, and caution are three guides for any advertiser in selecting a program for his broadcast series.

Radio offers certain techniques not available in any other medium for "stepping up" the sales message; and the most outstanding one is the use of the human voice, with its impact, inflections, conviction and warmth. There are numerous ways of using the human voice to achieve effective selling. Some of the most successful of these have been:

1. Flesh and blood dramatizations which make an indelible impression on the listening audience.
2. Authoritative statements made in person by the quoted authority directly into the microphone.
3. Testimonials delivered directly by persons who have used the product.
4. The sales message delivered by the star, with all the impact of his personality.

It is important to note that the spoken word is more effective in many ways than the written word. Carl Van Doren, noted author, has said: "For most of us spoken words mean more than written words. The best thing to do with any great book is to read it, but not everybody knows how to the best advantage. What we need is to hear the book read aloud, or at least to hear the characters speaking. Hearing them, as on the radio will do very well. We depend on our ears more than we often realize. Some day when you're at a play or a motion picture, try first stopping your ears and merely looking; and then, closing your eyes and merely hearing. You'll almost certainly

find that you'll miss more when you only look than when you only hear."⁸

An eighteen-month study, made by Harvard University, produced some interesting conclusions:⁹

1. Straight facts are better understood and more interesting when heard over the radio than when read on the printed page.
2. Narrative and abstract material, political talks, and expositions are better understood and more interesting when heard over the radio than when read.
3. After twenty-four hours, people recall advertising trade names better when they have been heard than when they have been read.
4. Numbers and simple words are remembered better when presented over the radio, but difficult and unusual words are remembered better when presented visually.
5. Sentences, short or long, simple or complex, are recalled better when heard over the radio than when read.
6. People remember directions better and understand them more readily when they hear them than when they read them.
7. The human voice tends to make auditory presentations more personal, and greater attention must be given to printed than to spoken material.
8. Material presented over the radio has greater power of suggestion than material on a printed page.

But aside from the findings of such detailed studies, of which this Harvard report is but one of many, there is another, simpler explanation for the advantage the ear has over the eye in the presentation of words, and that is—use. We learn to talk long before we learn to read. All through our lives we spend triple the time listening and talking that we spend reading and writing:¹⁰

Time spent writing	9%
Time spent reading	16%
Time spent talking	30%
Time spent listening	45%

⁸ "American School of the Air", broadcast on Columbia Broadcasting System, March 1945.

⁹ Harvard University Experiments on Visual vs. Auditory Presentation, 1935.

¹⁰ CBS Research Department.

Richard Evans, in his recent book, —*and the Spoken Word*, says:¹¹

“A generation grows up listening and thus there has been impressed upon us an unforgettable awareness of the sacred trust of radio in its influences upon the lives of us all. Thoughts are made and modified by it, and lives are thereby much affected by its uses and misuses. Of this we have been ever mindful on the air . . .”

A recent survey made by Professor Guy T. Buswell of the University of Chicago, published in *Editor and Publisher*, indicates that most adults have trouble reading. After studying the reading habits of 1,000 adults, Professor Buswell found that only about one-sixth of the adults read as well as the average high school student. Furthermore, about 40 per cent of the adults do not have better than the average reading ability of a child in the sixth grade.

People listen to radio together, collectively, in groups; and this has important results. Psychologists hold that a person feels, thinks, and reacts very differently when he is alone from the way he reacts when he is part of a “sympathetic” group; this is a fact of group psychology. You might be watching the funniest farce on Broadway. If you were the only person in the theatre, the comedy would have a tough time making you laugh. But when you are with other people, it is different. You share the humor and receive mutual enjoyment from it; the response of each member of the group is greater, because response is infectious.

People laugh more when they are together, respond more when they are together, are persuaded more easily when they are together, than when they are alone. When entire families listen to radio programs together, millions of family conversations are started by the program, which go on and on until the product being advertised is purchased. Radio gets the advertiser to the entire purchasing-board of the family at one time.

It is not only in the evening, when the whole family is listening to a program, that radio is heard at a particularly

¹¹ Harper & Brothers, New York, 1945.

auspicious time. In the daytime, radio delivers advertising to the housewife at the point of use and at the right time. Perhaps she is cleaning a clogged drainpipe; perhaps her wash has just come out tattle-tale gray; perhaps the youngsters have just implanted sticky fingerprints on the white woodwork. What better time to tell her the solutions to her vexing household problems!

Radio programs create habits of attention and expectation unique in advertising. People know that they can find their favorite radio programs at a fixed time and at a fixed place on the dial. They actually anticipate and seek out advertising on the air. Indeed, radio often creates for the individual advertisement a "preferred position" in the very lives of millions of prospects, day after day and week after week.

The copy used in radio functions differently from that used in other advertising media, and this must be borne in mind during its preparation, in order to achieve maximum effectiveness. Every line of radio copy is a headline because it is, at the moment, without competition from any other part of the advertisement or any other editorial feature on the same "page."

By exposing one line at a time, radio gets maximum attention on each selling point in sequence. Copy always comes at a carefully prepared psychological break in the program, and it never breaks into the middle of anything else except by design.

Radio actually makes it easier for the listener to hear the copy than to avoid hearing it. To avoid copy on the air, the listener must do something about it—turn the dial. But he knows the show will be back in a jiffy—so why bother? This is particularly true if the copy has a touch of charm, interest, or humor, or is intimately woven into the entertainment.

Commercial announcements have only one job to do and that is to sell. The selling message is always allowed to concentrate on the product after the program has brought the crowd to the copy. In effect, the sales-message is placed directly on the front page, side by side with editorial content in which the audience is most interested.

Broadcast advertising is in step with the pronounced trend in all advertising to use copy long enough to do the job required of it. Radio gives the sponsor the opportunity to use three advertisements in one. In a half-hour program, for example, there are generally three commercial announcements—an opening, a middle, and a closing. The advertiser may develop three entirely different themes for his product in these three announcements, or he may advertise three separate and distinct products which he manufactures, all on the same broadcast.

These are some of the reasons why advertisers have encouraged the development of the new broadcasting industry. By understanding and judicious use of its appeal to listeners, they have built America's No. 1 advertising medium. Perhaps it was summed up best by General Eisenhower, upon his first return to this country after V-E Day, when he said: "We have long been in countries where we didn't understand the language, and later when we were in Germany, not only were we unable to understand the language, but the faces were hostile and sullen. You don't know what it means to hear language that clicks sweetly in our ears, to hear commercials on the radio and all in all it means America to us."

CHAPTER III

Elementary Engineering Facts

BROADCASTING, stripped to its elements, is essentially an engineering phenomenon which has literally galloped from one miraculous achievement to another since the first successful demonstration of wireless by Marconi in 1895. The development has been rapid; and the forecast for the future in the whole field of broadcast engineering and electronics is staggering. Volumes have been written and can be written for the scientific-minded on the advancements and progress in the field, but there are certain elementary facts and basic concepts which should be understood by everyone concerned with the use of broadcasting as an advertising medium. They explain the licensing procedure of radio stations, coverage, and day-to-day operation of both individual stations and national networks.

The broadcasting spectrum can be visualized as a rainbow in the ether, an arc marked out into well-defined segments assigned to specific broadcast services. There are individual segments, or bands, for AM (amplitude modulation) broadcasting, FM (frequency modulation) broadcasting, international high frequency broadcasting, relay broadcasts, television and facsimile, as well as for the nonbroadcasting services such as ship, aviation, government, emergency, amateur, commercial radiotelegraph and radiotelephone, and experimental services.

Formerly, commercial broadcasting was limited to the AM band from 550 to 1600 kilocycles. This is the radio dial as we know it on home receiving sets. Most sets are

numbered in frequencies from 55 (550 kilocycles) to 160 (1600 kilocycles).

Commercial broadcasting is now also authorized in the FM band, a more recently developed system for broadcasting sound programs for public reception. In addition, commercial broadcasting is authorized for television and international high-frequency broadcasting, and we may expect in the future that facsimile may be authorized as a commercial broadcast service.

All AM standard broadcast stations within the United States are assigned specific operating frequencies, called channels, between 550 and 1600 kilocycles. The channels are assigned at 10 kc. intervals, there being 106 channels available between 550 and 1600 kc. There are three general classifications of channels: (1) clear, (2) regional, and (3) local.

There are fifty-nine clear channels assigned, primarily, between 640 and 1220 kc., and between 1500 and 1580 kc. Each of these channels is virtually an exclusive assignment at 50,000 watts power, and if another station does operate on the same frequency, it is widely separated geographically. Some of the clear channels are used jointly with bordering countries.

There are forty-one regional channels assigned, in general, between 550 and 630 kc., between 910 and 980 kc., and between 1250 and 1600 kc. Regional stations operate on lower power, generally 1000 or 5000 watts, and the frequency assignments are not exclusive. More than one station operates on the same frequency, and it is not necessary to separate them as widely, geographically, as in the case of the higher-powered clear-channel stations. Directional antennas are generally used by regional stations to minimize mutual interference.

There are six local channels, as follows: 1230, 1240, 1340, 1400, 1450, and 1490 kc. Stations on local channels operate with the lowest power, 100 or 250 watts, and many stations can be accommodated on the same frequency within rather close geographic limits.

The frequency and power granted to a station at the time it is licensed must be rigidly adhered to at all times and

stations are subject to regular check by FCC monitoring stations located in various sections of the country.

The four basic technical requirements for a station to start operating on its license are studios, control room, transmitter, and antenna. The studios provide a place to originate broadcasts, the control room monitors and balances them and passes them along to the transmitter. The transmitter converts them to electrical impulses and passes them along to the antenna for dissemination into the ether.

Actually, it is the microphone (or microphones) in the studio that is the door through which broadcasts pass to the outside world. The microphone is the standard symbol for broadcasting in all lands. It is this instrument which picks up the voice, music, and other sound impulses, converts them into electrical impulses, and starts them on their journey through the control room to the transmitter and antenna by special wires.

The transmitter generates a powerful carrier wave to serve as a river on which the sound waves from the microphone sail to the receiving sets in individual homes throughout the coverage area of the station. The antenna governs the direction of the flow of this river.

The type of transmission most widely used today is AM, or Amplitude Modulation transmission. Because of the rapid increase in the use of a different type of transmission, Frequency Modulation transmission, employed in FM broadcasting, it is essential to know the difference between these two types of transmission.

A carrier wave is a steady signal of radio frequency energy, which, to make a crude analogy, may be likened to a steady whistle, a fire whistle for example. The whistle has a given pitch (frequency) and is of a given intensity (amplitude). The radio frequency signal, however, has a much higher frequency (expressed in kilocycles) and its amplitude is determined by its power. The audio signals which have been converted into electrical impulses may be coupled to the carrier wave by fluctuating or varying *either* the *amplitude* or *frequency* of the carrier wave. This process of imparting the characteristics of the audio impulses to the carrier wave is called *modulation*. If the

amplitude, or power, of the carrier wave is varied, it is known as amplitude modulation; if the frequency is varied, it is called frequency modulation. In either case, the carrier wave is generated by the transmitter and, after being modulated, it travels over special wires, known as transmission lines, to the antenna or radiating system. The antenna radiates the energy into space where it travels at the velocity of light—approximately 186,000 miles a second—to the receiving antenna.

The antenna is a familiar sight in the American countryside. It is a steel tower with the streamlined thinness of Cleopatra's Needle, hundreds of feet high, and usually illuminated at night with red lights at varying levels as protection to aircraft. The height of the tower bears a relationship to the frequency on which the station is licensed to operate. Antenna towers may be built any height, but are more efficient as their physical length, relative to the wave length at the operating frequency, is increased to, and even exceeds, one-half wave length. Thus for a comparable efficiency of radiation, a station operating at a low frequency (long wave length) must employ an antenna of much greater physical length than a station operating at a high frequency (shorter wave length). If a station operates on a frequency of 1000 kc., the wave length is 300 meters, or 984 feet. A half-wave tower would then be approximately 492 feet high.

Very few stations combine their studios and transmitter and antenna tower at the same location, and for very practical reasons. The studios should be centrally located in a city with easy access for the vast number of actors, musicians, announcers, commentators, and speakers who appear before the station's microphones in the course of a year. Generally all business and sales operations are also conducted from the studio location.

For purposes of location, the transmitter and antenna can be considered as a single unit because of their close physical proximity. In the area immediately surrounding the antenna, the radiated energy is very strong and may "blanket" the listeners' receiving sets. It is necessary to minimize this type of listener interference; for this reason

the more powerful stations must be located in sparsely populated areas. The FCC will not permit a powerful broadcast transmitter to operate in a heavily populated area.

To produce maximum results, the location and installation of the antenna should be located on ground having good conductivity. Because sea water has excellent conductivity, many stations on the Atlantic and Pacific coasts have found it advantageous to locate their antenna systems in salt water itself, or in marsh lands closely adjacent. By so doing, the radiated signal gets off to a strong start.

In installing an antenna system, it is essential that a good ground system be provided. This ground system consists of miles of copper wire buried six to twelve inches deep over an area of many acres. In most cases the ground-system wires radiate like spokes of a wheel from a hub at the base of the antenna.

Ground Wave and Sky Wave

The signal radiates from the antenna system in all directions; the wave which travels along the ground is called the ground wave, and that which travels into space is called the sky wave. The conductivity of the ground between the transmitter and the receiver has an important bearing on the transmission of the ground wave. This factor, in combination with the power and frequency of the station, determines the effective coverage area of the transmitter. If the conductivity of the soil is poor, the range of the ground wave is reduced. Soil that is dry, sandy, and rocky generally has poor conductivity. Soil that is wet and marshy, or consists of rich moist loam, has good conductivity.

The ground wave remains constant in both daytime and nighttime broadcasting. The sky wave, on the other hand, radiates upward into space and is greatly affected by conditions in the upper atmosphere. These conditions are different during the day from what they are at night. The sun's rays produce layers of ionization in the upper atmos-

phere. During the daytime, this ionization is quite intense, and the effect of the lower layers of ionization is to absorb a great portion of the sky-wave radiation at broadcast frequencies. Even though subsequent higher layers reflect, or bend this energy back towards the earth, the amount of absorption by the lower layers is so great that the sky wave is dissipated and serves no further useful purpose. On the other hand, at night, when the sun's rays are not at work in this region of the atmosphere, much of the ionization disappears and the lower or absorbing layers are not present. With this hindrance removed, the sky wave travels to the higher reflecting layer, where, unimpeded, it is turned back to earth at some point far distant from the original transmitter. This explains why the radio listener must always wait for night to hear that "distant" station.

In the daytime, the receiving set picks up only the ground wave of the radio station. At night, however, reception of the sky waves is satisfactory at a distance far greater than is possible for the ground wave, which continues to go only as far as it did in the daytime.

Therefore, it can be stated generally that a radio station's coverage, when using the same power, is greater at night than in the daytime. From a practical standpoint, this is true only of the clear-channel stations operating on exclusive frequencies. For the regional and local channels it is not true. Although the extent of coverage of each of these stations operating on the same frequency is mechanically greater at night, it cannot be realized by the stations; for it results in a curious mixture of numerous sky-wave signals in many areas, as well as a mixture of the sky waves with the ground wave. Where there is insufficient geographic separation between stations in these channels, they must operate on reduced power at night. This reduces the overlap of signals on the same frequency (the same spot on the listener's dial). By reduction of the power at night, the strength of the ever-present ground wave is also reduced, so that many regional and local stations actually cover less territory at night than they do in the daytime.

Directional Antennas

A phrase frequently used in discussing radio station antennas is "directional antenna."

The primary use for a directional antenna system is to prevent a station from overlapping on the coverage area of other stations operating on the same frequency assignment, thereby eliminating the necessity of reducing nighttime power, as previously described. In some instances, the use of a directional antenna has enabled a station to increase both its daytime and nighttime power. As a result of using a directional antenna to eliminate interference to another station, it is often possible to locate the station so that the directionalized coverage area will conform more closely with the population density which it is primarily interested in reaching.

A few stations have employed directional antennas for the purpose of reducing radiation in directions where there is no population. Such an instance would be a station located on a seacoast, which would normally lay down a signal pattern that would include a large expanse of nonproductive water. By the use of a directional antenna, this waste area can be virtually eliminated and the signal intensified and extended in other directions where there are large, productive concentrations of population.

The directional antenna consists of two or more vertical antennas operating from the same transmitter site. A single vertical antenna radiates equally in all directions. When two or more vertical antennas are erected in close proximity to one another and both, or all, are fed the same signal from the transmitter, the radiation from one antenna will add to the radiation from another antenna in one direction, thereby increasing the over-all radiation in that direction; and it will cancel, or subtract from, the radiation of the other antenna in another direction, thereby decreasing the over-all radiation in that direction. Thus the radiation is increased in some directions and decreased in others, and we have what is called a directional antenna.

By the scientific calculation of the location of the second

(or third or fourth) antenna, and by the proper phasing of the signal from the transmitter in each antenna, the directional pattern is produced. Directional antenna systems have made higher power possible for many stations and have permitted the licensing of many more stations on the limited number of frequencies assigned to United States broadcasting stations.

Signal Strength Measurements

With these known characteristics of broadcast engineering and with technically accurate measurements of ground-wave and sky-wave coverage, the radio station is in possession of data extremely valuable in its sales and promotion work. The coverage supplied by a station is one of the first concerns of every purchaser of broadcasting time.

To apply some standard to individual and disassociated engineering appraisals of coverage, the FCC has prescribed definite engineering standards of good reception in various types of areas. These standards require a signal intensity of ten millivolts per meter in thickly populated urban areas, tapering down to one-half millivolt per meter in sparsely settled rural areas where reception conditions are improved and where there is little interference from man-made static.

Each station can determine these limits for its own transmitter by making a field-intensity or signal-strength survey. This is done with mobile, field-intensity measuring equipment. Normally a number of measurements are made at various distances along eight separate radials from the transmitter site. The results are plotted upon a field intensity map to show exactly where the FCC requirements are met, where a satisfactory signal is laid down throughout the entire area, any possible dead spots, and where the limits of effective coverage end. The measurement is strictly an engineering measurement and is not concerned with either program popularity or audience listening habits. It outlines clearly where the station *can* be heard but not necessarily where it is listened to regularly. Surveys of this type are usually made by an independent firm of skilled radio engineers recognized by the FCC.

The signal-strength survey was one of the earliest types of coverage claims used by stations to sell time; it will be discussed further, from a selling viewpoint, in Chapter XIII.

Special Lines for Network Broadcasting

These, then, are some of the basic and elementary engineering facts of individual radio station operation. How the facilities of hundreds of stations, scattered from coast to coast, are welded into a national network is an interesting and less complex picture. The vagaries of the ether, ground waves, sky waves, and directional antennas are eliminated in building a network, since dependence for joining the stations rests upon telephone lines specially assigned for broadcasting purposes. Each of the four national networks joins its stations together in all sections of the country by telephone lines leased from the American Telephone and Telegraph Company on a yearly, sixteen-hours-a-day basis. These lines are not ordinary telephone lines but are of a higher quality, capable of more nearly retaining fidelity to the original broadcast, whether it be voice or music. Regular telephone lines handle only voice adequately and do not have the frequency range necessary to transit music satisfactorily.

A broadcast from the key station of a network passes through the microphone to the master control room, where it is routed on two lines—one to the transmitter of the originating station as previously described, and the other to the Long Lines Department of A.T.&T. in downtown New York City. This department is truly the nerve center of network broadcasting. Programs from four networks reach it simultaneously and are routed over separate lines to various sections of the country, according to instructions and routings previously issued.

Even with this transmission by line, in contrast to transmission by air, the volume and strength of the signal fail. But with line transmission, it is possible to maintain booster stations at intervals to build up the volume as the signal passes along. When the program reaches the distant station, it is delivered to that station's master control room, and then sent by the regular, local station line to the

transmitter, just as though it had originated in the local studios.

With this line setup it is possible for the networks to originate programs in reverse, that is, from many outside points, and feed them back to the key station. This can be accomplished from studios of stations associated with the network, by the minimum of line rearrangement. From other points, it is necessary to purchase special line facilities, which are readily available from A.T.&T. on a one-time or short-term basis. This flexibility and ability to originate programs from points other than the studios of the key station is vitally important for well-rounded network operation. It permits the networks to broadcast on-the-spot news reports, football games, and other special events. Its importance to commercially sponsored programs will be discussed at greater length in Chapter V.

Short-Wave Transmission

Short-wave transmission also enters into the network engineering picture. Signals originated and transmitted by short wave can be received at great distances and retransmitted on the long-wave broadcast band. Short-wave facilities made possible the outstanding, pooled news broadcasts from Europe during the war, the eye-witness accounts of the landings in France on D-Day, and many other spectacular broadcasts. These facilities are still available to networks and commercial program sponsors, not only from Europe but from all corners of the world.

Short-wave transmission is, as its name implies, transmission on short wave lengths, shorter wave lengths than the standard broadcast stations. By using these wave lengths, the short-wave transmitter can send its sky wave to far greater distances than long-wave transmitters. In such transmission, the ground wave is a forgotten factor, for it fades out far short of the limits reached by the sky wave. Standard broadcast stations measure their frequency in kilocycles, whereas short-wave stations measure theirs in terms of megacycles (million cycles). Short-wave stations are located in a separate portion of the radio spectrum and cannot be heard on the standard broadcast band of receiv-

ing sets unless converted. On sets which have short-wave receiving bands, they can be heard directly if the frequencies are known.

Short-wave transmissions fall into two categories: foreign and domestic. Foreign broadcasts are transmitted from stations overseas and picked up by elaborate short-wave receiving stations on the east coast or west coast of the United States. Then they are converted and relayed by land lines to long-wave transmitters and can be heard on home receiving sets just the same as regular long-wave broadcasts. Overseas short-wave broadcasts usually have a characteristic roar and fading. The signal will ebb and flow on an instant's notice, owing to changing atmospheric conditions at one or more points in the wide area between transmitter and receiver. Frequently the signal will be excellent in a test period just prior to broadcast time and will fail miserably after the start of the program. Foreign short-wave broadcasts are purchased by networks or stations through RCAC (Radio Corporation of America Communications) or through A.T.&T., in units of ten-minute transmissions.

In addition to the foreign short-wave service, domestic short-wave transmission for relay broadcasting is frequently used. This makes possible broadcasts from remote points which cannot be reached by existing land lines or to which the cost of installing land lines would be exorbitant. It is by this means that broadcasts from cabs of locomotives, airplanes in flight, and play-by-play descriptions of golf matches, for example, are brought to the radio listener. There is no set receiving point for reception of domestic relay broadcasts, as the point is determined by the location to be picked up and its proximity to telephone lines. The program is sent out by the short-wave transmitter, picked up by the receiver, converted, and put on the telephone line. From there its routing to the transmitter is the same as in the cases of a foreign short-wave pick-up or of a standard long-wave origination.

In addition to the use of short waves for relaying programs for retransmission over standard broadcast stations, (whether the program is of foreign or domestic origination),

there are international broadcast stations which transmit on short waves for direct reception by the public. By means of these international broadcast stations, people throughout the world may listen directly to the broadcasts originating in various foreign countries. In international broadcasting, highly directional antennas are employed to "beam" the broadcasts to any desired area of the world.

CHAPTER IV

Network Broadcasting

NETWORK broadcasting is to radio what the major leagues are to baseball, Broadway to the legitimate theatre, Carnegie Hall to the world of music. But that is only part of the story—the listener's part. The radio audience knows that on network broadcasts they will hear the best dramatic talent and comedians that radio, Broadway, and Hollywood can produce; the best musical talent that Tin Pan Alley, Carnegie Hall, and the Metropolitan Opera can develop; the best news reporting and analysis that years of journalistic experience can provide. They know that they can hear history in the making from the four corners of the world—with the promise of seeing it before long. So much radio listeners take complacently as their due. A click of the switch—London! A click of the switch—Hollywood! And the parade of network headliners is on.

This is the listener's concept of network broadcasting. But let us look at it as a business. The whole American system of broadcasting is able to function as it does because it is supported by advertising dollars, just as newspapers and magazines are. National advertisers have appropriated millions of dollars to produce the finest radio programs possible. This, of course, has not been an altruistic contribution on their part to entertain the great American listening public. They have spent these millions of dollars to attract millions of listeners, knowing that if millions of listeners are reached, sales of their products will result, because radio can sell goods. It is a fair exchange.

The money which they pay for time on the air goes to the networks and supports the entire network structure.

A nation-wide network is more than a group of radio stations with their individual transmitters and antennas, buildings, studios, offices, mechanical facilities, and personnel for producing and transmitting programs. It is more than these joined together by 15,000 or more miles of special telephone lines leased on a permanent basis. To be sure, these are all necessary elements in a successful network operation; but the final requirement is the men and women who make it work. Despite its size, network broadcasting is a highly personalized business.

These men and women are the specialists who engage in broadcasting as a business. Admittedly, they are selfishly interested in making it succeed and prosper—and for a network to prosper it must serve the public interest every minute of its daily operating schedule, offering listeners entertainment, education, and news in proper balance. These specialists compete for the best stations to join their network. They compete for the best talent available. They compete for the advertiser's dollar. They compete for public favor by producing radio programs that people will like. They engage in research to improve the art and technique of broadcasting, and invest heavily in expansion and improvement of facilities. Radio is not a static business.

Network Organization

A network maintains a large organization of trained technicians, news-gathering staff, radio writers, producers, and directors as well as staffs of musicians, vocalists, and actors, in various parts of the country—most of them in the three most important talent centers, New York, Chicago, and Hollywood. It erects and maintains large studios at each of these originating points—an essential, for not all time periods are sold to national advertisers. The quality and appeal of programs, whether commercially sponsored or sustaining, must be kept at the highest possible level.

Through the highly trained sales and sales promotion staff of the network, the burden of selling and sales expense is lifted from the associated stations. National advertisers

are sold directly through their advertising agencies by the network sales staff.

The station relations department is responsible for assembling a group of stations that meets the needs for national coverage. Once this is done, however, the department's task cannot be considered as completed. It must keep abreast of the constantly changing ownership and power and frequency assignments of all stations in the country, in a continuing effort to improve the network's coverage.

A publicity and public relations department is as necessary to a network as it is to all other types of business today. Its primary functions are to disseminate schedules and information about programs to newspapers and magazines, and to interpret, correctly, the network, and radio in general, to the listening public.

The engineering department of a network must spread itself over the whole field of electronics. It must handle routine day-to-day broadcasts and frequent remote broadcasts from difficult locations; it must maintain the network on a split-second schedule, and develop all new branches of the science, such as frequency modulation and television. It is, indeed, an assignment for a specialist.

On the program department falls the responsibility for filling all periods in the daily operating schedule which are not occupied by commercial broadcasts. These programs must be conceived, rehearsed, and produced, and must be of a quality equal to that of the sponsored shows. Networks can ill afford to present sustaining programs which are mere "fillers" without any genuine educational, news, or entertainment value. The program department develops new talent and new program ideas, and quite frequently network-originated and tested programs are purchased by commercial sponsors. Through this department, broadcasts of special events, of religious, cultural and social subjects, of forums, and of talks by government officials are arranged. The program department is in a position to balance the over-all program fare of the network. If sponsored programs run too heavily to one type, the program department can produce in the sustaining programs the variety and

contrasts needed for a well-rounded broadcasting bill-of-fare.

The research department is one of the most important nerve centers in the organization. This division is not responsible for purely technical research. It covers a wide variety of investigations and analyses embracing coverage studies, audience program preferences, reports on competitive developments, as well as the keeping of the day-to-day history, not only of the network, but of the entire broadcasting industry. Its findings are of great value to many other departments of the network.

The news department of a network represents a major investment in manpower and technical facilities. News-gathering sources must be developed throughout the world to provide informed reporting and analysis of each day's news.

The development of new phases of the art and science of broadcasting, such as television and frequency modulation, is an important function of the network business. These developments are far from self-supporting and are almost completely an expense to the network; they are technical experiments which no one station or small group of stations could undertake on its own. But they are important for the advances of the industry.

The operations department of a network must weld together all the engineering and production units for each individual program, whether commercially sponsored or not, and get it on the air.

The continuity acceptance department reviews, though it does not censor, all script material and commercial announcements submitted for broadcast. This is necessary to protect the listener from objectionable or questionable material which, with or without conscious intention, may appear in the program. Similarly, all musical selections are cleared for reasons of licensing.

There are other departments included in a network setup, but they vary as to name and function with the network.

The above description of the network's organization

shows how advertisers' programs and non-commercial programs are blended together to make each day's schedule. But how does the network arrange these matters with its stations?

Arrangements with Affiliated Stations

The associated station gets the full benefit of all the network service, including the maintenance of lines (which runs to approximately \$2,000,000 annually per network), without assuming any of the financial risks—in fact, without making even an indirect payment until it receives business, in the form of commercially sponsored programs, from the network. The sponsored programs and network sustaining programs which the station receives relieve it of the necessity of producing all of its own broadcasts. These network programs build prestige and an audience for the station, so that it prospers both by the network programs it carries and by doing a more profitable local advertising business than it would if it had no network connection. The value of a network affiliation to a local station is shown graphically in the chart on the opposite page.

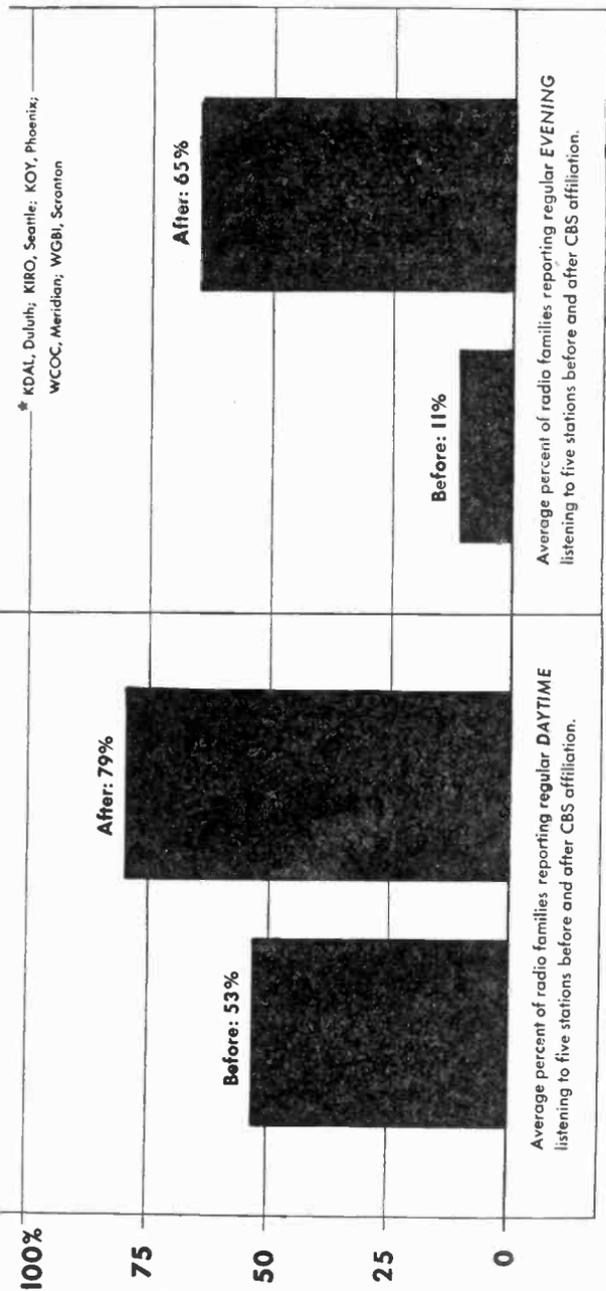
The local station compensates the network for these services by giving the network an option on part of its broadcasting time in order that the network may make commitments of time to national advertisers as a uniform "group-buy." The local station sells its time to the network at a lower rate than that charged other purchasers for similiar units of time.

We have pointed out that the income derived by the networks from the sale of time to national advertisers supports the network structure. Payments on behalf of an advertiser are made to the network by the advertising agency after the deduction of volume and annual discounts and agency commission. Of each dollar received by the network, approximately 45 cents is paid to the affiliated stations. The remaining 55 cents is retained by the network to cover the following expenses:

1. Selling costs
2. Maintenance of lines
3. Maintenance of studios

Station Audiences Before and After CBS Network Affiliation

Based on measurements by Daniel Starch conducted in each station's home city 15 weeks before and 37 weeks after CBS affiliation.*



* KDAL, Duluth; KIRO, Seattle; KOY, Phoenix; WCOC, Meridian; WGBI, Scranton

Figure 2. Effect of Network Affiliation on Local Station.

4. Sustaining programs (news, entertainment, public events)
5. Staff
6. Technical development
7. Research
8. Management

The 45 per cent of the income paid by the network to the affiliated stations is not prorated evenly to each station. Obviously, if a station is not ordered for a given commercial program it does not participate in the distribution of the revenue received from the sale of that period. And the payments to stations which are entitled to a share of the revenue vary.

The income that a station receives from a network is determined by no standard formula; a number of factors determine the contractual figure for a station's payment. Power and frequency and the resulting coverage are important. The value of the market to national advertisers must be considered. A high competitive standing in its listening area is a valuable trading point for a station. If there are other stations in the city which the network can use, the negotiating position of the station is weakened. The management of the station and the extent to which it devotes time to public service are two of many other considerations. And finally, the bargaining power of the station and of the network have direct bearing on the rate established.

This simple business arrangement is the basis on which network broadcasting was established and developed over the years.

FCC Rules on Chain Broadcasting

The National Broadcasting Company established the first network in November, 1926, known as the Red Network. This was followed just two months later by the establishment of the former Blue Network, also under the aegis of NBC. The next network to enter the field, in November, 1927, was the Columbia Broadcasting System. The third network, set up in 1934, was the Mutual Broadcasting Sys-

tem. And the latest network is the American Broadcasting Company, established in 1943.

These networks functioned on a competitive business basis, vying for the advertiser's dollar and the listener's interest, for a number of years until 1941, when the FCC promulgated a set of eight rules for stations engaged in chain broadcasting. The following requirements are contained in the FCC Rules and Regulations for broadcast services and became operative June 15, 1943.

The first rule states:

§3.101 Exclusive affiliation of station.—No license shall be granted to a standard broadcast station having any contract, arrangement, or understanding, express or implied, with a network organization²⁴ under which the station is prevented or hindered from or penalized for, broadcasting the programs of any other network organization.²⁵

²⁴ The term "network organization" as used herein includes national and regional network organizations. See Chapter VII. J. of Report on Chain Broadcasting.

²⁵ These regulations shall become effective 12:01 a.m., Eastern War Time, June 15, 1943, unless otherwise required by court order.

The second rule states:

§3.102 Territorial exclusivity.—No license shall be granted to a standard broadcast station having any contract, arrangement, or understanding, express or implied, with a network organization which prevents or hinders another station serving substantially the same area from broadcasting the network's programs not taken by the former station, or which prevents or hinders another station serving a substantially different area from broadcasting any program of the network organization. This regulation shall not be construed to prohibit any contract, arrangement, or understanding between a station and a network organization pursuant to which the station is granted the first call in its primary service area upon the programs of the network organization.²⁶

²⁶ These regulations shall become effective 12:01 a.m., Eastern War Time, June 15, 1943, unless otherwise required by court order.

The third rule states:

§3.103 Term of affiliation.—No license shall be granted to a standard broadcast station having any contract, arrangement, or understanding, express or implied, with a network organization which provides, by original term, provisions for renewal, or otherwise for the affiliation of the station with the network organization for a period longer than two years: Provided, That a contract, arrangement, or understanding for a period up to two years, may be entered into within six months prior to the commencement of such period.²⁵

²⁵ These regulations shall become effective 12:01 a.m., Eastern War Time, June 15, 1943, unless otherwise required by court order.

The fourth rule states:

§3.104 Option time.—No license shall be granted to a standard broadcast station which options²⁶ for network programs any time subject to call on less than 56 days' notice, or more time than a total of three hours²⁷ within each of four segments of the broadcast day, as herein described. The broadcast day is divided into 4 segments as follows: 8:00 a.m. to 1:00 p.m.; 1:00 p.m. to 6:00 p.m.; 6:00 p.m. to 11:00 p.m.; 11:00 p.m. to 8:00 a.m.²⁸ Such options may not be exclusive as against other network organizations and may not prevent or hinder the station from optioning or selling any or all of the time covered by the option, or other time, to other network organizations.²⁹

²⁶ As used in this section, an option is any contract, arrangement, or understanding, express or implied, between a station and a network organization which prevents or hinders the station from scheduling programs before the network agrees to utilize the time during which such programs are scheduled, or which requires the station to clear time already scheduled when the network organization seeks to utilize the time.

²⁷ All time options permitted under this section must be for specific clock hours, expressed in terms of any time system set forth in the contract agreed upon by the station and network organization. Shifts from daylight saving to standard time or vice versa may or may not shift the specified hours correspondingly as agreed by the station and network organization.

²⁸ These segments are to be determined for each station in terms of local time at the location of the station but may remain constant throughout the year regardless of shifts from standard to daylight saving time or vice versa.

²⁹ These regulations shall become effective 12:01 a.m., Eastern War Time, June 15, 1943, unless otherwise required by court order.

The fifth rule states:

§3.105 Right to reject programs.—No license shall be granted to a standard broadcast station having any contract, arrangement, or understanding, express or implied, with a network organization which (a), with respect to programs offered pursuant to an affiliation contract, prevents or hinders the station from rejecting or refusing network programs which the station reasonably believes to be unsatisfactory or unsuitable; or which (b), with respect to network programs so offered or already contracted for, prevents the station from rejecting or refusing any program which, in its opinion, is contrary to the public interest, or from substituting a program of outstanding local or national importance.²⁹

²⁹ These regulations shall become effective 12:01 a.m., Eastern War Time, June 15, 1943, unless otherwise required by court order.

The sixth rule states:

§3.106 Network ownership of stations.—³⁰No license shall be granted to a network organization or to any person directly or indirectly controlled by or under common control³¹ with a network organization, for more than one standard broadcast station where one of the stations covers substantially the service area of the other station, or for any standard broadcast station in any locality where the existing standard broadcast stations are so few or of such unequal desirability (in terms of coverage, power, frequency, or other related matters) that competition would be substantially restrained by such licensing.²⁹

³⁰ Effective date of this section with respect to any station may be extended from time to time in order to permit the orderly disposition of properties; and it shall be suspended indefinitely with respect to regional network organizations.

³¹ The word "control" as used herein, is not limited to full control but includes such a measure of control as would substantially affect the availability of the station to other networks.

²⁹ These regulations shall become effective 12:01 a.m., Eastern War Time, June 15, 1943, unless otherwise required by court order.

The seventh rule states:

§3.107 Dual network operation.—³² No license shall be issued to a standard broadcast station affiliated with a network organiza-

³² This section shall become effective April 12, 1944.

tion which maintains more than one network: Provided, That this regulation shall not be applicable if such networks are not operated simultaneously, or if there is no substantial overlap in the territory served by the group of stations comprising each such network.

The eighth rule states:

§3.108 Control by networks of station rates.—No license shall be granted to a standard broadcast station having any contract, arrangement, or understanding, express or implied, with a network organization under which the station is prevented or hindered from, or penalized for, fixing or altering its rates for the sale of broadcast time for other than the network's programs.³³

³³ These regulations shall become effective 12:01 a.m., Eastern War Time, June 15, 1943, unless otherwise required by court order.

These rules have had an effect on the development and progress of broadcasting during the past five years and are still operative. Although they pertain directly to operations of radio stations engaged in network broadcasting, their requirements have also been felt by network advertisers. Familiarity with these later FCC rules is essential for a program sponsor to understand the solutions for many of the day-to-day problems which arise in commercial broadcasting.

CHAPTER V

Network Broadcasting—Commercial

IN THE preceding chapter we have examined the network business from within; we have seen the foundation upon which it is built and its relationship with its stations. Now let us look at the networks from the viewpoint of the national advertiser, considering them as an advertising medium.

There are many commercial operating procedures common to all four networks, which have become accepted standards of network broadcasting. In order to purchase network time it is imperative to be familiar with these.

In the first place, networks did not just grow. They were raised and cultivated. It is not pure coincidence that there are network outlets in some cities and not in others. They were planned that way.

Basic, Supplementary, Optional, and Bonus Stations

The minimum purchase is generally what is known as the basic network. This consists of approximately twenty-eight stations located in the major markets within an area bounded by Boston, Massachusetts, Washington, D. C., Kansas City, Missouri, Omaha, Nebraska, Minneapolis, Minnesota, and the Great Lakes. Within this area lie many markets desired by national advertisers and a concentration of population and buying power. The earliest network line-ups included stations in these cities. The basic network is the first unit to be purchased in building a coast-to-coast network.

To the basic network may be added other geographical groups of stations. The basic optional stations, totaling about forty-five in smaller cities in the basic network area previously described, may be added individually for more intensive coverage. Also, the regional groups are available—the Southeastern, the South Central, the Southwestern, the Northwestern, the Mountain and the Pacific Coast groups. The number of stations in each of these groups varies with the number of important markets in the area and with the network. In each group, certain stations are required and others are optional with the advertiser.

A coast-to-coast network, then, is purchased by adding supplementary groups of stations to the basic network and intensifying the coverage with optional stations as required by the distribution and sales potential of the individual advertiser. Each network has a number of what are known as "bonus" stations. These are stations which broadcast network commercial programs, but for which the advertiser is not charged. Generally they are lower-powered stations owned by regular affiliated stations in nearby areas. The bonus arrangement is made to build up audience acceptance for the "bonus" stations and to enhance their value for local sale.

Networks do not have any hard and fast rules as to the number of stations an advertiser must purchase. Obviously, the more business they can secure for the largest number of affiliated stations, the more successful will be their operation. It has developed that in the peak evening listening periods a full network is generally required, while in some daytime periods smaller and split networks may be purchased.

Once purchased, a network does not have to remain static during the life of an advertiser's contract. Changes may be made and stations added or dropped. Stations may be added at any time, and such additions frequently are due to new stations becoming available on the network or to the expansion of the advertiser's distribution. Stations may be dropped at the conclusion of thirteen-week cycles on thirty-days advance notice, provided the dropping does not violate any established group requirements. Caution is

exercised in cancelling stations, for the loss of a single station may reduce the weekly dollar-volume or station-hour discount and cause the loss of the full network discount.

Network Rate Structures

The rate structure for network broadcasting appears at first glance to be a complicated maze of costs and discounts. Actually, it is not involved; each of the features is a result of practical experience and efficient business practice. There is a uniform pattern running through the rates on all networks.

As previously noted, radio audiences in the evening are larger than those in the daytime and rates for evening periods, therefore, are higher than for daytime. Networks charge full gross rates from 6:00 to 11:00 P.M. One-half gross rates apply from 8:00 A.M. to 6:00 P.M. (except on Sunday afternoon from 12:00 noon to 6:00 P.M.) and from 11:00 P.M. to 12:00 midnight. The composition and size of the listening audience on Sunday afternoon closely approximates that of an evening audience. For that reason, a rate higher than a week-day afternoon but lower than the evening rate applies between 12:00 noon and 6:00 P.M. on Sunday only. If an advertiser should be interested in the periods between 12:00 midnight and 8:00 A.M., these may be purchased at one-third of the evening gross rates, provided that a regularly scheduled program on the network precedes or follows the period.

The time zones across the country have a direct effect on station rates, and costs are figured on the time at which the program is heard locally on each station. An advertiser whose program is broadcast from 7:00 to 7:30 P.M., New York Time, is charged as follows:

Eastern Standard Time Zone:	local time	7:00-7:30 PM evening rate
Central Standard Time Zone:	local time	6:00-6:30 PM evening rate
Mountain Standard Time Zone:	local time	5:00-5:30 PM day rate
Pacific Standard Time Zone:	local time	4:00-4:30 PM day rate

This difference in time zones is responsible for the re-broadcast of network programs. If an advertiser broad-

casts at 8:00 P.M. New York Time, his programs are heard at 5:00 P.M. on the Pacific Coast and do not reach the evening audience for which they are geared. In such cases a repetition of the same program, a rebroadcast, may be scheduled in a later period in the evening, usually at 11:00 P.M., 11:30 P.M. or 12:00 midnight, New York Time, for the Pacific Coast stations only, thus reaching them at a good evening time. This is made possible by the use of special line facilities maintained by the networks for this purpose. Of course, in such a case, the advertiser is billed full evening rates for station time instead of day rates, which would apply if the programs went straight through on one performance. The increase in available audience more than justifies this higher cost. And in many cases where the program originates in Hollywood, the artists have insisted upon being heard on the Pacific Coast during the evening listening hours.

All network station charges are figured from a base of 100 per cent representing the cost for a full-hour evening period. Half-hour costs are 60 per cent of the hour, and quarter-hour costs are 40 per cent. Costs for daytime periods are just half of these percentages. On this basis it would be most advantageous for the network to sell only quarter-hour programs. In actual practice it has worked out that a single advertiser will group his programs for various products in adjacent periods. Many advertisers who make two products have purchased two contiguous half-hours and are charged at the hour rate. This provides two separate and distinct programs at one-half of the hour rate (50%) for each, whereas another advertiser with only one product and one program would pay 60 per cent for the half-hour. This practice of grouping is particularly advantageous for a daytime advertiser who manufactures four products, such as the Procter and Gamble Company, and who can purchase a full hour, assign fifteen minutes to each product, and allocate costs on his own books for each quarter-hour on the basis of 25 per cent of the hour rate. This is in contrast to 40 per cent of the hour rate for the single-product advertiser.

The minimum period of time sold by the networks is fifteen minutes. There are some shorter news broadcasts

heard currently which have been established for many years; but it is doubtful whether any of the networks will add to the number of five-minute periods.

Before radio had proved that it could attract an audience in the daytime and sell goods to that audience, NBC had experimented with the bulk sale of time. Each of two advertising agencies purchased a full hour of morning time in its own name; one produced the National Home Hour, the other the Radio Household Institute. The agency bought at the hour-rate and resold to each of its clients on a participating basis at one-quarter of the hour-rate for each fifteen-minute unit, plus a proportionate share of the overall talent cost. Four completely dissociated advertisers participated in the hour's program, and they made strange bedfellows! At one time, the sponsors of one program consisted of the makers of refrigerators, cod-liver oil, umbrellas, and cake flour. Each advertiser paid 25 per cent of the hour-rate for the time, in contrast to 40 per cent, which he would have had to pay if he had purchased the time independently and directly from NBC.

This situation placed these two agencies in a "favored nation" position, in that they were able to sell at lower rates than NBC card rates and, what was equally undesirable, to undersell all other advertising agencies. In at least one instance, participation was sold to an advertiser who was normally the client of another agency but who bought because of this price differential. This being an untenable position for any advertising medium, such an arrangement was destined to have a short life.

The experience demonstrated to the whole broadcasting industry that it was not feasible to sell time at wholesale rates or on a bulk-purchase basis. As a result, the standard policy of all networks prohibits the sale of time in bulk to individual advertisers having no corporate relationship. Each advertiser participating in a group broadcast today on the networks must contract individually for his time period.

Discounts on Network Station Costs

There are four types of discounts applicable to network station costs:

1. Weekly discount

2. Annual discount
3. Full-network discount
4. Over-all discount

The *weekly discount* offered by each network is a volume discount expressed in terms of dollars spent or station-hours, and applicable to any contract of thirteen weeks or more. The exact percentage varies with each network, but in each case it is the first discount on the gross cost of facilities and is allowed currently.

The *annual discount* is a uniform 12½ per cent allowed by all networks to advertisers who use facilities for fifty-two consecutive weeks. It is due and payable retroactively at the conclusion of fifty-two uninterrupted weeks of broadcasting. If an advertiser signs a fifty-two week non-cancellable contract, the annual discount is allowed currently on the weekly billing.

The history of the annual rebate is interesting. Before its adoption, networks had but one discount, a frequency discount based on the number of times a program was broadcast within a year's period. An advertiser who bought two programs weekly for twenty-six weeks would earn the same discount as another advertiser would who bought one program weekly for fifty-two weeks. Many advertisers purchased twenty-six-week series starting in January, or thirty-nine-week series starting in October, punctiliously avoiding the thirteen-week summer season in July, August, and September. It was possible at that time for an advertiser to broadcast for twenty-six or thirty-nine weeks, discontinue, and return to the air thirteen weeks later in another period just as good as his original time.

Advertisers believed that radio listening slumped alarmingly in the summer months for three reasons: first, reception was poor due to frequent electric storms and summer static; second, audience habits in the summer were entirely different and did not include listening to radio programs; and, third, radio sets were not readily accessible at many summer resorts. One of the earliest surveys in the radio field was made by WCAU-Philadelphia in 1931 and showed:¹

¹ *An Analysis of the Summer Radio Audience in the Philadelphia Buying Area, Station WCAU-Philadelphia, Pa., 1931.*

1. The decline in listeners over the week-end seems to be no more than 10 per cent of the maximum of any week-day, and those away on vacation do not seem to deplete the potential listener audience on the average by more than 10 per cent.
2. There seem to be slightly more listeners in the morning hours in the summer and slightly fewer in the afternoon. The evening audience is approximately the same as it is in other seasons.
3. With the exception of a slight tendency toward lighter programs during the summer, there is little appreciable difference in listeners' program tastes at different seasons of the year.

The networks set about to correct this seasonal business slump—if advertisers did not broadcast during the summer, it was necessary for the networks to fill the periods with sustaining programs. Additional studies confirmed the results of the original WCAU survey and did not disclose an alarming listener slump in summer. And the combination of the weekly discount plus the annual rebate for fifty-two uninterrupted weeks of broadcasting was the answer. This served as an incentive to continuous advertising. And, as everyone knows, one of the basic requirements for successful advertising is repetition. The threatened loss of the 12½ per cent annual discount had a marked effect on broadcasting habits.

Other factors have contributed to the year-round use of radio by advertisers. First, radio-set design has improved steadily, lessening the effect of electrical storms and static on reception. Second, portable radio sets and automobile radios have been produced and sold by the millions, so that, today, no one on vacation need be very far from a radio set. Third, there is too little time available to give an advertiser any assurance that he can return to the air in as desirable a period as the one he surrendered during the summer. And fourth, the summer listening audience can be virtually as large as that of any other period of the year.

There is one situation that this revision in discount structure did not meet—the case of an advertiser who sponsors an expensive evening dramatic or musical program

using different stars each week. These stars are not available for summer appearances. Also, a comedy program, which burns up material at a prodigious rate, may well be refreshed by a summer lay-off. To such advertisers the networks offer a Summer Interval, or Hiatus Plan which allows a "vacation" up to an eight-week maximum. This plan is available only to advertisers using periods after 7:00 P.M., New York Time, and varies with each network. Generally, the advertiser immediately forfeits at least his 12½ per cent annual rebate for those weeks he does broadcast. However, his original time period is assured to him upon his return to the air. Although such an advertiser suffers a severe penalty on his time costs, he makes an appreciable saving on his high talent expenditure over an eight-week period.

Few advertisers avail themselves of this plan. The preferred solution is to continue on the air for fifty-two weeks in order to earn the annual rebate, but to use a less expensive substitute, or replacement program, during the summer months. This tends to maintain the listening audience for the period, forfeits no rebate on station time, permits a sizable saving on talent, and provides a "refresher" period for the comedian and his script writers. In addition, it has provided an excellent opportunity to test new shows and program ideas.

The *full-network discount* on network-station-costs is a relatively new feature which gives an additional reduction on the charges for all stations purchased, provided the advertiser uses the total number of stations within the continental United States required by the network's full-network plan. This is the only discount which is not figured on the gross station costs. It is figured on the net, after the weekly and annual discounts have been deducted from the gross. The full-network plans have had at least two beneficial results: they have provided advertisers with complete national coverage at reduced cost; and they have extended network commercial programs to many smaller stations which advertisers did not formerly use.

The *over-all discount* is allowed to large purchasers of time who spend approximately \$1,500,000 for facilities

within a fifty-two-week period. This is a combination of the weekly and annual discounts and, in effect, results in the allowance of the annual discount currently, along with the weekly discount. This discount was adopted by the networks for a very practical reason. Consider, for example, the case of an advertiser who purchases time at the rate of \$1,500,000 annually, amounting to approximately \$29,000 weekly. The annual discount on this amount at 12½ per cent is \$3,625 weekly and totals \$188,500 for the year. Without the over-all discount, this amount is held in escrow for the advertiser and becomes a fund that he cannot use for his current requirements through the year. Of course if the sponsor qualifies for and is allowed the over-all discount and his contract commitments are then changed and fall below the \$1,500,000 requirement, he is immediately short-rated and his contract reverts to the weekly discount plus annual rebate basis.

All of these discounts are deducted before the allowance of the 15 per cent commission to the advertising agency. That is allowed on the final net charges.

Local and Sectional Announcements on Network Broadcasts

In order to make network service more flexible, local cut-in announcements may be arranged on any network broadcast. This means that any station may cut away from the network program at a given time, on cue, and substitute locally the announcements submitted by the advertiser. This is of particular value to an advertiser who is introducing a new product or conducting a sales test in a limited area. Frequently this same result is desired on a sectional basis, and the network may arrange it for a group of stations by purchasing additional lines. In fact, some coast-to-coast programs are sponsored by three or four products of the same manufacturer, in different geographic areas. Nominal charges are made for these local and sectional arrangements, and they vary by networks. However, they do much to meet the individual requirements of many advertisers.

Network Contract Cancellation Privileges

Most contracts for network periods are written on the basis of fifty-two weeks of service. They are cancellable at the conclusion of thirteen-week cycles by the submission of notice to the network thirty days in advance of the conclusion of the thirteen weeks. Generally, contracts for fewer than thirteen weeks are not acceptable; but occasionally even one-time broadcasts may be purchased from the networks for an exceptional program and in a period of time which is temporarily open.

Network Political Broadcasts

During national campaign years, political programs present a unique problem to the networks and their advertisers. During the pre-nomination period, the networks carry any important speeches as news features, and this includes detailed and extensive coverage of the political conventions of the two major political parties. Once the nominations for President and Vice-President are determined, any campaign speeches are strictly commercial broadcasts paid for by the National Committees. During the campaign months, network advertisers may be asked to relinquish their regularly scheduled periods once or twice for the two major nominees of each party. The network sells the time to the National Committee and the National Committee pays the advertiser for any non-cancellable talent costs. The network, of course, does not bill the advertiser for station charges, nor does the advertiser suffer any penalty on his annual discount for the omission of one broadcast. Announcements are made at the time of the broadcast that the advertiser, whose program is normally heard at that time, has relinquished his time for a paid political broadcast and that the regular program will be heard at its scheduled time the following week.

Effect of Daylight Saving Time on Network Broadcasts

The annual problem of Daylight Saving Time is one that the networks must solve for their advertisers and affiliated stations. During the war years, there was no difficulty, as

time was frozen on War Time throughout the country—in effect, Daylight Saving Time on a national basis. Since the war, this practice has reverted to the pre-war basis of shifting the clock ahead one hour on the last Sunday in April, in Daylight Saving areas, and, twenty-two weeks later, turning it back one hour on the last Sunday in September. This plays havoc with broadcasting schedules both of networks and of local stations. It means that network programs are heard one hour earlier in communities which do not adopt Daylight Time, and frequently they conflict with immovable local programs in those periods. Major readjustments are necessary on many stations.

The networks find themselves on the horns of a dilemma. If 65 per cent of their stations remain on Standard Time through the summer months, it would appear that the networks should operate on Standard Time, as the railroads do. Yet the remaining 35 per cent of the stations, which shift to Daylight Time, represent about 50 per cent of the network's circulation. As a result, the networks are 50 per cent wrong, whichever procedure they adopt!

For the first time, in 1948 all four networks have solved this problem by recording programs at their regularly scheduled time and, one hour later, playing back the recordings on the network lines for the Standard Time cities. The additional cost for lines and recordings is extremely high, but it is underwritten by the affiliated stations. In order to make such a plan workable, it was necessary first to secure the understanding co-operation of the American Federation of Musicians and the American Federation of Radio Artists so that no additional talent fees would be assessed against advertisers and networks.

It appears to be impossible to find any more practicable solution to the problem short of Federal legislation requiring uniform time throughout the nation. It would not matter whether it were Standard Time or Daylight Time, just so long as it was uniform.

Network Origination Points

All networks provide studio facilities for the origination of programs, at no charge and from stated points—usually

New York, Chicago, and Los Angeles. If programs originate from other points, special charges are involved for lines, engineering services, transportation, et cetera. These charges are figured on a cost basis and adjusted to allow for 15 per cent agency commission. They are not subject to any of the discounts allowed on station costs.

Network Produced Programs

In addition to the time and station facilities offered by the networks, the services of the program departments are available to national advertisers. Many commercially sponsored programs on the air today started as sustaining programs. This is especially true of news broadcasts, as the networks have developed many excellent reporters, analysts, and commentators. In the field of entertainment, "Bing Crosby," "Duffy's Tavern," "Let's Pretend," Arthur Godfrey and even the "Metropolitan Opera" had their radio starts as sustaining network programs.

Frequently, national advertisers are wary about committing large appropriations for a series of untried and untested radio programs. Here, then—in the sustaining program being groomed for commercial sale—is the logical place to look for well-tested programs, since, as previously pointed out, the networks must produce programs of their own of top quality in open periods. They must hold the audience built by the commercially sponsored programs and must, very often, compete with sponsored shows on one or more of the other networks.

The direct line of contact between the national advertiser and the network runs through the advertising agency to the network sales department. This department is staffed with specialists in advertising and specialists in broadcasting. It is through these men, with their continuous contacts, that information on time availabilities, costs, program availabilities, and the hundred other facts essential to the consideration of a broadcasting campaign can be secured. Through them the wealth of information available at the network is at the disposal of the national advertiser and his agency.

CHAPTER VI

The National Broadcasting Company

THE National Broadcasting Company is "NBC," the network of the three chimes. It is the network of "Bob Hope," "Jack Benny," "Fibber McGee and Molly," and "The University of Chicago Round Table." It is the "Radio" of Radio City.

NBC is the pioneer of all national networks. It was formed in November, 1926, when nineteen stations joined together in the first permanent network organization. Today, nine of these original nineteen stations are still NBC outlets. They are WNBC-New York (then WEAJ), WRC-Washington, WTAM-Cleveland, WTIC-Hartford, WJAR-Providence, WCSH-Portland, Maine, WWJ-Detroit, KSD-St. Louis, and WDAF-Kansas City.

Prior to its inaugural broadcast in 1926, NBC published an advertisement which outlined the new development of network broadcasting. It stated:

"The purpose of that company will be to provide the best programs available for broadcasting in the United States. . . . Any use of radio transmission which causes the public to feel that the quality of the programs is not the highest, that the use of radio is not the broadest and best use in the public interest, that it is used for political advantage or selfish power will be detrimental to the public interest in radio."

In those days there was a greater variety of talent available in New York than could be found in Portland, Maine, or Kansas City; the New York listeners heard more

entertaining and varied programs than did listeners in other parts of the country. It was a logical progression, therefore, to establish facilities which would make it possible to share these broadcasts throughout the country. Currently, 155 stations carry NBC broadcasts from coast to coast.

While this number seems high in relation to the original nineteen stations, NBC nevertheless has fewer stations than any of the other networks. One of the important reasons for this is that NBC was first in the field and had virtually a free hand in the selection of outlets. In most cases the choice was the station which supplied the largest coverage, with the result that a smaller number of stations is required to cover the United States.

NBC lived through various vicissitudes of ownership and partial ownership and emerged as a wholly owned subsidiary of the Radio Corporation of America. However, none of these corporate problems affected the steady growth and progress of the network in any way. NBC owns and operates six of its stations in key markets.

The roll call of NBC programs featured in the early years starting in 1926 brings back fond memories to many listeners. Such programs as the "Eveready Hour," "Whitall's Anglo Persians," the "Clicquot Club Eskimos," the "A. & P. Gypsies," "Show Boat," the "Cities Service Hour," and the "Fire Chief," were forerunners of today's fine program line-up.

Combined Red and Blue Network Operation

Shortly after the formation of this network, which until 1942 was known as the Red Network, NBC established a second chain. Because of requests received from other stations in Red Network cities for an additional national service, the Blue Network was organized in January, 1927. From that date until January, 1942, NBC operated the two national network services. In 1942, because of the new rules of the Federal Communications Commission, NBC arranged the sale of the Blue Network, which now continues, independent of NBC, as the American Broadcasting Company.

In the early days of the dual network operation, NBC was faced with a weakness which was not serious until the demand for broadcasting time increased. Although there were two NBC networks available on a coast-to-coast basis, there were actually only two separate and distinct basic networks and Pacific Coast networks; the supplementary groups of stations were used interchangeably on the Red and the Blue throughout the country. This meant that during periods in which the Red Network operated as a coast-to-coast chain, the Blue Network was limited to a basic network, and vice-versa. A station in a supplementary city was the "NBC" station—during one half-hour it might carry a Red Network program and during the following half-hour a Blue Network program.

This arrangement began to be modified as broadcasting increased. Separate supplementary groups of stations were set up for the Blue Network. It was unsound economically to operate under the original plan, by which, for example, during the most salable hours at the peak of evening listening, NBC could not offer two advertisers coast-to-coast facilities. However, it was difficult to secure stations as strong mechanically or as popular locally as the original NBC stations or the CBS stations. (In September, 1927, CBS had entered the national field and built its coast-to-coast network.) In order to attain comparable listener acceptance, it was necessary to broadcast popular programs and merchandise and publicize them intensively in each individual market.

As an incentive to advertisers to use the Blue Network, special discounts were established for multiple group purchases. These discounts were higher than the previous schedule and also higher than, and figured on a different basis from, the Red Network discounts. The same sales force sold both networks for many years, and it was not until 1941 that the Blue Network was listed separately on its own rate card.

Many of the more popular programs were originally heard on the Blue Network, "Amos 'n Andy" and "Lowell Thomas," to cite but two. Gradually the Red Network began to exert a stronger appeal to advertisers. Many of

the Blue programs switched to the Red Network and many of the new audience-building programs started and remained on the Red Network. This trend continued until the sale of the Blue Network, by which time the gross sales on the Red were far ahead.

Prior to the sale of the Blue Network, NBC transferred the affiliation of many of its higher-powered stations to the Red Network—such stations as WHAM-Rochester, WBAL-Baltimore, KDKA-Pittsburgh and WBZ-WBZA-Boston-Springfield (two stations which are synchronized and broadcast simultaneously on the same frequency.) This strengthened an already strong line-up of stations and offered an advertiser an excellent coverage pattern throughout the country.

Time Options and Program Acceptability

As network broadcasting progressed and was purchased in increasing volume by national advertisers, NBC found itself in the healthy position of having a waiting list for evening periods during the peak listening hours. This was known in the trade as the "abeyance list." It provided for the offer of open periods to advertisers, either current advertisers desirous of improving their time or new advertisers, in a predetermined sequence based on the priority of the request for time or improved time. This procedure was administered fairly and equitably for a number of years to the complete satisfaction of agencies and advertisers.

However, by 1943, with the increased competition between networks and the growing awareness of program ratings on the part of agencies, advertisers, networks, and stations, NBC found it necessary to abolish the abeyance list. In announcing this in August of that year, NBC stated:

"Time periods which become open and available will be filled by programs which we consider most likely to meet the needs and wishes of the radio audience, regardless of seniority of date of application for time by the sponsor."

As a corollary to this, the following procedure was also adopted:

“When an advertiser discontinues one program and wishes to replace it with another in the same period, the new program, as currently provided in our facilities contract, shall be subject to the approval of NBC. In the absence of such approval, we will continue to reserve the right to make the period available for a more acceptable program submitted by another advertiser.”

This assumption of control over program content was a forthright solution to a problem which had grown to be a major concern of all networks. Too many advertisers were continuing “worn out” programs in important time periods. Others were producing mediocre programs and depending upon the over-all listener acceptance of the network and the adjacent programs to deliver them an unearned audience. The effect of the new policies has been a definite gain to the listening audience and a mutual benefit to all NBC program sponsors.

Stations Planning and Advisory Committee

An interesting development in NBC operation has been the creation of the Stations Planning and Advisory Committee, which meets periodically with the NBC management. The eight members of this committee are elected by the NBC affiliated stations in each of eight regional zones. This committee brings to the attention of the management the needs and recommendations of the stations, thus insuring coherent operation of the network in the public interest. The interchange and crystallization of ideas resulting from these meetings have been of the greatest benefit to the network and to the individual stations.

Managed and Operated Stations

NBC owns and operates the following individual standard radio stations:

WNBC	New York
WMAQ	Chicago
KNBC	San Francisco
WRC	Washington, D. C.
KOA	Denver
WTAM	Cleveland

Station Option Time Periods

Many years before the Federal Communications Commission prescribed that certain periods of the day and evening should be guaranteed to stations for local public-service and commercial programs (Chapter IV), NBC had set up a voluntary schedule with its affiliates which outlined network- and station-option time. During network-option time periods, stations cleared automatically for network commercial programs. During station-option time periods, the stations were not obliged to accept network commercial programs. These periods, Monday through Saturday, are:

Before 10:00 AM	N. Y. Time	Station option time
10:00 AM—12:00 N	“ “	Network option time
12:00 N— 3:00 PM	“ “	Station option time
3:00 PM— 6:00 PM	“ “	Network option time
6:00 PM— 8:00 PM	“ “	Station option time
8:00 PM—11:00 PM	“ “	Network option time

On Sunday the only network-option time periods are:

2:00— 4:00 PM	N. Y. Time
5:00— 6:00 PM	“ “
7:00—10:00 PM	“ “

Rates and Discounts

All rates quoted on the NBC rate card provide for complete origination of the program at no charge at the network studios in New York, Washington, Cleveland, Chicago, Denver, Hollywood, or San Francisco. Origination, in whole or in part, from any other point can be arranged at an additional cost, subject to availability of special lines. This charge is subject only to 15 per cent agency commission. No discounts or rebates are allowed on it.

NBC rates conform to the general network formula. Day rates are one-half of rates after 6:00 P.M. The half-hour rate is 60 per cent of the hour rate, the quarter-hour rate is 40 per cent of the hour rate, and periods between 12:00 noon and 6:00 P.M. on Sunday are billed at three-quarters of the evening rate.

NBC allows weekly discounts for volume on gross station costs and an annual rebate for consecutive weeks of use. The schedule of weekly discounts is allowed for thirteen or more weeks of broadcasting on the following basis:

<i>Contracted Value of Network Time at Gross Rates</i>	<i>Rate of Discount on Weekly Gross Billings</i>
Less than \$8,000 per week.....	None
\$8,000 or more but less than \$18,000 per week.....	5%
\$18,000 or more per week.....	10%

Note: Rate of discount will be reduced 5% on network programs broadcast between 8:00 and 10:00 PM New York Time and on their rebroadcasts. (For example, 10% becomes 5%.)

In calculating the gross billing for an advertiser, all his contracts may be combined. Thus, both daytime and evening programs for the same advertiser may be combined in computing the weekly dollar-volume discount. Only NBC and CBS reduce weekly discounts for programs in the peak evening listening hours.

These discounts are allowed currently on weekly invoices. The annual rebate of 12½ per cent on the gross billing for all facilities used consecutively for fifty-two weeks is not allowed until the fifty-two-week cycle is completed. This discount is received by the advertiser as a lump-sum credit. If an advertiser signs a non-cancellable contract for fifty-two weeks, then and only then is the annual rebate allowed currently.

NBC allows an annual discount of 22½ per cent currently to certain advertisers. This discount should not be confused with the annual rebate of 12½ per cent. It is allowed currently to advertisers whose contracted gross billing totals \$1,500,000 or more for a fifty-two-week period, in lieu of weekly discounts and annual rebate. It represents a combination of the maximum weekly discount (10 per cent) plus the annual rebate (12½ per cent). (It is reduced to 17½ per cent for programs broadcast between 8:00 and 10:00 P.M., New York Time, and their rebroadcasts.)

If a sponsor receives the 22½ per cent discount weekly and during the year his contract drops below the \$1,500,000 requirement, he is immediately short-rated and his contract reverts to the weekly discount plus annual rebate basis.

In 1942, NBC adopted a full-network plan which provided for an additional discount for advertisers using 125 specified stations. This discount is 10 per cent on the net billing after deduction of the weekly discount and annual rebate, or after the deduction of the 22½ per cent annual discount. It is the only discount which is figured on *net* station charges. The other discounts and the annual rebate are figured on gross costs. The full-network discount applies both to charges for stations located within the continental United States and territorial stations as well. NBC, of course, allows the regular 15 per cent agency commission on all net station charges, just as it is allowed by magazines and newspapers.

Station Groupings

NBC, as it is currently set up, conforms to the general geographic pattern of all networks. Station-cities coincide with the major markets and distribution centers of most national advertisers. There is a basic network of thirty stations, which is the starting point for any network purchase. Of these thirty stations, the advertiser pays for twenty-nine and receives one as a bonus. To the basic network can be added supplementary groups of stations as follows:

Basic Supplementary Group	46 stations—none required; available individually as desired.
Southeastern Group	12 stations—available only as a group of not less than 5 stations with a gross hourly rate of \$80 or more.
Florida Group	3 stations—available only as a group and if the Southeastern or South Central Group is also used—plus three supplementary stations.
South Central Group	20 stations—available only as a group of not less than 6 stations including Atlanta, Birmingham, Memphis, New Orleans and



NETWORK FACILITIES OF THE NATIONAL BROADCASTING COMPANY, INC.

JANUARY 1, 1948

NBC GRAPHIC DIVISION

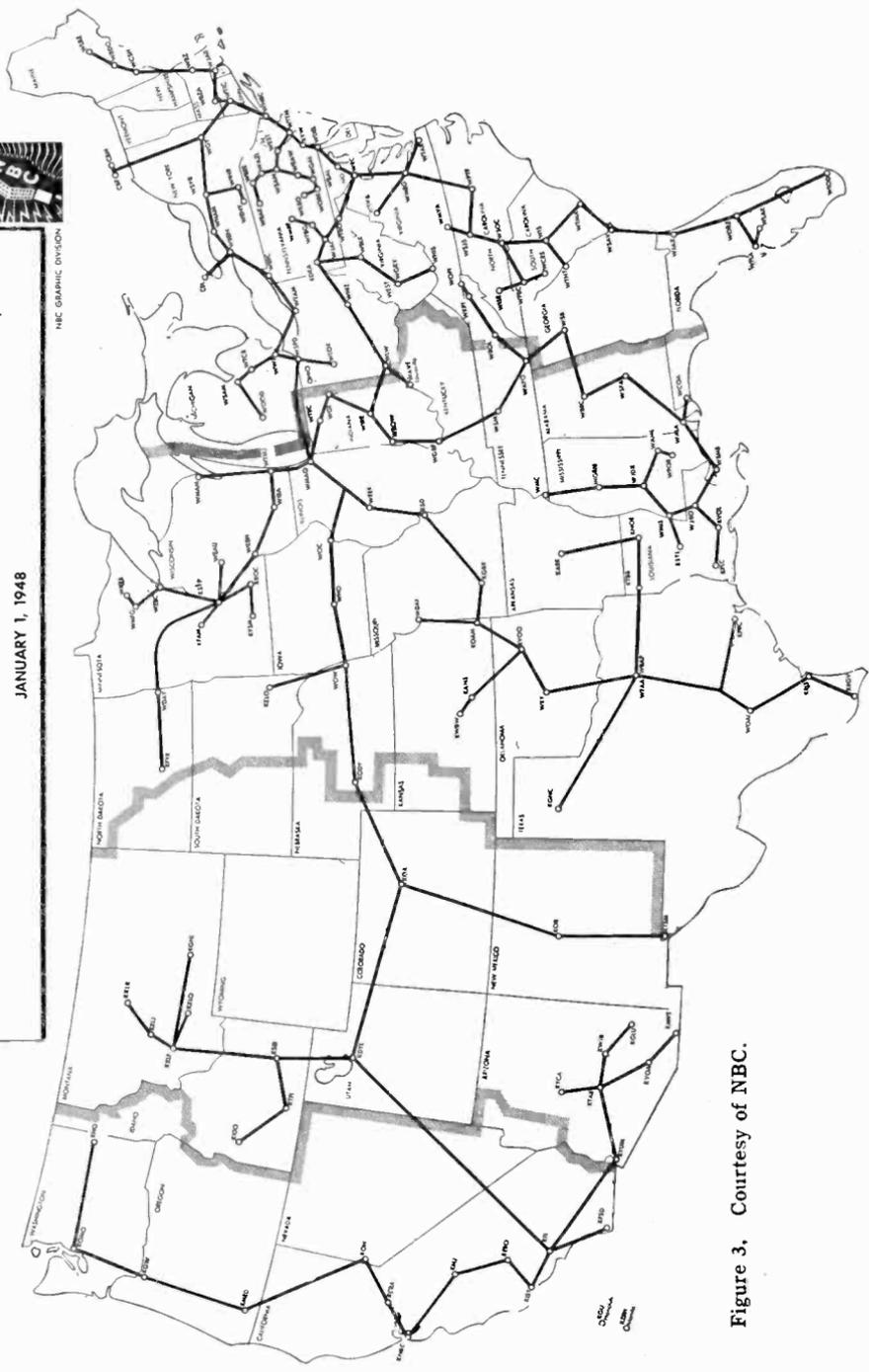


Figure 3. Courtesy of NBC.

	Nashville, plus one other with an hourly rate of \$100.00 or more.
Southwestern Group	13 stations—available only as a group of not less than 7 stations, each with an hourly rate of \$120 or more, plus 3 supplementary stations.
Northwestern Group	2 stations—individually available with the basic network.
Mountain Group	3 stations—available only as a group with the basic network or Pacific Coast Network, plus one supplementary station.
North Mountain Group	7 stations—3 paid, 4 bonus; available only as a group for use with the Mountain Group or Pacific Coast Network, plus 2 supplementary stations.
Pacific Coast Network	7 stations—available only as a group, plus one supplementary station. If this group is used with the basic network, the Mountain Group must be used. The Pacific Coast Network may be purchased independently of the basic network.
Arizona Group	7 stations—available only as a group with the Pacific Coast Network.
Hawaii	1 station.
Canada	3 stations—available individually.
Philippine Islands	1 station—available individually.

Estimate of Station Costs

An estimate for time costs on NBC must embrace all of these requirements and the proper application of discounts and rebates. The following is a typical example of a broadcasting estimate as submitted to an advertiser by his agency for a half-hour program from 2:00 to 2:30 P.M., New York Time, Sunday, on a full network of 125 stations. This estimate has been prepared by the J. Walter Thompson Company, New York, for the Radio Corporation of America.

J. WALTER THOMPSON COMPANY

NEW YORK

May 7, 1947

ESTIMATE FOR RCA VICTOR DIVISION, Radio Corporation
of America, Camden, New Jersey

RADIO ADVERTISING

One-half hour (approximately)—2:00 to 2:30
PM New York Time

52 times—once a week—every Sunday

January 4, 1948 to and including December 26,
1948Broadcasting to be given over each of the National Broad-
casting Company stations in the following cities:

<u>State</u>	<u>City</u>	<u>Station</u>	<u>Rate</u>	<u>Amount</u>
BASIC NETWORK				
Conn.	Hartford	WTIC	\$ 180.00	\$ 9,360.00
Del.	Wilmington	WDEL	63.00	3,276.00
D. C.	Washington	WRC	117.00	6,084.00
Ill.	Chicago	WMAQ	360.00	18,720.00
Ind.	Indianapolis	WIRE	99.00	5,148.00
Ia.	Davenport	WOC	81.00	4,212.00
	Des Moines	WHO	234.00	12,168.00
Ky.	Louisville	WAVE	99.00	5,148.00
Me.	Portland	WCSH	72.00	3,744.00
Md.	Baltimore	WBAL	189.00	9,828.00
Mass.	Boston	WBZ	270.00	14,040.00
	Springfield	WBZA	Bonus	—
Mich.	Detroit	WWJ	225.00	11,700.00
Minn.	Minneapolis-St. Paul	KSTP	180.00	9,360.00
Mo.	Kansas City	WDAF	198.00	10,296.00
	St. Louis	KSD	180.00	9,360.00
Nebr.	Omaha	WOW	171.00	8,892.00
N. Y.	Buffalo	WBEN	153.00	7,956.00
	New York	WNBC	630.00	32,760.00
	Rochester	WHAM	180.00	9,360.00
	Schenectady	WGY	198.00	10,296.00
	Syracuse	WSYR	108.00	5,616.00
Ohio	Cincinnati	WLW	540.00	28,080.00
	Cleveland	WTAM	234.00	12,168.00
	Toledo	WSPD	99.00	5,148.00
Pa.	Philadelphia	KYW	216.00	11,232.00
	Pittsburgh	KDKA	234.00	12,168.00

<u>State</u>	<u>City</u>	<u>Station</u>	<u>Rate</u>	<u>Amount</u>
BASIC NETWORK (Cont.)				
R. I.	Providence	WJAR	\$ 99.00	\$5,148.00
Tenn.	Nashville	WSM	180.00	9,360.00
Wisc.	Milwaukee	WTMJ	180.00	9,360.00
(29 Stations plus 1 Bonus)			\$5,769.00	\$299,988.00
BASIC SUPPLEMENTARY				
Ill.	Peoria	WEEK	54.00	2,808.00
Ind.	Elkhart	WTRC	18.00	936.00
	Evansville	WGBF	45.00	2,340.00
	Fort Wayne	WGL	45.00	2,340.00
	Terre Haute	WBOW	27.00	1,404.00
Kans.	Pittsburg	KOAM	54.00	2,808.00
Md.	Cumberland	WTBO	27.00	1,404.00
Me.	Augusta	WRDO	27.00	1,404.00
	Bangor	WLBZ	63.00	3,276.00
Mich.	Flint	WTCB	45.00	2,340.00
	Grand Rapids	WOOD	72.00	3,744.00
	Saginaw-Bay City	WSAM	36.00	1,872.00
Minn.	Duluth-Superior, Wisc.	WEBC	63.00	3,276.00
	Hibbing	WMFG	4.50	234.00
	Virginia	WHLB	4.50	234.00
MINN. NETWORK				
	Mankato	KYSM	18.00	936.00
	Rochester	KROC	18.00	936.00
	St. Cloud	KFAM	18.00	936.00
Mo.	Springfield	KGBX	54.00	2,808.00
Nebr.	North Platte	KODY	13.50	702.00
N. J.	Trenton	WTTM	45.00	2,340.00
N. Y.	Binghamton	WINR	36.00	1,872.00
	Elmira	WENY	27.00	1,404.00
Ohio	Lima	WLOK	27.00	1,404.00
	Zanesville	WHIZ	27.00	1,404.00
Pa.	Allentown	WSAN	54.00	2,808.00
	Altoona	WFBG	31.50	1,638.00
	Easton	WEST	22.50	1,170.00
	Erie	WERC	54.00	2,808.00
	Harrisburg	WKBO	45.00	2,340.00
	Hazleton	WAZL	22.50	1,170.00
	Johnstown	WJAC	31.50	1,638.00
	Lancaster	WGAL	36.00	1,872.00
	Lewistown	WMRF	9.00	468.00
	Reading	WRAW	54.00	2,808.00
	Wilkes-Barre	WBRE	54.00	2,808.00
	Williamsport	WRAK	27.00	1,404.00

<u>State</u>	<u>City</u>	<u>Station</u>	<u>Rate</u>	<u>Amount</u>
MINN. NETWORK (Cont.)				
	York	WORK	\$54.00	\$2,808.00
S. D.	Sioux Falls	KELO	36.00	1,872.00
Va.	Harrisonburg	WSVA	54.00	2,808.00
	Richmond	WMBG	63.00	3,276.00
W. Va.	Bluefield	WHIS	36.00	1,872.00
	Charleston	WGKV	31.50	1,638.00
	Clarksburg	WBLK	31.50	1,638.00
Wisc.	Eau Claire	WEAU	36.00	1,872.00
	La Crosse	WKBH	54.00	2,808.00
	Madison	WIBA	63.00	3,276.00
	Marinette	WMAM	36.00	1,872.00
(48 Stations)			\$1,804.50	\$93,834.00
FLORIDA GROUP				
Fla.	Jacksonville	WJAX	72.00	3,744.00
	Lakeland	WLAK	18.00	936.00
	Miami	WIOD	90.00	4,680.00
	Orlando	WORZ	27.00	1,404.00
	Tampa	WFLA	72.00	3,744.00
(5 Stations)			\$279.00	\$14,508.00
SOUTHCENTRAL GROUP				
Ala.	Birmingham	WBRC	81.00	4,212.00
	Mobile	WALA	54.00	2,808.00
	Montgomery	WSFA	45.00	2,340.00
Fla.	Pensacola	WCOA	18.00	936.00
Ga.	Atlanta	WSB	189.00	9,828.00
La.	Alexandria	KSYL	13.50	702.00
	Baton Rouge	WJBO	45.00	2,340.00
	Lafayette	KVOL	9.00	468.00
	Lake Charles	KPLC	9.00	468.00
	New Orleans	WSMB	90.00	4,680.00
Miss.	Greenwood	WGRM	9.00	468.00
	Hattiesburg	WFOR	9.00	468.00
	Jackson	WJDX	54.00	2,808.00
	Laurel	WAML	9.00	468.00
Tenn.	Natchez	WMIS	9.00	468.00
	Bristol	WOPI	13.50	702.00
	Chattanooga	WAPO	54.00	2,808.00
	Kingsport	WKPT	13.50	702.00
	Knoxville	WROL	54.00	2,808.00
	*Memphis	WMC	144.00	7,488.00
(20 Stations)			\$922.50	\$47,970.00

<u>State</u>	<u>City</u>	<u>Station</u>	<u>Rate</u>	<u>Amount</u>
SOUTHEASTERN GROUP				
Ga.	Augusta	WTNT	\$ 27.00	\$ 1,404.00
	Savannah	WSAV	36.00	1,872.00
N. C.	Asheville	WISE	27.00	1,404.00
	Charlotte	WSOC	54.00	2,808.00
	Raleigh	WPTF	126.00	6,552.00
	Winston-Salem	WSJS	54.00	2,808.00
S. C.	Charleston	WTMA	45.00	2,340.00
	Columbia	WIS	63.00	3,276.00
	Greenville	WFBC	63.00	3,276.00
	Greenwood	WCRS	9.00	468.00
Va.	Martinsville	WMVA	9.00	468.00
	Norfolk	WTAR	81.00	4,212.00
(12 Stations)			\$594.00	\$30,888.00
SOUTHWESTERN GROUP				
Ark.	Little Rock	KARK	63.00	3,276.00
Kans.	Hutchinson	KWBW	9.00	468.00
	Wichita	KANS	45.00	2,340.00
Ia.	Monroe	KNOE	18.00	936.00
	Shreveport	KTBS	54.00	2,808.00
Okla.	Oklahoma City	WKY	126.00	6,552.00
	Tulsa	KVOO	135.00	7,020.00
Texas	Amarillo	KGNC	54.00	2,808.00
	Corpus Christi	KRIS	45.00	2,340.00
	Dallas	WFAA	225.00	11,700.00
	Houston	KPRC	117.00	6,084.00
	San Antonio	WOAI	153.00	7,956.00
	Weslaco	KRGV	45.00	2,340.00
(13 Stations)			\$1,089.00	\$56,628.00
NORTH MOUNTAIN GROUP				
Ida.	Boise	KIDO	54.00	2,808.00
	Pocatello	KSEI	22.50	1,170.00
	Twin Falls	KTFI	22.50	1,170.00
Mont.	Billings	KGHL	54.00	2,808.00
	Bozeman	KXLQ	Bonus	—
	Butte	KXLF	54.00	2,808.00
	Great Falls	KXLK	Bonus	—
	Helena	KXLJ	Bonus	—
(5 Stations plus 3 Bonus)			\$207.00	\$10,764.00

<u>State</u>	<u>City</u>	<u>Station</u>	<u>Rate</u>	<u>Amount</u>
ARIZONA GROUP				
Ariz.	Douglas	KAWT	\$ 2.25	\$ 117.00
	Globe	KWJB	2.25	117.00
	Phoenix	KTAR	76.50	3,978.00
	Prescott	KYCA	2.25	117.00
	Safford	KGLU	2.25	117.00
	Tucson	KVOA	4.50	234.00
	Yuma	KYUM	2.25	117.00
(7 Stations)			\$92.25	\$4,797.00
NORTHWESTERN GROUP				
N. D.	Bismark	KFYR	90.00	4,680.00
	Fargo	WDAY	81.00	4,212.00
(2 Stations)			\$171.00	\$8,892.00
MOUNTAIN GROUP				
Colo.	Denver	KOA	144.00	7,488.00
N. Mex.	Albuquerque	KOB	72.00	3,744.00
Texas	El Paso	KTSM	54.00	2,808.00
Utah	Salt Lake City	KDYL	90.00	4,680.00
(4 Stations)			\$360.00	\$18,720.00
PACIFIC COAST NETWORK				
Calif.	Fresno	KMJ	48.00	2,496.00
	Los Angeles	KFI	180.00	9,360.00
	San Diego	KFSD	42.00	2,184.00
	San Francisco	KPO	138.00	7,176.00
Ore.	Portland	KGW	72.00	3,744.00
Wash.	Seattle	KOMO	84.00	4,368.00
	Spokane	KHQ	60.00	3,120.00
(7 Stations)			\$624.00	\$32,448.00
PACIFIC COAST SUPPLEMENTARY				
Calif.	Bakersfield	KERO	18.00	936.00
	Sacramento	KCRA	24.00	1,248.00
	Santa Barbara	KIST	21.00	1,092.00
Nev.	Reno	KOH	24.00	1,248.00
Ore.	Medford	KMED	24.00	1,248.00
(5 Stations)			\$111.00	\$5,772.00

Total Number of Stations: 161	\$12,023.25	\$625,209.00
†Less 5% discount for \$8,000 or more but less than \$18,000 weekly		31,260.45
		<hr/>
		\$593,948.55
††Less 12½% Annual Rebate. Com- puted at 12½% of the gross billing on all facilities used during the re- bate year (January 4, 1948 through December 26, 1948) except on such facilities as are discontinued prior to the end of the rebate year.		78,151.13
		<hr/>
		\$515,797.42
Less 10% full network discount		51,579.74
		<hr/>
		TOTAL TIME COST
		\$464,217.68
		<hr/>
		AMOUNT BROUGHT FORWARD
		\$464,217.68

* Transcribed playback.

† Conditional payment discount 2%: When charges for facilities are paid on or after 16th of month following the month of broadcast, the total discount will be reduced by an amount equal to 2% of the gross charges to which the discount is applicable. This reduction will not be made when payments are satisfactorily completed on or before the 15th of the month following month of broadcast.

†† The 12½% Annual Rebate is to be allowed weekly by NBC with the understanding that if time facilities shown herein are cancelled prior to completion of 52 weeks of broadcasting (December 26, 1948), the 12½% rebate thus allowed will be payable to NBC as short rate penalty retroactive to January 4, 1948.

Station time may be cancelled by us at the end of the thirteenth, twenty-sixth or thirty-ninth week of broadcasting by giving thirty days prior written notice.

APPROVED: RCA VICTOR DIVISION
Radio Corporation of America

Per: _____

Date: _____

This estimate includes 161 NBC stations from coast-to-coast. All rates shown are based on Sunday afternoon costs, three-quarters of the regular evening rates for Eastern and Central Time Zone stations, on which the program is heard after 12:00 noon, and day rates for Mountain and Pacific Time Zone stations, on which the program is heard

before 12:00 noon. The first cost column indicates the gross cost per program for each station; the total cost for the fifty-two-week period for each station is shown in the second cost column. The total gross cost for all stations for the year's schedule is the total of these fifty-two-week costs, on which all discounts are figured. The weekly dollar-volume, the annual, and the full-network discounts are deducted from this sum.

A transcribed playback of the programs is shown for Station WMC-Memphis. The station was unable to clear the live broadcast time and, as it fell within station-option time, was not constrained to do so.

A conditional payment discount of 2 per cent is allowed. This can be compared with the 2 per cent cash discount allowed by other media and a few individual radio stations on spot-broadcasting charges. For many years, the American Association of Advertising Agencies, through its radio committee, urged the adoption of such a discount, pointing out its value to agencies in making collections for other forms of advertising. The networks worked out the conditional payment plan. It provides that if invoices are not paid by the fifteenth day of the month following the month of broadcast, the total discount normally earned will be reduced by an amount equal to 2 per cent of the gross charges for the services billed. It would serve as an incentive for prompt payment, if such an incentive were needed.

A clause in this estimate form permits NBC to allow the 12½ per cent annual rebate weekly—apparently contrary to the rate card, which indicates that the rebate will be allowed only at the conclusion of fifty-two consecutive weeks of broadcasting. However, this special arrangement may be made with any of the networks, provided the agency and advertiser agree that, if the series does not run fifty-two consecutive weeks, the 12½ per cent rebate allowed currently will be payable to NBC as a short rate, retroactive to the first broadcast in the series.

The Radio Corporation of America also wished to use the NBC facilities in Hawaii, Station KGU-Honolulu. The Honolulu stations broadcast network programs in one of three ways. Either the program is short-waved to Hono-

lulu for broadcast simultaneous to the mainland broadcast, or it is short-waved at the time of the United States broadcast and recorded in Honolulu, to be played back later the same day, or it is recorded on the Pacific Coast and the transcription is sent via air express to Honolulu for playback one to two weeks later than the United States broadcast. There is a time differential of five hours between New York Standard Time and Honolulu Time. This series of programs would be heard at 9:00 A.M. on Sunday in Honolulu, if broadcast on a live network basis. The advertiser wished to reach a Sunday afternoon audience in Hawaii and therefore arranged for a delayed recorded broadcast (e.t.—electrical transcription) from 3:35 to 4:05 P.M., Honolulu Time, on Sunday. The programs were short-waved to KGU at the time of the United States broadcast, recorded, and played back later on the same day. The costs for Station KGU are subject to the same discounts as the continental United States stations, as shown on the estimate on page 85.

Program Standards

NBC maintains rigid program standards "for the sole purpose of providing programs essentially in good taste regardless of the age, sex, race or religion of the listener." A working manual has been issued for the guidance of agencies and advertisers in preparing their broadcasts to meet these standards. Most of the policies and practices outlined in this manual are particularly useful to producers, writers, and others concerned with the preparation of the actual broadcast material. However, it is important for persons engaged in the business side of radio to know the types of business that are *not* acceptable to NBC. There are fourteen of these businesses outlined in the working manual as follows:

- 1) Professional services. Professions in which it is deemed unethical to advertise. For example, physicians, lawyers, dentists, osteopaths, chiropractors, oculists, optometrists, and others.

- 2) Stocks and bonds. All forms of speculative finance intended to promote the purchase of specific stocks, bonds, etc. Proposed programs advertising the general services of financial

J. WALTER THOMPSON COMPANY

NEW YORK

May 7, 1947

ESTIMATE FOR RCA VICTOR DIVISION, Radio Corporation
of America, Camden, New Jersey

RADIO ADVERTISING

We authorize you to prepare and place, on our behalf, the following radio advertising upon the terms and conditions specified below (including the printed statements at the bottom of the page):

One-half hour e.t.—3:35 to 4:05 PM—Local Time
52 times—once a week—every Sunday
January 4, 1948 to and including December 25,
1948

	<u>City</u>	<u>Station</u>	<u>Rate</u>	<u>Amount</u>
Territory of Hawaii	Honolulu	KGU	\$96.00	\$4,992.00
		Less 5% discount for \$8,000 or more but less than \$18,000 weekly.		249.60
				<hr/> 4,742.40
		†Less 12½% annual rebate for 52 consecutive weeks of broadcasting.		624.00
				<hr/> 4,118.40
		Less 10% full network discount.		411.84
				<hr/> TOTAL COST \$3,706.56
Program short-waved from San Francisco.				

† The 12½% Annual Rebate is to be allowed weekly by NBC with the understanding that if time facilities shown herein are cancelled prior to completion of 52 weeks of broadcasting (December 26, 1948), the 12½% rebate thus allowed will be payable to NBC as a short rate penalty retroactive to January 4, 1948.

Clauses shown on United States estimate dated May 7, 1947 are a part of this agreement.

APPROVED: RCA VICTOR DIVISION
(Radio Corporation of America)

Per: _____

Date: _____

institutions will be subject to approval in each specific case; if accepted after consideration, will be subject to Federal, state, and local regulations relating thereto.

3) Cures. Medicinal products for which claim is made to cures or which encourage either self-diagnosis or self-medication.

4) Cathartics. Cathartics, including foods or beverages advertised primarily for their value as cathartics. Also products generally known and used exclusively as cathartics.

5) Hygiene products, deodorants. Personal hygiene products including body deodorants.

6) Reducing agents. Reducing agents, including foods and beverages designed solely to perform that function.

7) Restoratives. Products to restore natural color to hair, eyebrow dyes, hair growers, depilatories, and products advertised to remove wrinkles.

8) Fortune telling. Fortune telling, astrology, and other forms of occultism.

9) Mortuaries, etc. Cemeteries, memorial parks, mortuaries, morticians, casket manufacturers, and other products or services associated with burial.

10) Wines and liquors. Beer is acceptable, subject to local and Federal laws.

11) Firearms and fireworks.

12) Matrimonial agencies.

13) Racing organizations. Horse-racing organizations and racing publications desiring to use our facilities for the purpose of giving odds or promoting betting.

14) Employment services; schools. Schools, individuals, and organizations that imply promises of employment or that make exaggerated claims for the opportunities awaiting those who enroll for its courses. Likewise, advertising for employment, except in particular cases approved by the War Manpower Commission.

Listener Survey

NBC relied for its coverage statistics upon a recurring series of nationwide postal-card surveys, prior to the time when Broadcast Measurement Bureau coverage data became available. The first such survey was made in 1941 and the most recent one in April and May, 1944, when a total of 3,100,000 postcards were mailed to families in every one of the 3,072 counties in the United States. Double postcards, addressed and postage paid, were used. One

half requested the listener's co-operation and the other half, the reply card, contained the questions. They were mailed to telephone-directory listings in cities and to R.F.D. routes in rural areas in such a manner as to insure adequate returns from each county.

Two simple questions were asked on the cards:

1. What radio stations do you listen to regularly in the daytime?
in the evening?
2. Which *one* of these stations do you listen to most in the
daytime? in the evening?

The return address on the cards was Radio Station Survey, 590 Madison Avenue, New York 22, N.Y., used in order to shield the identity of the network. Replies were received from 230,000 families, equivalent to one reply out of every 140 radio families in the United States.

From a compilation of these replies, NBC determined regular-listening circulation figures for all networks and could map primary and secondary listening areas, night and day.

From the answer to the question, "Which one of these stations do you listen to most?" NBC has prepared two interesting booklets entitled *1077 Cities and How They Listen at Night* and *1077 Cities and How They Listen in the Daytime*. The 1077 cities are all of the cities in the United States having a population of 10,000 or more, and represent 16,000,000 radio families, or 56 per cent of the nation's total.

The evening summary shows:

57%	of the radio families listen	<i>most</i>	to NBC
25%	" " " "	"	<i>most</i> to Network "B"
6%	" " " "	"	<i>most</i> to Network "C"
9%	" " " "	"	<i>most</i> to Network "D"

The daytime summary shows:

32%	of the radio families listen	<i>most</i>	to NBC
25%	" " " "	"	<i>most</i> to Network "B"
18%	" " " "	"	<i>most</i> to Network "C"
15%	" " " "	"	<i>most</i> to Network "D"

NBC has issued a word of caution against improper interpretation of these findings:

“It would be a primary mistake, which we want to guard against here, to compare the figures of our survey (made in one way) with the figures of other audience surveys (made in other ways). The end results of this part of the NBC survey—network rankings—compare favorably with the end results of other surveys . . . but the internal figures of all surveys differ simply because of method.”

It is on the basis of this survey that NBC has adopted the phrase: “The Network Most People Listen To Most.”

With the release of the BMB figures on coverage, NBC prepared the following summary of audience by listening levels, i.e., the percentages of the listening audience which tune in regularly each week to NBC stations:

<u>Level</u>	DAYTIME		NIGHTTIME	
	<u>Audience</u>	<u>% of Total U. S. Radio Families</u>	<u>Audience</u>	<u>% of Total U. S. Radio Families</u>
75% & over	22,856,940	67.2	30,116,240	88.6
50%—75%	4,848,730	14.3	964,610	2.8
25%—50%	167,550	0.5	44,410	0.1
Less than 25%	15,550	0.0	2,680	0.0
TOTAL	27,888,770	82.0	31,127,940	91.5

The BMB coverage data is prepared by the Broadcast Measurement Bureau on the basis of extensive radio research. The Broadcast Measurement Bureau is financed by the broadcasting industry and heavily endorsed by the American Association of Advertising Agencies and the Association of National Advertisers.

CHAPTER VII

The Columbia Broadcasting System

THE Columbia Broadcasting System is commonly known to listeners and the industry as "CBS." It is the network of the "Lux Radio Theatre," "Blondie," "Arthur Godfrey," "Edward R. Murrow," "The New York Philharmonic Orchestra," "Ozzie and Harriett," and "Helen Hayes." CBS is one of the two oldest networks—networks that have the smallest number of stations and that constitute a type of setup distinct from the other two multi-station networks.

CBS started operations on September 18, 1927, with a line-up of sixteen stations. It was the third network to be formed. It was preceded by the NBC Red and Blue Networks by less than a year. This presented two disadvantages at the outset: (1) the first and second most desirable stations in many important markets were already affiliated with the Red or Blue Network, and (2) important radio talent was already being bought and paid for by advertisers on the other two networks, relieving those networks of large talent expenditures.

The first problem was not as serious as it would have been a decade later. If a good station, not necessarily a super-power station, with intelligent and aggressive management could be secured in each of the major markets, that would be the nucleus for growth and development in the area. Accordingly, many of the early CBS outlets did not operate on as high power as their NBC Red and Blue Network competitors, but were well accepted stations within their markets.

The second problem was a more difficult one, but if it could be solved, it would, in a large measure, help to solve the first one. Columbia realized early that the program is the driving force in building a listening audience, much more important than any grouping of call-letters or favorable wave lengths and power. With the principle of advertisers' purchase of talent becoming firmly entrenched on the other two networks and building listener acceptance, there were two courses open to CBS. It could go out in the open market and purchase established talent from stage, screen, or the concert stage in competition with advertisers, or it could develop fresh new talent.

The first course would have been disastrous financially, since it would have meant buying talent until such time as the list of CBS program sponsors was large enough to take over comparable commitments. The second course was also fraught with danger if the wrong choices of new talent were made. Yet this was the course chosen, and the wisdom of the decision can be seen in the list of successful radio stars and programs developed under Columbia's production: "Bing Crosby," the "Mills Brothers," "The New York Philharmonic Orchestra" broadcasts, "Kate Smith," "Duffy's Tavern," "Let's Pretend," and many others. With these programs as a foundation, to be followed by new personalities and new program ideas, this newest of networks was soon competing with the other two networks for every minute of the listener's attention. As a result of this competition, the listening public gained immeasurably. No one of the networks could develop complacency, but, rather, was forced to strive constantly to produce programs of widest listener interest.

While these problems were being solved, CBS was also undergoing a revision in corporate ownership. Out of the negotiations emerged a corporation interested in only one business—broadcasting—and hampered by no strictures of a parent organization.

Having established the point that sound programming will build an audience for a network and its advertisers, CBS then devoted itself to the serious business of selling broadcasting time. A glance at the reasons for purchasing net-

work time in the late twenties would reveal a strange variety of incentives. Basically, there is only one reason for purchasing time on the air and that is to sell goods. CBS set out to prove that radio could sell goods—to millions of listeners.

From the very earliest promotion pieces and research efforts, the keynote was: radio attracts listeners, listeners buy your products, and, CBS is the best network for you to use to reach these listeners. Radio was sold as strongly as CBS. These promotion pieces did much to establish in the minds of agencies and advertisers that radio was not a short-lived novelty but a new major advertising medium. The titles of some of these early promotion pieces are indicative of their contents:

Added Increment	Comments on time-habits and place-habits in advertising
Baby Austin Overturns Milk Truck	Comparison of station power and station popularity
Bee As In Broadcasting	A success story for summer broadcasting
Clancys and DeLanceys	Listening habits by income levels
Does Radio Sell Goods	Results of an investigation of radio's selling power
Ears and Incomes	Measurement of the listening audience by income levels of four "selective" programs
How Radio Measures Its Audience	Developments in radio research techniques
Roper Counts Customers	A study of consumer response to forty CBS sponsored programs
Very Rich	A study of radio listening in high income homes

Having experimented with research once or twice in a field that was crying for it, it was but natural that CBS should probe more deeply. The record of CBS research activities is outstanding in the field. Research has been conducted to the full extent of the network's resources. Every encouragement and support has been given to outside projects that gave promise of turning up even one single new fact about radio. Various techniques in measur-

ing audience preferences and coverage areas have been used, refined, and discarded for improved methods. No new approach in the field of research has been overlooked. As evidence of the thoroughness of the CBS concept of research, the standard for measuring station audiences in the United States and Canada—BMB and BBM (the Bureau of Broadcast Measurement, the Canadian counterpart of the Broadcast Measurement Bureau)—is based on the CBS method of determining coverage areas.

As pointed out in Chapter IV, the contributions of the network research department are invaluable to the sales and sales promotion departments. From the beginning, they provided valuable facts, on the basis of which important sales of time were made; for most years, in the last decade the gross time sales on CBS have exceeded the NBC Red Network (NBC) by a comfortable margin.

As the network business progressed, it soon became apparent that CBS and NBC were to become the leaders in the industry—and the price of leadership, as always, was responsibility. Responsibility in the network business means a constant concern for the listening audience and the establishment of tenets within the industry that are consonant with serving that audience. In other words, good broadcasting and good business relationships with agencies, advertisers, and stations go hand in hand.

Policies on Children's Programs and Cathartics

In 1935, CBS reviewed eight years' development of network broadcasting and recognized some abuses of the medium which seemed destined to reduce its effectiveness and weaken it in the eyes (or ears) of the listening audience. Accordingly, in May of that year, a set of new policies was announced, designed to improve the standards of CBS Network broadcasts.

The first of these policies related to children's programs. Over a period of years, broadcasts in this category had developed characteristics which were causing grave concern to parents and to all who felt a deep responsibility for the rearing and education of impressionable youth. Admitting

that viewpoints varied widely as to what was and what was not suitable for children to hear, CBS did not attempt to establish itself as an arbiter. Instead, the network engaged an eminent child psychologist and appointed an advisory board of qualified members for the purpose of designing programs which would meet the approval of parents, children, and educators alike. The following restrictions on children's programs were announced:

The exalting as modern heroes of gangsters, criminals, and racketeers will not be allowed.

Disrespect for either parental or other proper authority must not be glorified or encouraged.

Cruelty, greed, and selfishness must not be presented as worthy motivations.

Programs that arouse harmful nervous reactions in the child must not be presented.

Conceit, smugness, or an unwarranted sense of superiority over others less fortunate may not be presented as laudable.

Recklessness and abandon must not be falsely identified with a healthy spirit of adventure.

Unfair exploitation of others for personal gain must not be made praiseworthy.

Dishonesty and deceit are not to be made appealing or attractive to the child.

The second policy announced at this time excluded from the CBS Network, broadcasting for any product which describes graphically or repellently any internal bodily functions, symptomatic results of internal disturbances, or matters which are generally considered not acceptable topics in social groups. At about this same time, NBC announced a similiar policy for both the Red and Blue Networks in regard to laxatives, cathartics, depilatories, and deodorants, but this fell short of the stricter CBS requirements.

CBS did not establish these policies just to be arbitrary, nor just for the sake of the record. They sprang from the firm conviction that they were for the best interests of the listening public—and incidentally resulted in the loss of hundreds of thousands of dollars in advertising revenue.

They are another example of the good taste, good judgment, and keen concern for the listeners which have characterized the development of network broadcasting.

Over-all Program Policies

The third policy announced in 1935 by CBS related to the length of commercial announcements. The following table shows, in minutes and seconds, the maximum amount of commercial talk allowed under the new regulations.

	<u>After 6:00 PM</u>	<u>Before 6:00 PM</u>
1 Hour	6 minutes	9 minutes
$\frac{3}{4}$ Hour	4 minutes 30 seconds	6 minutes 45 seconds
$\frac{1}{2}$ Hour	3 minutes	4 minutes 30 seconds
$\frac{1}{4}$ Hour	2 minutes 30 seconds	3 minutes 15 seconds

Longer commercial announcements on daytime programs seemed to be indicated. Many of the morning and afternoon programs serve vast numbers of women as a source of useful information and offer valuable help in solving household economic problems, discussion of which requires more detailed statement of the sponsor's service or product.

These are the general limitations on the length of "commercials" in programs on all networks and most individual stations. They are generous and permit the advertiser considerable latitude in presenting his sales message.¹

In addition to stating these three new policies in 1935, CBS took occasion at the same time to restate ten basic points of policy which had been in effect since the establishment of the Network in 1927. These are:

1. No false or unwarranted claims for any product or service.
2. No infringements of another advertiser's rights through plagiarism or unfair imitation of either program idea or copy.
3. No disparagement of competitors or competitive goods.
4. No lottery or "drawing contest"; no contest of any kind in which the public is unfairly treated.
5. No programs or announcements that are slanderous, obscene, or profane, either in theme or treatment.

¹ Length of commercial announcements on all networks will probably be changed to conform with 1948 NAB Code effective January 1, 1949.

6. No ambiguous statements that may be misleading to the listening audience.
7. Not more than two mentions of price on a fifteen-minute program; not more than three on a half-hour program; not more than five on a full-hour program.
8. No advertising matter, or announcements, or programs which may, in the opinion of the System, be injurious or prejudicial to the interests of the public, the Columbia Broadcasting System, or honest advertising and reputable business in general.
9. No appeals for funds.
10. No testimonials which cannot be authenticated.

Recommended Placement of Commercial Announcements

Again in September, 1943, CBS pointed out a misuse of network broadcast time which was rapidly leading to unfavorable listener reactions. Multiple-product advertisers were engaging in a practice that resulted in a hodgepodge of commercial announcements within a restricted period of time.

One of the truisms of broadcasting is that the listener expresses his appreciation for good entertainment by purchasing the sponsor's product. Advertisers were overloading their programs by an unsound arrangement of announcements—the listening public was so confused it could not tell what product to buy!

Let us take, as an illustration, two advertisers, *A* and *B*. Each makes three products and each wishes to mention all three products in varying degree on his program. *A* purchases 9:30 to 10:00 P.M. on the network on Tuesday nights. *B* purchases the half-hour immediately following, from 10:00 to 10:30 P.M. Actually, these advertisers purchase only twenty-nine minutes and thirty seconds of air time, for the remaining thirty seconds are required for switching and setting up stations for the next period.

Advertiser *A* schedules the announcements for product 1 during the main entertainment portion of the program. Product 2 is broadcast at the close, and the program signs off to all apparent intents and purposes at 9:58:30 P.M. However, there is still one minute of the advertiser's time

left, in which he schedules an announcement for product 3. To the listener, this product is completely divorced from the entertainment that has gone before. Such an announcement is called a "hitch-hike announcement," because it takes a free ride on the audience built up by the main portion of the broadcast.

At 9:59:30 P.M., advertiser *A*'s time is over. During the following thirty seconds—time which traditionally belongs to each individual station—the network rearranges its alignment for the following period. There is no network broadcast during this time. However, each individual station identifies itself, by FCC regulation, which requires up to five seconds. This leaves the balance of the time for the station's use and it is universally sold in the form of a short station-break announcement, to any advertiser.

At 10:00 P.M. advertiser *B*'s program starts, but he puts the announcement for his product 3 at the beginning of his program. The period opens with a one-minute announcement with no indication that the product has any connection with the program that is to follow. This type of announcement is known as a "cow-catcher," because it is placed in advance of the main broadcast.

At 10:01 P.M. the program proper opens with an announcement for advertiser *B*'s product 1—and the confusion is complete in the listener's mind. Summarizing these announcements as they would look on the time schedule:

9:57:30—9:58:30	PM	Advertiser <i>A</i> , Product 2
9:58:30—9:59:30	PM	Advertiser <i>A</i> , Product 3
9:59:30—9:59:35	PM	Local station identification
9:59:35—10:00	PM	Local station commercial announcement
10:00—10:01	PM	Advertiser <i>B</i> , Product 3
10:01—10:02	PM	Advertiser <i>B</i> , Product 1

Thus, within the space of four and a half minutes, the listening audience hears four separate network commercial announcements, one local commercial announcement and one local station identification. This is not effective radio advertising for any of the three advertisers.

CBS asked all of their program sponsors for co-operation

in correcting this unsound situation and received a universally favorable response. The intent was not to reduce the commercial content of any broadcast, but simply to rearrange the structure of each program in order to eliminate this overpowering sequence of sales messages. This was accomplished by absorbing the hitch-hike and cow-catcher announcements within the framework of their respective programs and linking them as closely as possible with the entertainment offered.

In addition to adopting this correction by network sponsors, the CBS affiliated stations voluntarily agreed to make as much improvement as possible in the local station-break announcements. This was achieved in three ways. First, the stations agreed, wherever feasible, to limit station-break announcements to service announcements, such as time signals, weather reports, crop bulletins, or some other information which would be welcomed by listeners in their particular areas. This had the immediate effect of cutting down the commercial content of the announcement. Second, the stations agreed to limit the sponsorship of station-break announcements to products which do not compete with those advertised on either the preceding or the following network program. Third, the stations arranged to allow adequate "dead air," or a slight pause, between the sign-off of the network program and the start of the station-break announcement. This prevents hurried delivery of the local announcement and provides a cushion between the announcements.

These revisions have been beneficial to the network, the advertiser, and the listening audience alike.

Time Options and Program Acceptability

CBS sales of time were never handled on the abeyance-list basis, as at NBC. In all cases, time periods were quoted to advertisers and the first order received for an available period was accepted. The network was fortunate in that the program selections of most advertisers were good. However, since 1943, with the growing consciousness of program ratings, CBS, like NBC, has carefully considered new programs in relation to the over-all program structure.

It now reserves to itself the right to accept or reject an order for a given period of time on the basis of the program the advertiser proposes to use.

Affiliates Advisory Board

CBS initiated in 1943 an Affiliates Advisory Board, which is composed of nine members elected on a geographic basis by the affiliated stations. This group meets at regular intervals with the CBS management and has proved to be an excellent medium through which to transmit network problems to the stations and station problems to the network.

Company-Owned Stations

CBS owns and operates the following individual standard radio stations:

WCBS	New York
WEEI	Boston
KQW	San Francisco
WBBM	Chicago
KMOX	St. Louis
WCCO	Minneapolis
KNX	Los Angeles

Station Option-Time Periods

CBS did not have established option-time periods with its affiliates prior to June, 1943, when the new FCC Regulations became operative. Now, set periods of network-option time and station-option time have been set up as shown below:

CBS TIME SET-UP

EASTERN TIME		CENTRAL TIME	
CBS	STATION	CBS	STATION
<i>Mon. through Sat.</i>	<i>Mon. through Sat.</i>	<i>Mon. through Sat.</i>	<i>Mon. through Sat.</i>
9:45—12:45 PM	Before 9:45 AM	9:45—11:45 AM	Before 9:45 AM
1:00— 3:00 PM	12:45— 1:00 PM	12:00— 2:00 PM	11:45—12:00 N
5:00— 6:00 PM	3:00— 5:00 PM	3:00— 5:00 PM	2:00— 3:00 PM
7:00—10:00 PM	6:00— 7:00 PM	6:30— 9:00 PM	5:00— 6:30 PM
	After 10:00 PM	10:00—10:30 PM	9:00—10:00 PM
			After 10:30 PM

<u>EASTERN TIME</u>		<u>CENTRAL TIME</u>	
<u>CBS</u> <i>Sunday</i>	<u>STATION</u> <i>Sunday</i>	<u>CBS</u> <i>Sunday</i>	<u>STATION</u> <i>Sunday</i>
10:00—1:00 PM	Before 10:00 AM	9:30—12:00 N	Before 9:30 AM
1:30—3:00 PM	1:00—1:30 PM	12:30—2:00 PM	12:00—12:30 PM
4:30—6:00 PM	3:00—4:30 PM	3:30—5:30 PM	2:00—3:30 PM
7:00—10:00 PM	6:00—7:00 PM	6:30—9:00 PM	5:30—6:30 PM
		10:00—10:30 PM	9:00—10:00 PM
			After 10:30 PM

<u>MOUNTAIN TIME</u>		<u>PACIFIC TIME</u>	
<u>CBS</u> <i>Mon. through Sat.</i>	<u>STATION</u> <i>Mon. through Sat.</i>	<u>CBS</u> <i>Mon. through Sat.</i>	<u>STATION</u> <i>Mon. through Sat.</i>
9:45—10:45 AM	Before 9:45 AM	8:45—9:45 AM	Before 8:45 AM
11:00—1:00 PM	10:45—11:00 AM	10:00—12:00 N	9:45—10:00 AM
2:00—4:30 PM	1:00—2:00 PM	1:00—3:30 PM	12:00—1:00 PM
5:00—5:30 PM	4:30—5:00 PM	4:00—4:30 PM	3:30—4:00 PM
6:00—8:00 PM	5:30—6:00 PM	6:00—7:00 PM	4:30—6:00 PM
9:00—10:00 PM	8:00—9:00 PM	8:00—10:30 PM	7:00—8:00 PM
	After 10:00 PM		After 10:00 PM
<u>Sunday</u>	<u>Sunday</u>	<u>Sunday</u>	<u>Sunday</u>
9:00—11:00 AM	Before 9:00 AM	8:00—10:00 AM	Before 8:00 AM
12:00—1:00 PM	11:00—12:00 N	11:00—12:00 N	10:00—11:00 AM
2:30—5:30 PM	1:00—2:30 PM	1:30—4:30 PM	12:00—1:30 PM
6:00—8:00 PM	5:30—6:00 PM	6:00—7:00 PM	4:30—6:00 PM
9:00—10:00 PM	8:00—9:00 PM	8:00—10:00 PM	7:00—8:00 PM
	After 10:00 PM		After 10:00 PM

Rates and Discounts

All rates quoted on the CBS rate card provide for the complete origination of commercial programs from the network studios in New York, Washington, Chicago, and Hollywood at no charge. Originations from other locations can be arranged, dependent upon availability of line facilities, at additional cost. Such charges are quoted subject to 15 per cent agency commission and no discounts are allowed.

CBS discounts on gross station costs vary in some particulars from the NBC schedule, but the end results are quite similar. The CBS weekly discount is a station-hour discount allowed on all contracts for thirteen weeks or more. The station-hours are computed as follows:

1 Hour—	1 ×	number of stations used			
$\frac{1}{2}$ Hour—	.6 ×	“ “ “ “			
$\frac{1}{4}$ Hour—	.4 ×	“ “ “ “			

Therefore, a half-hour program on a network of 100 paid stations (no bonus stations are used in computing discounts) is figured as sixty station-hours, and earns a weekly discount of 5 per cent on the basis of the following table:

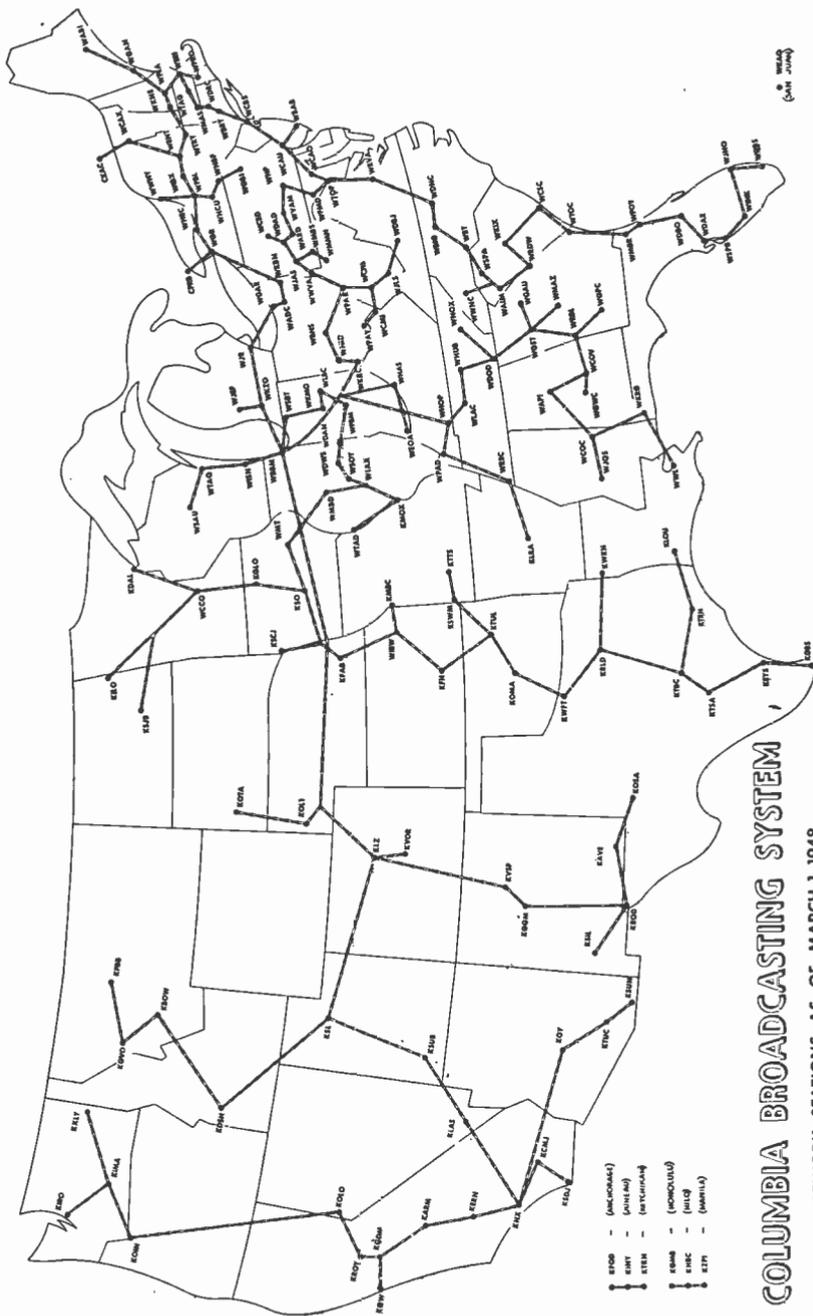
Fewer than 25 station-hours per week.....	Net
25 or more but fewer than 45 station-hours per week....	2½%
45 or more but fewer than 90 station-hours per week....	5%
90 or more station-hours per week.....	7½%

This schedule gives an advantage to daytime advertisers on CBS, as their discount is the same as it would be for an equal unit of time purchased after 6:00 P.M. On the NBC basis, a daytime advertiser earns less weekly discount than he would for an equal purchase of time after 6:00 P.M., since the NBC weekly discount is based on the contracted value of the network time. The contracted value of a daytime period is only half that of an evening period of equal duration.

All contracts for the same advertiser may be combined in figuring weekly station-hour discounts. Thus, an advertiser using both daytime and evening programs can secure the benefit of the combination on each series. CBS charges a 5 per cent premium, however, for programs broadcast between 8:00 and 10:30 P.M., New York Time.

An annual discount of 12½ per cent on the gross station costs is allowed at the conclusion of fifty-two consecutive weeks of broadcasting. This discount is figured on the gross costs, the same as the weekly station-hour discount, but is not allowed until the fifty-two-week cycle has been completed. If an advertiser wishes to sign a non-cancellable contract for fifty-two weeks, the annual discount is allowed currently on weekly billing, together with the station-hour discount.

In 1942, CBS also inaugurated a full-network plan requiring the use of 115 paid stations and allowing an additional 15 per cent discount on net station charges. Only stations within the continental United States may be figured on this basis. This plan has had several revisions and now requires the use of 125 stations with gross billing at the rate of \$26,000 per evening hour. As do all networks, CBS allows



COLUMBIA BROADCASTING SYSTEM

NETWORK STATIONS AS OF MARCH 1, 1948

Figure 4. Courtesy of CBS.

(CBS 1948)

15 per cent agency commission on all net station charges.

In addition to the full-network discount, CBS also allows two partial-network discounts for station time of programs actually using stations with gross rates per night-time hour aggregating the following percentages of \$26,000:

90% or more but less than 95%.....	10%
95% or more.....	12½%

If any stations are unavailable for programs ordering partial networks, other stations must be substituted in order to earn the partial-network discount.

An over-all discount of 20 per cent computed on gross weekly billing is allowed in lieu of station-hour and annual discounts to advertisers who use a minimum of 8,750 station hours or \$1,500,000 of gross billing for station time during an established discount year.

Station Groupings

The CBS network pattern is essentially the same as that of the other three networks. The important markets of the country are covered thoroughly. There is a basic network of twenty-nine stations, of which twenty-eight are paid stations and one is bonus. To this basic network, which is the starting point of every purchase, supplementary groups of stations can be added. These groups are:

Basic Supplementary Group	49 stations (incl. 1 bonus)—none required; available individually as desired.
Southeastern Group	11 stations—available only as a group of not less than 4 stations.
Florida Group	8 stations (4 paid and 4 bonus)—available only as a group and when the Southeastern Group is used.
South Central Group	18 stations (15 paid and 3 bonus)—none required; available individually as desired.
Southwestern Group	11 stations—available only as a group of not less than 5 stations, of which Shreveport must be one.
Northwestern Group	9 stations (7 paid and 2 bonus)—none required; available individually as desired.

Mountain Group	13 stations (9 paid and 9 bonus)—available only as a group, in which two stations, Denver and Salt Lake City must be used.
Pacific Coast Group	13 stations (11 paid and 2 bonus)—available only as a group and when joined to basic network; Mountain Group must be used.
Alaska	4 stations.
Hawaii	2 stations (1 paid and 1 bonus).
Canada	2 stations—available individually.
Philippine Islands	2 stations.
Porto Rico	1 station.

Estimate of Station Costs

An estimate for broadcasting charges on CBS is based on all of these discounts and grouping requirements. A typical estimate for a half-hour evening program between 8:00 and 10:30 P.M. New York Time on a full CBS network of 125 paid stations follows:

<u>Station</u>	<u>City</u>	<u>Power</u>	<u>Frequency</u>	<u>Time</u>	<u>$\frac{1}{2}$ Hour Evening Rate</u>
WCBS	New York	50,000	880	E	810
WADC	Akron	5,000	1350	E	114
WCAO	Baltimore	5,000	600	E	180
WEEI	Boston	5,000	590	E	315
WGR	Buffalo	5,000	550	E	210
WMT	Cedar Rapids	5,000	600	C	150
WBBM	Chicago	50,000	780	C	540
WKRC	Cincinnati	5,000	550	E	210
WGAR	Cleveland	50,000	1220	E	285
KSO	Des Moines	5,000	1460	C	126
WJR	Detroit	50,000	760	E	525
WDRG	Hartford	5,000	1360	E	129
WFBM	Indianapolis	5,000	1260	C	135
KMBC	Kansas City, Mo.	5,000	980	C	210
KFAB	Lincoln	50,000	1110	C	225
WHAS	Louisville	50,000	840	C	300
WCAU	Philadelphia	50,000	1210	E	360
WJAS	Pittsburgh	5,000	1320	E	225
WPRO	Providence	5,000	630	E	144
KMOX	St. Louis	50,000	1120	C	345
WFBL	Syracuse	5,000	1390	E	132

<u>Station</u>	<u>City</u>	<u>Power</u>	<u>Frequency</u>	<u>Time</u>	<u>½ Hour Evening Rate</u>
WTOP	Washington	50,000	1500	E	225
WTAG	Worcester	5,000	580	E	120
WCED	Du Bois	250	1230	E	Bonus
WTRY	Troy	1,000	980	E	120
WBNS	Columbus	1,000	1460	E	126
WHIO	Dayton	5,000	1290	E	105
WHP	Harrisburg	1,000	1460	E	105
WHEC	Rochester	5,000	1460	E	120
WCMI	Ashland	250	1340	E	45
WBAB	Atlantic City	250	1490	E	60
WABI	Bangor	5,000	910	E	75
WNBF	Binghamton	5,000	1290	E	90
WCAX	Burlington, Vt.	5,000	620	E	60
WCHS	Charleston, W. Va.	5,000	580	E	102
WEOA	Evansville	250	1400	C	75
WMMN	Fairmont	5,000	920	E	75
WFMD	Frederick	500	930	E	45
WJEF	Grand Rapids	250	1230	E	45
WHCU	Ithaca	1,000	870	E	60
KSWM	Joplin, Mo.	250	1230	C	45
WARD	Johnstown, Pa.	250	1490	E	51
WDAD	Indiana	250	1450	E	Bonus
WKZO	Kalamazoo	5,000	590	E	90
WKNE	Keene	5,000	1290	E	45
WFEA	Manchester	5,000	1370	E	60
WISN	Milwaukee	5,000	1150	C	159
WPAR	Parkersburg	250	1450	E	60
WMBD	Peoria	1,000	1470	C	105
WGAN	Portland, Me.	5,000	560	E	90
WTAD	Quincy	1,000	930	C	75
WRVA	Richmond	50,000	1140	E	210
WGBI	Scranton	500	910	E	105
WSBT	South Bend	5,000	960	C	75
WMAS	Springfield, Mass.	250	1450	E	90
KTTS	Springfield, Mo.	250	1400	C	45
WIBW	Topeka	5,000	580	C	120
WMBS	Uniontown	1,000	590	E	75
WIBX	Utica	5,000	950	E	75
WBRY	Waterbury	5,000	1590	E	75
WWNY	Watertown	1,000	790	E	60
WWVA	Wheeling	50,000	1170	E	216
KFH	Wichita	5,000	1330	C	120
WKBN	Youngstown	5,000	570	E	120

<u>Station</u>	<u>City</u>	<u>Power</u>	<u>Frequency</u>	<u>Time</u>	<u>½ Hour Evening Rate</u>
WAIM	Anderson	250	1230	E	60
WWNC	Asheville	5,000	570	E	75
WRDW	Augusta	5,000	1480	E	60
WCSC	Charleston, S. C.	5,000	1390	E	75
WBT	Charlotte	50,000	1110	E	240
WKIX	Columbia, S. C.	250	1490	E	45
WDNC	Durham	1,000	620	E	60
WBIG	Greensboro	5,000	1470	E	75
WDBJ	Roanoke	5,000	960	E	90
WTOC	Savannah	5,000	1290	E	90
WSPA	Spartanburg	5,000	950	E	90
WINK	Fort Myers	250	1240	E	Bonus
WMBR	Jacksonville	5,000	1460	E	78
WGBS	Miami	10,000	710	E	120
WDBO	Orlando	5,000	580	E	75
WFOY	St. Augustine	250	1240	E	Bonus
WSPB	Sarasota	250	1450	E	Bonus
WDAE	Tampa	5,000	1250	E	99
WJNO	W. Palm Beach	250	1230	E	Bonus
WGAU	Athens	250	1340	E	Bonus
WGST	Atlanta	1,000	920	E	135
WAPI	Birmingham	5,000	1070	C	105
WDOD	Chattanooga	5,000	1310	C	84
WRBL	Columbus, Ga.	5,000	1420	E	60
WGPC	Albany, Ga.	250	1450	E	Bonus
WNOX	Knoxville	10,000	990	C	135
KLRA	Little Rock	5,000	1010	C	99
WMAZ	Macon	10,000	940	E	75
WREC	Memphis	5,000	600	C	150
WCOC	Meridian	1,000	910	C	60
WCOV	Montgomery	250	1240	C	60
WLAC	Nashville	50,000	1510	C	180
WWL	New Orleans	50,000	870	C	240
WGWC	Selma	250	1340	C	Bonus
KTBC	Austin	1,000	590	C	75
KEYS	Corpus Christi	250	1490	C	39
KRLD	Dallas	50,000	1080	C	270
KGBS	Harlingen	250	1240	C	39
KTRH	Houston	50,000	740	C	210
KOMA	Oklahoma City	50,000	1520	C	165
KTSA	San Antonio	5,000	550	C	135
KWKH	Shreveport	50,000	1130	C	180

<u>Station</u>	<u>City</u>	<u>Power</u>	<u>Frequency</u>	<u>Time</u>	<u>1/2 Hour Evening Rate</u>
KTUL	Tulsa	5,000	1430	C	99
KWFT	Wichita Falls	5,000	620	C	105
KDAL	Duluth	5,000	610	C	90
KILO	Grand Forks	500	1440	C	Bonus
WTAQ	Green Bay	5,000	1360	C	75
KSJB	Jamestown	5,000	600	C	90
KGLO	Mason City	5,000	1300	C	75
WCCO	Minneapolis	50,000	830	C	315
KOTA	Rapid City	5,000	1380	M	60
KOLT	Scottsbluff	1,000	1320	M	Bonus
KSCJ	Sioux City	5,000	1360	C	96
KLZ	Denver	5,000	560	M	165
KVOR	Colorado Spgs.	1,000	1300	M	Bonus
KSL	Salt Lake City	50,000	1160	M	225
KSUB	Cedar City	250	1340	M	Bonus
KGGM	Albuquerque	5,000	610	M	90
KVSF	Santa Fe	1,000	1260	M	Bonus
KROD	El Paso	500	600	M	75
KAVE	Carlsbad	250	1240	M	Bonus
KSIL	Silver City	250	1340	M	Bonus
KOSA	Odessa	250	1450	C	Bonus
KFBB	Great Falls	5,000	1310	M	60
KGVO	Missoula	1,000	1290	M	60
KOY	Phoenix	1,000	550	M	90
KTUC	Tucson	250	1400	M	Bonus
KSUN	Bisbee	250	1230	M	Bonus
KDSH	Boise	1,000	950	M	51
KLAS	Las Vegas	250	1230	M	Bonus
KERN	Bakersfield	1,000	1410	P	45
KNX	Los Angeles	50,000	1070	P	345
KARM	Fresno	5,000	1430	P	60
KOIN	Portland, Ore.	5,000	970	P	144
KOLO	Reno	1,000	920	P	45
KROY	Sacramento	250	1240	P	45
KQW	San Francisco	5,000	740	P	195
KIRO	Seattle	50,000	710	P	216
KXLY	Spokane	5,000	920	P	105
KGDM	Stockton	5,000	1140	P	Bonus
KIMA	Yakima	500	1460	P	36
KCMJ	Palm Springs	250	1340	P	Bonus
KSDJ	San Diego	5,000	1170	P	84

Gross Station Cost (125 paid stations)	\$16,458.00
Less Station-Hour Discount (5% of weekly gross)	822.90
	<hr/>
	\$15,635.10
Less Annual Discount (12½% of weekly gross)	2,057.25
	<hr/>
	\$13,577.85
Less Full-Network Discount (15% of weekly net)	2,036.68
	<hr/>
	\$11,541.17
Plus 5% of Weekly Gross (Premium for 8:00—10:30 PM)	822.90
	<hr/>
Total Net Cost Per Program	\$12,364.07
	<hr/>
Total Net Cost—52 Programs	\$642,931.64
	<hr/> <hr/>

These figures represent the final fifty-two-week cost to the advertiser for a series of half-hour evening programs on 125 paid and seventeen bonus stations. But, because the annual discount is not allowed until the fifty-two consecutive weeks have been completed, the actual per program billing to the agency would be submitted in the following form on each invoice:

Gross Station Cost	\$16,458.00
Less Station-Hour Discount (5% of weekly gross)	822.90
	<hr/>
	\$15,635.10
Less Full-Network Discount (15% of weekly net)	2,345.27
	<hr/>
	\$13,289.83
Plus 5% of Weekly Gross (Premium for 8:00—10:30 PM)	822.90
	<hr/>
Total Net Cost Per Program	\$14,112.73
	<hr/> <hr/>

Billing on this basis is submitted to the advertising agency, which in turn bills the advertiser \$14,112.73 for the half-hour broadcast. However, the advertising agency retains its 15 per cent commission and pays the network only \$14,112.73 less 15 per cent, or \$11,995.82, thereby earning \$2,116.91 commission.

At the conclusion of fifty-two consecutive weeks of broadcasting, the advertiser has earned the 12½ per cent

annual discount on his gross station expenditures for the year. A credit memorandum is then prepared to cover the fifty-two broadcasts which reduces the total net cost per program to the amount first shown above.

During the entire series, the advertiser has been billed at the rate of \$14,112.73 per program, but he has now earned the rate of \$12,364.07 per program. Similarly, the agency has retained commission at the rate of \$2,116.91 per program, whereas, on the lower cost to the advertiser, this commission is only \$1,854.61 per program.

The advertiser is due a credit at the rate of \$1,748.66 per program and 85 per cent of this amount, or \$1,486.36, is allowed by the network. The remaining 15 per cent, or \$262.30, is made up by the agency from the overpayments of commission which have been received.

The ultimate result, then, is that the advertiser pays \$12,364.07 for each broadcast in the fifty-two week series, the advertising agency earns \$1,854.61 commission for each broadcast, and the network receives payment of \$10,509.46 per program.

Interruptions and one-time omissions are credited on the monthly invoices as they occur, or subsequent credit memoranda are issued. The 12½ per cent annual discount is not allowed on any gross costs so credited within the fifty-two weeks. On the basis of monthly payments, allowance of the first 2 per cent of gross billing included in the aggregate amount of discount to which any program may be entitled is contingent upon payment of charges therefor, on or before the fifteenth day of the month following the date of broadcast.

Summer Hiatus Plan

In order to accommodate advertisers for whom it would be impracticable or uneconomic to broadcast during the summer, CBS has had in effect a hiatus plan which in the summer season of 1948 was as follows:

1. Restricted to programs broadcast at 7:00 P.M., Current New York Time, or thereafter.
2. Can be taken at any season of the year.

3. Notice of intention to take a hiatus must be received at least 45 days in advance of the first hiatus date.
4. Coincidentally, a firm order must be placed for a minimum of 13 consecutive weeks of broadcasting over the same facilities (or more) following termination of the hiatus period.
5. Length of earned hiatus is determined by number of *paid* stations, as follows:

40 to 45 stations	—	4	weeks
46 to 55	“	—	5 “
56 to 70	“	—	6 “
71 to 90	“	—	7 “
91 or more	“	—	8 “

(No hiatus for fewer than 40 paid stations. Size of network ordered for resumption, rather than that preceding the hiatus, governs the length of “earned” hiatus.)

6. An advertiser on the over-all discount basis (8750 station-hours or \$1,500,000 gross billing per annum) loses 5 points of his discount for 52 weeks less the hiatus period (i.e., reduced from 20% to 15%, or if he is on full-network, reduced from 32% to 27%). His other programs which do not take a hiatus are not affected.
7. An advertiser on the 12½% annual-discount basis loses the annual rebate during his established annual-discount year. Further, if he does not complete 52 weeks, less the period of hiatus, during his annual-discount year, he owes CBS 12½% of his weekly gross billing times the number of weeks he lacks of completing 52 weeks, less the hiatus.
8. The maximum hiatus permitted is 13 weeks, and the advertiser may either buy weeks in excess of his earned hiatus or borrow hiatus credits from another eligible program not taking a hiatus.
9. An over-all discount advertiser may increase his hiatus by borrowing hiatus credits from another of his eligible programs which does not take a hiatus. In such cases, both programs are penalized.
10. Hiatus may be taken for only part of a program's time (i.e., replacing a 30-minute show with a 15-minute show during the earned hiatus weeks). In this event, over-all discount loss is reduced, or annual discount is figured on a new base—the 15-minute billing.
11. Since the hiatus plan is a privilege and not a contractual obligation, CBS must reserve the right to modify it at any time.

12. All accounts eligible for hiatus are subject to the conditions of the CBS hiatus policy then current.

This, then, is an outline of twenty years of growth of the Columbia Broadcasting System. These two decades have been twenty difficult years. A briefer summary of CBS achievement during that span is contained in *The Radio Station* by Jerome Sill:²

"It [CBS] came into the field some years after NBC was established. With the independence of action resulting from its not being a subsidiary of a vast industrial combine (such as RCA) and with an unique brittle brilliance characterizing its almost every move it has pushed ahead in total advertising volume to first place. The management of CBS headed by William Paley, Chairman of the Board, and Frank Stanton, President has displayed courage, imagination, vision and a daring so far unparalleled in the broadcasting field. Hence its meteoric rise in network prominence. . . . CBS has contributed much to the art of radio programming. In the field of foreign news coverage and in radio dramatics, with such sustaining programs as the Columbia Workshop, CBS programs have helped radio make marked strides in the art of radio broadcasting."

² Sill, Jerome, *The Radio Station*, pp. 22, 23. New York: George W. Stewart, 1946.

CHAPTER VIII

The American Broadcasting Company

THE American Broadcasting Company is the newest national network in the United States. No other network has experienced the vagaries of ownership and threats to its very existence that this network has. It is, of course, an outgrowth of the former Blue Network of the National Broadcasting Company.

Although the Blue Network was formed in January, 1927, as the second network of NBC, predating the Columbia Broadcasting System by nine months and the Mutual Broadcasting System by seven years, there are few ABC stations which were associated with the Blue Network in 1927.

In the early years of its operation it seemed destined to become the leading network in the country. Many of the outstanding programs of those pioneer years were broadcast on the Blue Network. Its line-up of stations was strong and, with the increasing purchase of broadcasting time year after year, its future seemed assured.

As pointed out in Chapter VI, NBC originally alternated its supplementary groups of stations between the basic Red and Blue Networks to provide coast-to-coast coverage. During the first eleven years of the dual network operation, NBC did not release separate gross time-sales figures for the two networks. The combined time sales of the Red and Blue Networks were reported only as NBC time sales. It is difficult, therefore, to compare the revenues of the two networks during this period, but there was a distinct trend

away from the Blue Network at this time. This was due to several causes: improvements and extensions of the Red Network station line-up, greater sales effort on behalf of the Red Network by the NBC sales staff (for during this period both networks were listed on the same rate card and sold by the same selling group), and others less tangible. The net result was that many of the important Blue Network sponsors shifted their programs to the Red Network and many of the new, popular programs started on the Red Network.

By 1938, the Blue Network was established as a complete coast-to-coast network by affiliation with an entirely new group of stations in the supplementary areas, divorcing the Blue Network, once and for all, from the former Red Network supplementary outlets which it had previously been privileged to use. It was a difficult task to secure strong groupings of supplementary stations at that time, for, in addition to the Red Network, CBS had consolidated its coast-to-coast network and MBS had embarked on its network-building program. Lower-powered stations were available, but it required many more of them to produce coverage approximating that of NBC and CBS.

However, with the separation effective in 1938, NBC for that year and the two following years issued separate time sales figures for the Red and Blue Networks. Those figures show:¹

	GROSS TIME SALES	
	<u>NBC Blue (now ABC)</u>	<u>NBC Red</u>
1938.....	\$ 9,635,131	\$31,827,548
1939.....	8,643,618	36,600,736
1940.....	10,707,678	39,955,322

These are the only three years for which direct comparisons of the two networks are available. In 1941, NBC discontinued the release of billing figures for the Red Network and they were submerged in the annual-income statement of the parent Radio Corporation of America.

In 1941, the FCC adopted the *Rules Applicable to Sta-*

¹ *Broadcasting Year Book, 1947*, p. 38, *Broadcasting Magazine*, Washington, D. C.

tions Engaged in Chain Broadcasting, and in Section 3.107 it was provided that no license would be granted to a standard broadcast station affiliated with a network organization which maintained more than one network. This was the death knell for NBC's operation of both the Red and Blue Networks. It was immediately apparent, the FCC having provided that this section would become effective on April 12, 1944, that NBC would be forced to decide which network to continue operating and which network to offer for sale.

On January 9, 1942, the Blue Network was incorporated as an independent organization to be known as the Blue Network Company, Inc., and to use as its identification on the air, "This is the Blue Network."

From this time forward, NBC busied itself with grooming the Blue Network for sale. Many of its experienced sales staff and key personnel were transferred to the Blue Network where they could expend their full time and talents on building up that operation. A separate rate card was issued, and the NBC sales staff sold only the Red Network. A spirit of competition, previously lacking, was developed between the two chains. The great disservice that NBC did to the Blue Network was to withdraw a number of its most important and most powerful stations and establish them as Red Network outlets. These, as outlined in Chapter VI, were such stations as KDKA-Pittsburgh, WBAL-Baltimore, and WHAM-Rochester.

Gross time sales for the Blue Network were released each year and showed impressive gains:

1941	—	\$12,858,169
1942	—	15,782,493
1943	—	24,869,948

By the middle of 1943, it was evident that the time granted to NBC by the FCC for disposal of one of the networks was rapidly running out and that a responsible purchaser must be found. Appeals to the courts had failed and the Supreme Court had found that the appeals against the FCC Rules did not fall within its jurisdiction.

However, the Blue Network had doubled its sales since 1941 and represented a more marketable network.

On October 14, 1943, the Blue Network Company, Inc., was sold to the American Broadcasting Company, Inc., owned by Edward J. Noble, a successful industrialist, well known for his development of Life Savers, Inc., and purchaser and operator of the independent station WMCA in New York. Effective December 30, 1944, the Blue Network title was dropped after eighteen years of honorable and productive service to the American listening public. Since that date, the network has been known to the trade and listeners alike as the American Broadcasting Company.

The change in ownership produced few visible changes in operation. Essentially the same staff was maintained, the same policies adhered to, and the same acceptance was received from advertisers. Gross time sales reached a new high in 1944 and have hovered about the same figure since then:

1944	—	\$41,356,129
1945	—	40,045,966
1946	—	40,617,130

During this period of corporate travail, ABC did not lose step in planning and producing programs which would attract listeners and serve the public interest. One of the finest educational programs ever broadcast had its longest and most successful run on this network. It was the "Damrosch Hour," originally entitled, in 1928, "RCA Educational Hour," and was a music-appreciation program broadcast at a time when it could be heard in school and college classrooms. Collateral material in the form of manuals, notebooks, and explanatory helps was supplied to educational institutions. These broadcasts had wide acceptance throughout the country and presented a happy combination of materials and an appealing, authoritative personality. When Dr. Damrosch retired in 1942, the programs were discontinued.

Daytime Program Development

Soap operas presented a real challenge to ABC. NBC and CBS had heavy schedules of the daytime serials and ABC

had few. First it was whispered about, and later surveys tended to substantiate the claim, that the daytime audience of women listened to one serial after another for hours on end. This is not a condemnation of the women, for they only listen to their daytime serials in the same manner that their husbands read every comic strip in rapid sequence from the top to the bottom of the page in their morning and evening newspapers.

Several advertisers suspected that women listened to these programs simply because no other program fare was offered to them, and they inserted lackluster musical programs in the parade, which proved to be signal failures. ABC, faced with a concentration of soap operas on the daytime schedules of its two strongest competitors, set out to discover a program appeal which would attract some of this audience to its own stations. The answer was found in two of the most popular daytime programs: "The Breakfast Club," broadcast from 9:00 to 10:00 A.M., New York Time, Monday through Friday, and "Breakfast in Hollywood," broadcast from 11:00 to 11:30 A.M., New York Time, Monday through Friday.

"The Breakfast Club" is a pleasant hour of music handled by a capable master of ceremonies and frequent guest stars. "Breakfast in Hollywood" is a quiz program, conducted in a Hollywood restaurant by a versatile quizmaster until his untimely death in April, 1948, and distinguished chiefly by his pilfering and wearing the hat of some dear old lady from Iowa and awarding an orchid to her sister. Both programs have built a tremendous listening audience for the ABC stations during the morning listening hours. But, as so often happens in radio when a new program is thrown into the listening equation, these shows have attracted new audiences as well as having acquired listeners at the expense of competing daytime serials. The whole listening base has been widened, and the number of sets in use during the morning hours has increased. Moreover, these two programs illustrate a great point in broadcasting. Radio is so big and the tastes of the listening audience are so varied that a good program on a good network or station will always attract a profitable audience.

Both "The Breakfast Club" and "Breakfast in Hollywood" are sold in "participations" of quarter-hour segments, and it has been reported that there is a list of national advertisers waiting to purchase participations. At least, these programs have brought a variety in morning listening to the American housewife.

ABC had a position of leadership in children's programs thrust upon it for two reasons: first, desirable, late afternoon periods were available for reaching this audience, and second, a more tolerant view of program material was entertained than in the case of some of the other networks. A program of adventure, mystery, or thrills, if kept within proper bounds and directed to the juvenile audience, is an excellent radio vehicle for many types of manufacturers. Much of the ABC revenue during the past twelve years has come from this type of broadcasting.

Pioneering in Evening Programs

"America's Town Meeting of the Air" with George V. Denny as moderator has been broadcast on ABC since 1935. In a full hour broadcast, controversial issues and current national and international problems are debated by expert and talented exponents of various sides of the question. It is one of radio's outstanding contributions to service for the whole nation. For nine years it was presented as a sustaining program, but in 1944 sponsorship was purchased by *The Reader's Digest*. Doubts were expressed as to whether its character, quality, and integrity could be maintained under commercial sponsorship. The effects of this purchase have been outlined by Mr. Denny:²

"After five months of sponsorship by the Reader's Digest under a contract with the Blue Network which gives Town Hall complete freedom as to the selection of subjects and speakers, with the express provision that the sponsor shall have no control whatever over the selection of speakers and topics or the content of the program, I am pleased to say that the sponsorship of a forum

² Waller, Judith, *Radio—the Fifth Estate*, p. 136. New York: Houghton Mifflin Co., 1946.

program, as we know it, is eminently satisfactory. Instead of 120 stations or less, from time to time, we have 181 stations carrying the program with the interest and support of nearly all of these stations, together with the promotion given us by our sponsor, the sponsor's advertising agency and the news distribution service in the various cities throughout the country. By means of the additional funds made available as a commercially sponsored program, we have enlarged our production staff and have a Research Department of four people which supplies factual material to all of the speakers in advance of each program."

The net result of the sale of the program rights has been that the program has been improved and has been extended to a far wider area. Since the period of sponsorship by *The Reader's Digest*, the program has been offered for cooperative sponsorship to the ABC affiliated stations and has met with continued success.

The American Network broke down an operating policy adhered to rigidly by CBS and NBC when it announced that it would accept recordings for network broadcasts. This flexibility resulted in the selection of ABC for one of the most important purchases of network time in a decade—the "Bing Crosby Show" for Philco.

The entire industry was aware that Crosby's contract with Kraft Cheese had expired and that several sponsors were seeking to contract for his services. Speculation was rife as to which advertiser would be successful and as to which network would be purchased. Then it was reported that Crosby did not wish to make a personal appearance each week at a scheduled time but preferred to record several programs at a time and have them played on a regular weekly schedule. This threw a bombshell into the ranks of network broadcasting and eliminated NBC and CBS from the list of possible network choices, for they would not accept recorded programs on their network lines at that time. Finally, the order was placed with the American Network and the series started in October, 1946. Only occasionally has Crosby appeared with a live broadcast (a few live broadcasts are provided for in the contract

with the advertiser) in the Wednesday period. The first rating on the new program—on a new network, at a new time, and for a new sponsor—was an amazing 24.0. This was built up to a great degree by a concentrated promotion campaign launched by both the American Network and the advertiser. Successive ratings dropped alarmingly, then became stabilized, and have now climbed back up to place the program among the first five top-ranking shows on the air.

One of the primary goals of the recorded series, however, does not seem to have been achieved. In recording several programs in succession, Crosby and the cast had anticipated long interims when rehearsals and broadcasts would not be necessary. But reliable reports from Hollywood indicate that this spacing of programs has not been obtained. This is understandable, for the program requires timeliness of material and expert writing and rewriting. The prodigious rate at which it uses material places a terrific strain on the most versatile staff of writers if they are required to produce three or four programs simultaneously. The recorded series is a new departure which has been watched most carefully by the other networks, advertisers, and radio talent and has had an important influence on the future course of network broadcasting.

Daylight Saving Time Plan

On the basis of its acceptance of recorded network programs, the American Network tried an experiment in 1946 to lessen the confusion caused by the annual appearance of Daylight Saving Time. Instead of making adjustments in the individual program schedules as did CBS and NBC, American broadcast the programs "live" to all cities which observed Daylight Saving Time in the Eastern and Central Time Zones. There was no change in the local time of broadcast in those cities. Simultaneously with the live broadcasts of the programs, recordings were made in Chicago and Hollywood. These were played back over

network lines one hour later—from Chicago to the Central and Mountain Time Zone cities which remained on Standard Time, and from Hollywood to the Pacific Standard Time Zone cities, none of which observed Daylight Saving Time. In this manner, the local time of broadcast was preserved in all network cities whether or not they adopted Daylight Saving Time. This practice worked out satisfactorily on the American schedule, although it was not used on all programs, and was the fore-runner of the Daylight Saving Time Plan adopted by all networks in 1948.

Owned and Managed Stations

ABC operates the following individual standard radio stations:

WJZ	New York
WXYZ	Detroit
KGO	San Francisco
KECA	Los Angeles

Co-operative Programs

The American Network has been one of the leaders in building co-operative programs and offering them to affiliated stations for local sale. This is one of the soundest developments in network broadcasting. Just as a network supplies a local station with programs of a caliber far beyond the latter's means to produce, so a co-operative program offers to the local advertiser an opportunity to sponsor exclusively in his area a program of a stature which the average local station could not duplicate. Co-operative programs were at first limited to news analysts and reporters or quiz programs but now include outstanding comedy programs as well. Musical and comedy programs employing AFM and AFRA performers create a complex situation involving fees.

A satisfactory fee basis has been negotiated with these unions, however, making it possible to offer a wider variety of co-operative programs to affiliated stations—a valuable development for networks, local stations, and advertisers.

Station Groupings

The network composition of ABC is essentially the same as CBS and NBC. There is a basic network to which can be added supplementary groups of stations across the country, as follows:

Basic Network	55 stations, including 6 bonus—available as a group.
Northeast Group	44 stations, including 3 bonus stations—available individually.
Southeast Group	41 stations, including 4 bonus stations—available as a group.
Northcentral Group	25 stations—available as a group.
Southcentral Group	24 stations, including 3 bonus stations—available as a group.
Southwestern Group	31 stations, including 4 bonus stations—individually except that 7 Oklahoma and 6 Texas stations must be purchased as individual groups.
Mountain Pacific Coast, Mountain group	20 stations, including 4 bonus stations—available individually except that 5 Idaho, 4 New Mexico, and 3 Wyoming stations must be purchased as a complete group.
Pacific Coast Group	21 stations, including 2 bonus stations.

This makes a total of 261 stations within the continental United States. Of these stations, nine operate during daylight hours only, which reduces the evening total to 216 stations. In addition to these stations, there are ABC affiliates in Montreal and Toronto in Canada and in Hamilton, Bermuda.

Rates and Discounts

The schedule of ABC rates by time periods differs somewhat from the schedules of CBS and NBC. The full evening rate applies from 6:00 to 11:00 P.M. From 12:00 noon to 4:00 P.M. on Sundays, $\frac{2}{3}$ of the full evening rate apply; and from 4:00 to 6:00 P.M. on Sundays, $\frac{3}{4}$ of the full evening rate apply. As in the case of the other networks, the day rate from 8:00 A.M. to 6:00 P.M. (except

Sunday afternoon) and the night rate from 11:00 P.M. to 12:00 midnight are one-half of the full evening rate. The rate from 12:00 midnight to 8:00 A.M. is $\frac{1}{3}$ of the full evening rate. Service is available within the latter hours only if a regularly scheduled program precedes or follows the period.

Rates for fractional parts of the hour are figured at the following percentages of the hourly rate:

5 minutes	20%
10 "	33 $\frac{1}{3}$ %
15 "	40%
20 "	46 $\frac{2}{3}$ %
25 "	53 $\frac{1}{3}$ %
30 "	60%
35 "	66 $\frac{2}{3}$ %
40 "	73 $\frac{1}{3}$ %
45 "	80%
50 "	86 $\frac{2}{3}$ %
55 "	93 $\frac{1}{3}$ %
60 "	100%

Programs can originate in their entirety from the network studios in New York, Chicago, Washington, or Hollywood at no charge. Originations from other points for complete or partial programs are billed to the advertiser at a special charge.

The ABC discount structure most closely parallels NBC in that the first consideration is the gross weekly contracted value of the time. But, unlike NBC, this is modified by the number of groups of stations covered by the contract as follows:

<i>Number of Groups</i>	WEEKLY GROSS CONTRACTED VALUE				
	\$2,000 to \$4,000	\$4,000 to \$7,000	\$7,000 to \$12,000	\$12,000 to \$18,000	\$18,000 or More
	%	%	%	%	%
Split Basic.....	None	2 $\frac{1}{2}$	5	7 $\frac{1}{2}$	10
Basic.....	2 $\frac{1}{2}$	5	7 $\frac{1}{2}$	10	12 $\frac{1}{2}$
Basic Plus 1 Group.....	5	7 $\frac{1}{2}$	10	12 $\frac{1}{2}$	15
Basic Plus 2 Groups....	7 $\frac{1}{2}$	10	12 $\frac{1}{2}$	15	17 $\frac{1}{2}$
Basic Plus 3 Groups....	10	12 $\frac{1}{2}$	15	17 $\frac{1}{2}$	20

Basic Plus 4 Groups....	12½	15	17½	20	22½
Basic Plus 5 Groups....	15	17½	20	22½	25
Basic Plus 6 Groups....	17½	20	22½	25	27½

The 6 Groups referred to in the discount table are:

Southeastern.....	1 Group
South Central.....	1 Group
Southwestern.....	1 Group
Pacific Coast and Mountain.....	1 Group
Supplementary Stations	{ Totaling \$1,800 to \$3,600..... 1 Group or Totaling \$3,600 or more..... 2 Groups
(Supps. to Basic & Groups)	

(The dollar-value referred to above for Supplementary Stations is figured at the gross evening hour rate; daytime hour values are one-half; value for other units of time are in proportion to the rate structure.)

Special Daytime Discount

The following discounts will be allowed to Advertisers using the Basic plus 6 Groups for Daytime (9:00 AM to 6:00 PM NYT) broadcasting of a series of programs of 15 minutes or longer on 3 to 6 days per week:

3 Days per Week.....	27½%
4 Days per Week.....	30%
5 or 6 Days per Week.....	32½%

As an incentive to daytime sponsors, a special discount allows a daytime advertiser who uses full facilities a higher rate of discount than he could earn under the first schedule. An annual rebate of 12½ per cent on gross station costs is allowed at the conclusion of fifty-two consecutive weeks of broadcasting. There are no premium-time periods in which an advertiser loses a portion of his normal earned discount.

ABC does not allow an over-all discount currently to advertisers whose contracted network gross billing totals \$1,500,000 within a twelve-month period. Instead, an annual discount of 15 per cent is allowed in addition to the weekly discount. (The CBS and NBC over-all discounts represent a combination of the weekly discount and only the 12½ per cent annual discount.) This annual discount is allowed to all advertisers who meet the \$1,500,000 requirement in lieu of the standard discount and annual rebate and also in lieu of the special daytime discount and annual rebate.

A prompt-payment credit equivalent to two points of the

combined discount allowed is contingent upon full payment of bills on or before the fifteenth day of the month following the month in which the broadcast is made. This is, again, the maverick 2 per cent cash discount forced on the networks by the 4-A's.

Estimate of Station Costs

The following estimate prepared by Batten, Barton, Durstine and Osborn, Inc., for its client, the United States Steel Corporation, is a typical estimate of American Broadcasting Company facilities:

United States Steel Corporation
Theatre Guild on the Air
American Broadcasting Company
Sunday 10:00—11:00 PM—NYT—
52 Weeks—9/8/46—8/31/47

Date: November 6, 1946
Revised March 10, 1947
Revised April 21, 1947

<u>Station</u>	<u>City</u>	<u>Gross per Week</u>	<u>Rate Changes & Remarks</u>	<u>Local Time</u>
BASIC NETWORK				
WJZ	New York, N. Y.	\$1,400.00		10:00 P.M.
WAKR	Akron, Ohio	180.00		10:00 P.M.
WFBR	Baltimore, Md.	350.00		10:00 P.M.
WCOP	Boston, Mass.	•400.00		10:00 P.M.
WNAB	Bridgeport, Conn.	80.00		10:00 P.M.
WKBW	Buffalo, N. Y.	320.00	(360.00 eff. 6/1/47)	10:00 P.M.
WXYZ	Detroit, Mich.	460.00	(500.00 eff. 7/6/47)	10:00 P.M.
WTHT	Hartford, Conn.	120.00		10:00 P.M.
WLAW	Lawrence, Mass.	160.00		10:00 P.M.
WMUR	Manchester, N. H.	100.00		10:00 P.M.
WNBH	New Bedford, Mass.	80.00		10:00 P.M.
WOCB	Hyannis, Mass.	Bonus		10:00 P.M.
WELI	New Haven, Conn.	140.00	(160.00 eff. 10/6/46)	10:00 P.M.
WFIL	Philadelphia, Pa.	400.00		10:00 P.M.
WCAE	Pittsburgh, Pa.	460.00		10:00 P.M.
WFCI	Providence, R. I.	160.00		10:00 P.M.
WRNL	Richmond, Va.	140.00		10:00 P.M.
WFVA	Fredericksburg, Va.	Bonus		10:00 P.M.
WSPR	Springfield, Mass.	180.00		10:00 P.M.
WAGE	Syracuse, N. Y.	240.00		10:00 P.M.

<u>Station</u>	<u>City</u>	<u>Gross per Week</u>	<u>Rate Changes & Remarks</u>	<u>Local Time</u>
BASIC NETWORK (Cont.)				
WTRY	Troy—Albany, N. Y.	200.00	(WOKO eff. 1/5/47 rate \$180)	10:00 P.M.
WMAL	Washington, D. C.	300.00		10:00 P.M.
WATR	Waterbury, Conn.	100.00		10:00 P.M.
WWVA	Wheeling, W. Va.	320.00		10:00 P.M.
WORC	Worcester, Mass.	180.00		10:00 P.M.
WINC	Winchester, Va.	Bonus		10:00 P.M.
WENR	Chicago, Ill.	750.00	(900.00 eff. 6/1/47)	9:00 P.M.
WSAI	Cincinnati, Ohio	240.00	(280.00 eff. 1/5/47)	10:00 P.M.
WJW	Cleveland, Ohio	360.00		10:00 P.M.
WCOL	Columbus, Ohio	140.00		10:00 P.M.
WOC	Davenport, Iowa	180.00	(off after 12/29/46— replaced by WHBF)	9:00 P.M.
WPOR	Portland, Me.	100.00		10:00 P.M.
WHBF	Rock Island, Ill.	180.00	(starts 1/5/47 replaces WOC)	9:00 P.M.
WING	Dayton, Ohio	160.00		10:00 P.M.
KRNT	Des Moines, Iowa	240.00		9:00 P.M.
WOWO	Fort Wayne, Ind.	220.00		9:00 P.M.
WISH	Indianapolis, Ind.	200.00		9:00 P.M.
KCMC	Kansas City, Mo.	240.00		9:00 P.M.
WREN	Lawrence, Kan. \$	140.00		9:00 P.M.
WINN	Louisville, Ky.	120.00	(140.00 eff. 10/6/46)	9:00 P.M.
WEMP	Milwaukee, Wisc.	140.00		9:00 P.M.
WTCN	Minneapolis- St. Paul, Minn.	300.00		9:00 P.M.
KXOK	St. Louis, Mo.	360.00		9:00 P.M.
WIRL	Peoria, Ill.	140.00	(approx. June 1)	9:00 P.M.
KFRU	Columbia, Mo.	Bonus		9:00 P.M.
WNAX	Sioux City-Yankton, S. D.	275.00		9:00 P.M.
WTOL	Toledo, Ohio	120.00		10:00 P.M.
KXEL	Waterloo, Iowa	300.00		9:00 P.M.
KBUR	Burlington, Iowa	Bonus		9:00 P.M.
NORTHEASTERN GROUP				
WRTA	Altoona, Pa.	80.00	(approx. May 4, 1947)	10:00 P.M.
WFPG	Atlantic City, N. J.	60.00		10:00 P.M.
WLEU	Erie, Pa.	120.00		10:00 P.M.
WSAZ	Huntington, W. Va.	120.00		10:00 P.M.

<u>Station</u>	<u>City</u>	<u>Gross per Week</u>	<u>Rate Changes & Remarks</u>	<u>Local Time</u>
NORTHEASTERN GROUP (Cont.)				
WJTN	Jamestown, N. Y.	80.00		10:00 P.M.
WHGB	Harrisburg, Pa.	100.00		10:00 P.M.
WJOY	Burlington, Vt.	40.00	(starts 9/15/46)	10:00 P.M.
WHDL	Olean, N. Y.	40.00		10:00 P.M.
WMFF	Plattsburg, N. Y.	40.00		10:00 P.M.
WKIP	Poughkeepsie, N. Y.	40.00		10:00 P.M.
WARM	Scranton, Pa.	80.00	(100.00 eff. 10/6/46)	10:00 P.M.
WSTC	Stamford, Conn.	50.00		10:00 P.M.
WTVL	Waterville, Me.	40.00		10:00 P.M.
WMSA	Massena, N. Y.	20.00	(starts 9/29/46)	10:00 P.M.
WJBC	Bloomington, Ill.	40.00		9:00 P.M.
WKBB	Dubuque, Iowa	60.00		9:00 P.M.
WDSM	Duluth, Minn.- Superior, Wisc.	100.00		9:00 P.M.
KOIL	Omaha, Neb.	220.00		9:00 P.M.
WLAP	Lexington, Ky.	80.00	(100.00 eff. 1/5/47)	9:00 P.M.
KFOR	Lincoln, Neb.	80.00		9:00 P.M.
WMAN	Mansfield, Ohio	50.00		10:00 P.M.
WMRN	Marion, Ohio	40.00		10:00 P.M.
WOSH	Oshkosh, Wisc.	50.00		9:00 P.M.
WRJB	Racine, Wisc.	60.00		9:00 P.M.
WROK	Rockford, Ill.	100.00		9:00 P.M.
KFEQ	St. Joseph, Mo.	120.00	(off after 4/27/47)	9:00 P.M.
KMA	Shenandoah, Iowa	140.00		9:00 P.M.
WCVS	Springfield, Ill.	80.00		9:00 P.M.
KWTO	Springfield, Mo.	160.00		9:00 P.M.
WIZE	Springfield, Ohio	80.00		10:00 P.M.
WFMJ	Youngstown, Ohio	120.00		10:00 P.M.
WBEC	Pittsfield, Mass.	60.00	(starts Mar. 30, 1947)	10:00 P.M.
WHBU	Anderson, Ind.	20.00		9:00 P.M.
WHOT	South Bend, Ind.	80.00		9:00 P.M.
WHBL	Sheboygan, Wisc.	60.00		9:00 P.M.
WILK	Wilkes Barre, Pa.	80.00	(starts 2/16/47)	9:00 P.M.
WNBZ	Saranac Lake, N. Y.	Bonus	(" ")	9:00 P.M.
WELM	Elmira, N. Y.	60.00	(approx. Apr. 20, 1947)	9:00 P.M.
MICHIGAN NETWORK				
WBCM	Bay City, Mich.	60.00		10:00 P.M.
WFDF	Flint, Mich.	120.00		10:00 P.M.

<u>Station</u>	<u>City</u>	<u>Gross per Week</u>	<u>Rate Changes & Remarks</u>	<u>Local Time</u>
MICHIGAN NETWORK (Cont.)				
WJIM	Lansing, Mich.	60.00		10:00 P.M.
WELL	Battle Creek, Mich.	30.00	(40.00 eff. 1/5/47)	10:00 P.M.
WLAV	Grand Rapids, Mich.	100.00	(120.00 eff. 1/5/47)	10:00 P.M.
WIBM	Jackson, Mich.	30.00	(40.00 eff. 1/5/47)	10:00 P.M.
WSOO	Sault Ste. Marie, Mich.	Bonus		10:00 P.M.
WKBZ	Muskegon, Mich.	60.00	(starts 1/12/47)	10:00 P.M.
WGUY	Bangor	60.00	(approx. July 6, 1947)	10:00 P.M.
DAIRYLAND NETWORK				
KATE	Albert Lea, Minn.	40.00		9:00 P.M.
KWLM	Willmar, Minn.	40.00		9:00 P.M.
KWNO	Winona, Minn.	40.00		9:00 P.M.
SOUTHEASTERN GROUP				
WNCA	Asheville, N. C.	60.00		10:00 P.M.
WGAC	Augusta, Ga.	60.00		10:00 P.M.
WAYS	Charlotte, N. C.	120.00		10:00 P.M.
WCHA	Charlottesville, Va.	40.00		10:00 P.M.
WCOS	Columbia, S. C.	80.00		10:00 P.M.
WOLS	Florence, S. C.	Bonus		10:00 P.M.
WKNA	Charleston, W. Va.	120.00	(starts 1/12/47)	10:00 P.M.
WMFJ	Daytona Beach, Fla.	60.00	(\$40. eff. Mar. 16, 1947)	10:00 P.M.
WMRC	Greenville, S. C.	60.00		10:00 P.M.
WHKY	Hickory, N. C.	60.00		10:00 P.M.
WMFR	High Point, N. C.	50.00		10:00 P.M.
WPDQ	Jacksonville, Fla.	160.00		10:00 P.M.
WJHL	Johnson City, Tenn.	80.00		10:00 P.M.
WGBS	Miami, Fla.	200.00		10:00 P.M.
WGH	Norfolk-Newport News, Va.	120.00		10:00 P.M.
WLPM	Suffolk, Va.	Bonus		10:00 P.M.
WLOF	Orlando, Fla.	60.00	(off after Apr. 6, 1947)	10:00 P.M.
WBSR	Pensacola, Fla.	40.00	(starts 10/27/46)	9:00 P.M.
WWPG	Palm Beach, Fla.	60.00		10:00 P.M.
WORD	Spartanburg, S. C.	60.00		10:00 P.M.
WAIR	Winston-Salem, N. C.	80.00		10:00 P.M.

<u>Station</u>	<u>City</u>	<u>Gross per Week</u>	<u>Rate Changes & Remarks</u>	<u>Local Time</u>
SOUTHEASTERN GROUP (Cont.)				
WSUN	Tampa-St. Petersburg, Fla.	140.00	(160.00 eff. 10/6/46)	10:00 P.M.
WBTM	Danville, Va.	60.00		10:00 P.M.
WLVA	Lynchburg, Va.	60.00		10:00 P.M.
WSLS	Roanoke, Va.	100.00		10:00 P.M.
WKEY	Covington, Ky.	Bonus		10:00 P.M.
WDAR	Savannah, Ga.	80.00	(starts 10/27/46)	10:00 P.M.
WTON	Staunton, Va.	Bonus		10:00 P.M.
WHAN	Charleston, S. C.	80.00	(starts 1/10/47)	10:00 P.M.
SOUTHEASTERN SUPPLEMENTARIES				
WFTC	Kinston, N. C.	20.00		10:00 P.M.
WEED	Rocky Mount, N. C.	30.00		10:00 P.M.
WMFD	Wilmington, N. C.	40.00		10:00 P.M.
WRMP	Tallahassee, Fla.	40.00	(starts 10/27/46)	10:00 P.M.
SOUTH CENTRAL GROUP				
WAGA	Atlanta, Ga.	240.00		10:00 P.M.
WJBO	Baton Rouge, La.	100.00	(Becomes WLCS approx. 11/3/46 at rate of 60.00)	9:00 P.M.
WSGN	Birmingham, Ala.	180.00		9:00 P.M.
WDEF	Chattanooga, Tenn.	120.00		9:00 P.M.
KTHS	Hot Springs, Ark.	120.00		9:00 P.M.
WJOI	Florence, Ala.	Bonus		9:00 P.M.
WSLI	Jackson, Miss.	100.00		9:00 P.M.
WQBC	Vicksburg, Miss.	Bonus	(off after 12/30/46)	—
WBIR	Knoxville, Tenn.	120.00		10:00 P.M.
KGHI	Little Rock, Ark.	80.00		9:00 P.M.
WDAK	Columbus, Ga.	80.00		10:00 P.M.
WGNH	Gadsden, Ala.	40.00	(approx. May 4, 1947)	9:00 P.M.
WSIX	Nashville, Tenn.	200.00		9:00 P.M.
WDSU	New Orleans, La.	200.00		9:00 P.M.
WMPS	Memphis, Tenn.	160.00		9:00 P.M.
WMOB	Mobile, Ala.	100.00		9:00 P.M.
WGCM	Gulfport-Biloxi, Miss.	Bonus	(20.00 eff. 1/5/47)	9:00 P.M.
KRMD	Shreveport, La.	80.00	(100.00 eff. 10/6/46)	9:00 P.M.
KELD	El Dorado, Ark.	Bonus		9:00 P.M.
WAPX	Montgomery, Ala.	80.00	(approx. Apr. 27, 1947)	9:00 P.M.
WDIG	Dothan, Ala.	Bonus	(approx. Apr. 20, 1947)	9:00 P.M.

<u>Station</u>	<u>City</u>	<u>Gross per Week</u>	<u>Rate Changes & Remarks</u>	<u>Local Time</u>
SOUTH CENTRAL SUPPLEMENTARIES				
WTJS	Jackson, Tenn.	60.00		9:00 P.M.
WMBL	Macon, Ga.	60.00		10:00 P.M.
WRLD	West Point, Ga.	30.00		10:00 P.M.
WGAA	Cedartown, Ga.	Bonus		10:00 P.M.
WHMA	Anniston, Ala.	20.00		9:00 P.M.
WTOK	Meridian, Miss.	40.00	(starts 12/29/46)	9:00 P.M.
KALB	Alexandria, La.	40.00	(60.00 eff. 2/16/47)	9:00 P.M.
KMLB	Monroe, La.	40.00	(60.00 eff. 7/6/47)	9:00 P.M.
WHBS	Huntsville, Ala.	20.00	(starts 11/10/46)	9:00 P.M.
SOUTHWESTERN GROUP				
KFDA	Amarillo, Tex.	80.00	(100.00 eff. 10/6/46)	9:00 P.M.
KFDM	Beaumont, Tex.	140.00		9:00 P.M.
KGKO	Ft. Worth-Dallas, Tex.	240.00	(280.00 eff. 1/5/47)	9:00 P.M.
KXYZ	Houston, Tex.	240.00		9:00 P.M.
KFBI	Wichita, Kans.	180.00		9:00 P.M.
KTOK	Oklahoma City, Okla.	120.00		9:00 P.M.
KOME	Tulsa, Okla.	120.00		9:00 P.M.
KTMC	McAlester, Okla.	Bonus		9:00 P.M.
OKLAHOMA NETWORK				
KADA	Ada, Okla.	40.00		9:00 P.M.
KVSO	Ardmore, Okla.	40.00		9:00 P.M.
KCRC	Enid, Okla.	60.00		9:00 P.M.
KBIX	Muskogee, Okla.	40.00		9:00 P.M.
KGFF	Shawnee, Okla.	40.00		9:00 P.M.
KSWO	Lawton, Okla.	60.00	(approx. April 15, 1947)	9:00 P.M.
AVAILABLE AS A GROUP				
KNOW	Austin, Tex.	80.00		9:00 P.M.
KABC	San Antonio, Tex.	260.00		9:00 P.M.
WACO	Waco, Tex.	60.00		9:00 P.M.
KTEM	Temple, Tex.	Bonus	(off after Dec. 28, 1946)	
SOUTHWESTERN SUPPLEMENTARIES				
KVAL	Brownsville, Tex.	40.00		9:00 P.M.
KGGF	Coffeyville, Kans.	100.00		9:00 P.M.
KFYO	Lubbock, Tex.	60.00		9:00 P.M.

<u>Station</u>	<u>City</u>	<u>Gross per Week</u>	<u>Rate Changes & Remarks</u>	<u>Local Time</u>
AVAILABLE AS A GROUP				
KRBC	Abilene, Tex.	60.00		9:00 P.M.
KFRO	Longview, Tex.	50.00		9:00 P.M.
KPLT	Paris, Tex.	40.00	(starts 9/29/46)	9:00 P.M.
KGKL	San Angelo, Tex.	50.00		9:00 P.M.
KCMC	Texarkana, Tex.	50.00		9:00 P.M.
KBST	Big Spring, Tex.	Bonus		9:00 P.M.
MOUNTAIN GROUP				
KVOD	Denver, Colo.	200.00		8:00 P.M.
KFBC	Cheyenne, Wyo.	Bonus		8:00 P.M.
KGHF	Pueblo, Colo.	40.00		8:00 P.M.
KUTA	Salt Lake City, Utah	160.00		8:00 P.M.
KVOC	Casper, Wyo.	Bonus	(starts 10/6/46)	8:00 P.M.
KPHO	Phoenix, Ariz.	90.00	(\$100 eff. 10/6/46)	8:00 P.M.
KOAT	Albuquerque, N. M.	80.00	(starts 1/5/47)	8:00 P.M.
KTRC	Santa Fe, N. M.	40.00	(" ")	8:00 P.M.
KGAK	Gallup, N. M.	20.00	(" ")	8:00 P.M.
KFUN	Las Vegas, N. M.	Bonus	(" ")	8:00 P.M.
KOPO	Tucson, Ariz.	40.00	(starts 4/20)	
IDAHO GROUP				
KGEM	Boise, Idaho	80.00	(starts April 13)	8:00 P.M.
KBIO	Burley, Idaho	20.00	(" " ")	8:00 P.M.
KIFI	Idaho Falls, Idaho	40.00	(" " ")	8:00 P.M.
KEIO	Pocatello, Idaho	40.00	(" " ")	8:00 P.M.
KLIX	Twin Falls, Idaho	30.00	(" " ")	8:00 P.M.
MOUNTAIN SUPPLEMENTARY				
KSFT	Trinidad, Colo.	20.00		8:00 P.M.
KENO	Las Vegas, Nev.	Bonus	(\$20.00 eff. 7/6/47)	7:00 P.M.
PACIFIC COAST GROUP				
KECA	Los Angeles, Calif.	400.00		7:00 P.M.
KPMC	Bakersfield, Calif.	50.00		7:00 P.M.
KTKC	Visalia, Calif.	80.00		7:00 P.M.
KEX	Portland, Ore.	180.00		7:00 P.M.
KFBK	Sacramento, Calif.	160.00		7:00 P.M.
KWG	Stockton, Calif.	40.00		7:00 P.M.
KFMB	San Diego, Calif.	140.00		7:00 P.M.
KGO	San Francisco, Calif.	360.00		7:00 P.M.
KHUB	Watsonville, Calif.	Bonus	(off, after 6/29/47)	7:00 P.M.
KTMS	Santa Barbara, Calif.	80.00		7:00 P.M.

<u>Station</u>	<u>City</u>	<u>Gross per Week</u>	<u>Rate Changes & Remarks</u>	<u>Local Time</u>
PACIFIC COAST GROUP (Cont.)				
KCOY	Santa Maria, Calif.	Bonus	(starts Jan. 19, 1947)	7:00 P.M.
KJR	Seattle, Wash.	200.00	(\$240.00 eff. 7/6/47)	7:00 P.M.
KGA	Spokane, Wash.	160.00		7:00 P.M.
KPQ	Wenatchee, Wash.	40.00		7:00 P.M.
KVOS	Ballingham, Wash.	40.00	(starts 1/12/47)	7:00 P.M.
PACIFIC COAST SUPPLEMENTARIES				
KPRO	Riverside, Calif.	60.00		7:00 P.M.
KFLW	Klamath Falls, Ore.	Bonus	(\$30.00 eff. 10/6/46)	7:00 P.M.
KROP	Brawley, Calif.	40.00		7:00 P.M.
KUGN	Eugene, Ore.	40.00	(starts 10/27/46)	7:00 P.M.
KREO	Indio, Calif.	Bonus	(starts 1/5/47)	7:00 P.M.
KHUM	Eureka, Calif.	Bonus	(starts 1/26/47)	7:00 P.M.

Changes in Weekly Totals

Gross Cost Per Week 9/8/46 only	\$ 22,725.00
Less 27½% Weekly Volume Discount	6,249.38
Net Before Annual Rebate	16,475.62
Gross Cost Per Week 9/15/46 through 9/22/46	22,765.00
Less 27½% Weekly Volume Discount	6,260.38
Net Before Annual Rebate	16,504.62
Gross Cost Per Week 9/29/46 only	22,825.00
Less 27½% Weekly Volume Discount	6,276.88
Net Before Annual Rebate	16,548.12
Gross Cost Per Week 10/6/46 through 10/20/46	22,985.00
Less 27½% Weekly Volume Discount	6,320.88
Net Before Annual Rebate	16,664.12
Gross Cost Per Week 10/27/46 only	23,185.00
Less 27½% Weekly Volume Discount	6,375.88
Net Before Annual Rebate	16,809.12
Gross Cost Per Week 11/3/46 only	23,145.00
Less 27½% Weekly Volume Discount	6,364.88
Net Before Annual Rebate	16,780.12

Changes in Weekly Totals (Cont.)

Gross Cost Per Week 11/10/46 through 12/22/46	23,165.00
Less 27½% Weekly Volume Discount	6,370.38
Net Before Annual Rebate	16,794.62
Gross Cost Per Week 12/29/46 only	23,205.00
Less 27½% Weekly Volume Discount	6,381.38
Net Before Annual Rebate	16,823.62
Gross Cost Per Week 1/5/47 only	23,485.00
Less 27½% Weekly Volume Discount	6,458.38
Net Before Annual Rebate	17,026.62
Gross Cost Per Week 1/12/47 only	23,705.00
Less 27½% Weekly Volume Discount	6,518.88
Net Before Annual Rebate	17,186.12
Gross Cost Per Week 1/19/47 through 2/9/47	23,785.00
Less 27½% Weekly Volume Discount	6,540.88
Net Before Annual Rebate	17,244.12
Gross Cost Per Week 2/16/47 through 3/9/47	23,885.00
Less 27½% Weekly Volume Discount	6,568.38
Net Before Annual Rebate	17,316.62
Gross Cost Per Week 3/16/47 through 3/23/47	23,865.00
Less 27½% Weekly Volume Discount	6,562.88
Net Before Annual Rebate	17,302.12
Gross Cost Per Week 3/30/47 through 4/6/47	23,925.00
Less 27½% Weekly Volume Discount	6,579.38
Net Before Annual Rebate	17,345.62
Gross Cost Per Week 4/13 only	24,075.00
Less 27½% Weekly Volume Discount	6,637.13
Net Before Annual Rebate	17,437.87

Changes in Weekly Totals (Cont.)

Gross Cost Per Week 4/20 only	24,235.00
Less 27½% Weekly Volume Discount	6,664.62
Net Before Annual Rebate	17,570.38
Gross Cost Per Week 4/27 through 5/25	24,315.00
Less 27½% Weekly Volume Discount	6,686.62
Net Before Annual Rebate	17,628.38
Gross Cost Per Week 6/1 through 6/29	24,645.00
Less 27½% Weekly Volume Discount	6,777.38
Net Before Annual Rebate	17,867.62
Gross Cost Per Week 7/6 through 8/31	24,825.00
Less 27½% Weekly Volume Discount	6,826.88
Net Before Annual Rebate	17,998.12
Net Cost 52 Weeks Before Annual Rebate	\$900,239.55
Estimated Annual Rebate (12½% on Gross of 1,241,709.22)	155,213.71
Net Time Cost After Annual Rebate	\$745,025.84

Time Cost by Quarters

Sept. 8 through Dec. 1		\$216,793.06
Dec. 8 through Mar. 3, 1947		222,346.56
Mar. 9 through June 1		227,646.57
June 8 through Aug. 31	233,453.56	
Less rebate on	155,213.71	
\$1,241,709.72 gross		78,239.85
		<u>\$745,025.84</u>

This estimate has been figured on the basis of a straight 27½ per cent weekly discount earned by the gross volume of over \$18,000 weekly and the use of the basic network plus six supplementary groups.

The annual rebate of 12½ per cent for fifty-two consecutive weeks of broadcasting is deducted from the gross total. The nineteen individual weekly costs are necessary because of station and rate changes occurring during the fifty-two-

week period. The time cost by quarters is shown as an accounting aid and, of course, the lowest quarter is the fourth quarter in which the annual rebate is earned.

Station Option Time

ABC, of course, has established periods of network-option time and station-option time. These are shown on the chart on the opposite page.

Convincing evidence that ABC has not lowered its standard of public service nor its appreciation of fine program material and production is seen in the series of Hiroshima broadcasts in the early fall of 1946. John Hersey's story of the tragic fate of Hiroshima was read by six carefully selected voices in a series of four half-hour sustaining broadcasts and was one of the finest services to the radio audience in a decade.

NETWORK OPTIONAL & STATION TIME

(Local Time - in Standard Time Months)

ABC

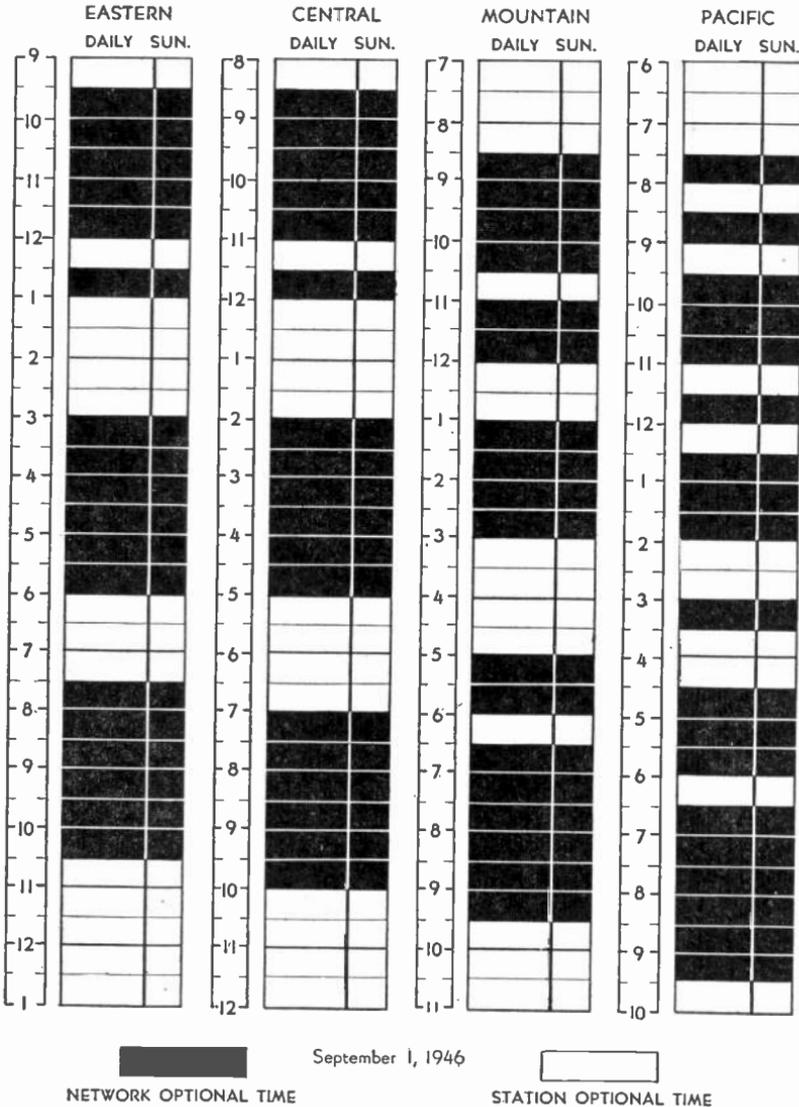


Figure 6. ABC Network and Station Option Time Schedule. Courtesy of ABC.

CHAPTER IX

The Mutual Broadcasting System

THE Mutual Broadcasting System is one of the four national networks, but it varies in many basic concepts from the other networks. It is next to the youngest of the four and had a modest start in 1934. Prior to that year, three of the country's leading stations and one relatively unimportant station in an important market had banded together in a "network" reaching from New York to Chicago. These stations were known as the Radio Quality Group and included WOR-New York, WLW-Cincinnati, WGN-Chicago and WXYZ-Detroit. WXYZ was the originating station for the famous "Lone Ranger" programs, which were later to attain national popularity. The first three stations were 50,000 watt, clear-channel outlets and covered a wide area around their respective cities.

WOR had been the original key station for CBS in New York but withdrew to an independent status. WGN had been affiliated with two networks and had not been happy under either affiliation. WLW in Cincinnati was alternating as the Cincinnati outlet for the NBC Red and Blue Networks. With coverage maps showing listening on the Pacific Coast, WLW considered itself at that time virtually as a network unto itself, but was willing to sell time at regular card rates to any station combination which was formed. In fact, an ex-manager of WLW attempted to start a new network, outside of the framework of the Radio Quality Group or NBC Red or Blue Networks, with WLW as the chief lure. The attempt was not successful.

These four stations supplied excellent coverage and established listener acceptance in the two largest markets in the country and a wide area in the Middle West. Because of local commitments and WLW's affiliation with NBC, it was difficult to open uniform time periods on all four stations simultaneously, but, nevertheless, several excellent series were arranged for national advertisers.

WOR is owned and operated by L. Bamberger and Company under control of R. H. Macy and Company. It first operated as a Newark, New Jersey, station, although its main studios were in New York City. WGN is owned and operated by the Chicago Tribune. WLW, for many years, was owned and operated by the Crosley Radio Corporation in Cincinnati and then sold to the Aviation Corporation. With increasing commitments of national network business from NBC and of national spot business, it was not long before WLW ceased to be an important factor in this set-up. Yet even today, MBS lists WLW on the rate card as a station which "may be added by special arrangement."

Finally, on September 30, 1934, the Mutual Broadcasting System was formed as a co-operative network. It was a four-station network with much to offer to advertisers. It was not until December 29, 1936, that this network was expanded to national scope by the addition of the Don Lee Network on the Pacific Coast and several other stations. The Don Lee Network was comprised of stations which had formerly served as the CBS Pacific Coast outlets.

At about this time, the preference of advertisers for the NBC Red Network over the Blue Network became marked. As a result, many Blue Network affiliates sought other sources of revenue, and a number of them arranged to carry any commercial programs which Mutual might sell in periods not sold on the Blue Network. NBC had exclusive contracts with these stations but tolerated this arrangement under the provision that the stations would cancel the MBS program on twenty-eight days' notice and clear for the Blue Network commercial in any given period. This was a most unsatisfactory arrangement for all parties concerned,

but did produce occasional revenue which some Blue Network outlets would not otherwise have received. For Mutual, it was difficult to sell advertisers a network on which there was no assurance of permanence. As for the Blue Network, its importance with the listening audience was not enhanced by having many of its outlets also identified as MBS stations, thereby destroying its exclusivity.

During all of this time, Mutual was operating on a basis at variance with the other networks. It was "mutual" insofar as its profits were shared, not by all stations, but by the original shareholders and a select few new affiliates, such as the Yankee Network in New England. Its member stations paid for the maintenance of network lines, teletypes, et cetera, and the network derived its income from a commission for selling time. Clearance of stations was exceedingly difficult, because each station jealously guarded its own local commitments and was reluctant to clear for network programs at the expense of local business. Delayed broadcasts abounded. The network supplied the stations with no sustaining service except occasional foreign news broadcasts, and the only sustaining programs available were mediocre ones produced and put on the line by individual stations. With a resurgence in Blue Network business, many of the most desirable time periods became unavailable on the jointly affiliated stations. And other stations of the type affiliated with CBS, NBC, and the Blue Network were simply nonexistent.

It became necessary to build a network from the independent stations then available and subsequently to be licensed. This was an arduous task, as these stations operated on low power and high frequencies. It required a number of such outlets to cover an area which a single NBC or CBS station could reach effectively. Perhaps this can best be illustrated in the State of North Carolina, with its total of 817,000 families and 640,000 radio homes, 1.9 per cent of the United States total.¹ MBS has fourteen outlets in this state, CBS and NBC each have four.

This varied from the original philosophy of the Radio

¹ Broadcast Measurement Bureau, *Radio Families, U.S.A.*, New York, 1946.

Quality Group, which depended upon coverage over a wide area from a few high-powered stations. Instead, Mutual now employs over 488 stations to provide national coverage.

When the network was formed there was considerable fanfare over the "mutual" feature of the operation. Stations hoped that their revenue would be increased by sharing in the network profit, but this feature appears to have been short-lived except as it applied to the controlling stations. Stations also expected to receive sustaining service, news programs, and a rounded network operation. This was not forthcoming for many years while top management of the controlling stations operated the network in addition to their local responsibilities. Mutual began to furnish these services only when full-time network management was employed and established budgets were provided for programs.

In 1942, full-time management was installed and the success of this move can best be seen in the consistent increases in MBS gross time sales from 1936 through 1941 and from 1942 through 1946:²

1936	\$ 1,979,146
1937	1,455,070
1938	2,920,324
1939	3,329,782
1940	4,767,054
1941	7,300,955
1942	9,636,122
1943	13,841,608
1944	19,533,650
1945	20,637,362
1946	25,907,202
1947	22,372,711

Mutual was the first network to develop co-operative programs for its affiliated stations to sell locally, and was the first to accept recorded broadcasts on its network lines. Its requirements on cathartics and medicinal products are not as strict as those of the other networks. Paid religious broadcasts are acceptable, whereas the other networks prefer to broadcast this type of service on a sustaining basis.

² *Broadcasting Year Book, 1948*, pp. 38, 39. *Broadcasting Magazine*, Washington, D. C.

Station Groupings

The geographic distribution of Mutual stations is essentially the same as the other networks. The stations are grouped as follows:

Basic Group	available as a group 40 paid stations 3 bonus stations
East Central Group	available as a group 30 paid stations 12 bonus stations
Supplementary Stations— East Central Group	available individually 29 paid stations 3 bonus stations
Southeastern Group	available as a group 26 paid stations 47 bonus stations
Supplementary Stations— Southeastern Group	available individually 23 paid stations 8 bonus stations
South Central Group	available as a group 20 paid stations 32 bonus stations
Supplementary Stations— South Central Group	available individually 16 paid stations no bonus stations
Southwestern Group	available as a group 21 paid stations 24 bonus stations
Supplementary Stations— Southwestern Group	available individually 23 paid stations 1 bonus station
Midwestern Group	available as a group 21 paid stations 21 bonus stations
Supplementary Stations— Midwestern Group	available individually 18 paid stations no bonus stations
Mountain Group	available as a group 6 paid stations 2 bonus stations
Supplementary Stations— Mountain Group	available individually 11 paid stations 6 bonus stations

THE MUTUAL BROADCASTING SYSTEM 141

Pacific Coast Group	available as a group 12 paid stations no bonus stations
Supplementary Stations— Pacific Coast Group	available individually 32 paid stations no bonus stations
Additional Markets	available individually 13 paid stations no bonus stations
Special Markets	available individually

- WSGN — Birmingham
- WLW — Cincinnati
- KSO — Des Moines
- ZBM — Hamilton, Bermuda
- KHON — Honolulu
- KZPI — Manila
- CKEY — Toronto, Canada
- CKWX — Vancouver, Canada

Network Option Time Periods

The network option time periods on the Mutual Broadcasting System are:

EASTERN TIME ZONE*

Monday through Saturday

10:00 AM to 12:30 PM
 2:00 PM to 4:00 PM Monday—Friday
 1:00 PM to 3:00 PM Saturday only
 5:00 PM to 6:00 PM Local Time
 7:30 PM to 10:30 PM

Sunday

11:00 AM to 2:00 PM
 4:00 PM to 7:00 PM
 8:30 PM to 10:30 PM

CENTRAL TIME ZONE*

Monday through Saturday

10:30 AM to 12:30 PM
 2:00 PM to 4:00 PM Monday—Friday
 1:00 PM to 3:00 PM Saturday only
 5:00 PM to 6:00 PM Local Time
 7:30 PM to 10:30 PM

Sunday

11:00 AM to 2:00 PM
 4:00 PM to 7:00 PM
 8:30 PM to 10:30 PM

MOUNTAIN TIME ZONE*

Monday through Saturday

11:30 AM to 12:30 PM
 2:00 PM to 4:00 PM Monday—Friday
 1:00 PM to 3:00 PM Saturday only
 7:00 PM to 10:30 PM

Sunday

11:00 AM to 2:00 PM
 4:00 PM to 7:00 PM
 8:30 PM to 10:30 PM

PACIFIC TIME ZONE*

<i>Monday through Saturday</i>	<i>Sunday</i>
11:00 AM to 12:30 PM	1:30 PM to 2:30 PM
2:00 PM to 3:00 PM	4:00 PM to 7:00 PM
5:00 PM to 6:00 PM Local Time	9:00 PM to 11:00 PM
6:00 PM to 7:00 PM Monday—Friday	
9:00 PM to 10:30 PM	
11:30 PM to 12:00 midnight	
12:30 AM to 1:00 AM	

* All time, unless otherwise indicated, is New York City time.

Rates and Discounts

The rate structure of MBS closely parallels the other networks: a quarter-hour is 40 per cent of the full-hour rate, a half-hour is 60 per cent and forty-five minutes is 80 per cent of the full-hour cost. The time classifications are:

6:00 PM—11:00 PM daily and Sunday.....	full evening rate
11:00 PM—12:00 midnight daily and Sunday..	$\frac{1}{2}$ evening rate
12:00 midnight—8:00 AM daily and Sunday...	by special arrangement
8:00 AM—6:00 PM daily.....	$\frac{1}{2}$ evening rate
8:00 AM—12:00 noon Sunday.....	$\frac{1}{2}$ evening rate
12:00 noon—6:00 PM Sunday.....	$\frac{2}{3}$ evening rate

Card rates provide for complete originations of Mutual Network programs, free of charge, from studios in New York, Chicago, Los Angeles, Boston, Cleveland, Detroit, Philadelphia, San Francisco, or Washington, provided that the originating station is included in the advertiser's network. Special line-charges are quoted for complete or partial originations from other points. There is also a requirement that programs broadcast between 8:00 and 9:00 P.M., Eastern Standard Time, Monday through Friday, must take a rebroadcast on the Pacific Coast stations at night, because these outlets have local programs scheduled between 5:00 and 6:00 P.M., Pacific Coast Time, which they will not move.

Standard discounts are allowed on all contracts of thirteen weeks or longer on the basis of the number of groups used and weekly gross billing in accordance with the following table:

WEEKLY GROSS BILLING

<i>Number of Groups</i>	\$2,000 to \$4,000	\$4,000 to \$7,000	\$7,000 to \$12,000	\$12,000 to \$18,000	\$18,000 to \$23,000	\$23,000 or More
	%	%	%	%	%	%
Split Basic.....	—	2½	5	7½	10	12½
Basic.....	2½	5	7½	10	12½	15
Basic plus 1 Group...	5	7½	10	12½	15	17½
Basic plus 2 Groups..	7½	10	12½	15	17½	20
Basic plus 3 Groups..	10	12½	15	17½	20	22½
Basic plus 4 Groups..	12½	15	17½	20	22½	25
Basic plus 5 Groups..	15	17½	20	22½	25	27½
Basic plus 6 Groups..	17½	20	22½	25	27½	30
Full Network.....	22½	25	27½	30	32½	35

The full network is defined as all stations listed on the rate card except those included under the separate headings "Additional Markets" and "Special Markets." The groups used in computing discounts in addition to the Basic Network are:

East Central.....	1 Group
Southeastern.....	1 Group
South Central.....	1 Group
Southwestern.....	1 Group
Midwestern.....	1 Group
Pacific Coast (with or without Mountain Group).....	1 Group

Each group must be ordered in its entirety, with the complete Basic Group, in order to earn the group discount. Supplementary stations are not required with their respective groups for discount purposes.

The usual 12½ per cent annual rebate is allowed for fifty-two consecutive weeks of broadcasting. This is due and payable at the conclusion of the fifty-two weeks.

Estimate of Station Costs

The over-all discount on gross station charges is allowed to all advertisers whose actual annual gross billings total \$1,200,000 or more within a fifty-two week period. The over-all discount is 47½ per cent. Two points of the dis-

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count earned by the advertiser are contingent upon full payment of bills on or before the twentieth day of the month following the month in which the broadcast occurred.

A typical estimate of Mutual facilities as prepared by William H. Weintraub Company for submission to its client, the Trimount Clothing Company, is shown in the following summary of costs for 337 stations and for 403 stations:

ESTIMATE FOR BROADCASTING TIME
MUTUAL BROADCASTING SYSTEM, INC.

Prepared for: Trimount Clothing Co. Date: March 17, 1947
Time & Day: 2:00—2:15 PM NYT, No. of Stas.: See Below
Sunday

These figures are for estimate purposes only and are subject to change without notice.

SUMMARY OF COSTS

FULL NETWORK PLUS WCPO PLUS ADDITIONAL MARKETS
(OMITTING BONUS STATIONS)—337 STATIONS

<u>Eff. Date</u>	<u>Gross Weekly</u>	<u>Standard Disc.</u>	<u>Annual Rebate</u>	<u>Total Disc.</u>	<u>Net Weekly 52 Weeks</u>
10/19/47	\$6,994.63	25%	12½%	37½%*	\$4,371.64
KQV power					
increase	7,021.30	"	"	"	4,388.31
11/2/47	7,042.63	"	"	"	4,401.64
1/4/48	7,059.97	"	"	"	4,412.48
2/1/48	7,063.97	"	"	"	4,414.98
2/15/48	7,066.64	"	"	"	4,416.65
KGCU power					
increase	7,071.98	"	"	"	4,419.99

FULL NETWORK PLUS WCPO PLUS ADDITIONAL MARKETS
PLUS CHARGES FOR BONUS STATIONS—403 STATIONS

10/19/47	7,383.79	25%	12½%	37½%*	4,614.87
KQV power					
increase	7,410.46	"	"	"	4,631.54
11/2/47	7,431.79	"	"	"	4,644.87
1/4/48	7,449.13	"	"	"	4,655.70
2/1/48	7,453.13	"	"	"	4,658.20
2/15/48	7,455.80	"	"	"	4,659.88
KGCU power					
increase	7,461.14	"	"	"	4,663.21

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FULL NETWORK PLUS WCPO PLUS ADDITIONAL MARKETS—
337 STATIONS (OMITTING BONUS STATIONS)

<i>Eff. Date</i>	<i>Gross Weekly</i>	<i>Standard Disc.</i>	<i>Annual Rebate</i>	<i>Total Disc.</i>	<i>Net Weekly 52 Weeks</i>
10/19/47	6,994.63	27½%	12½%	40%	4,196.78
KQV power increase	7,021.30	"	"	"	4,212.78
11/2/47	7,042.63	"	"	"	4,225.58
1/4/48	7,059.97	"	"	"	4,235.98
2/1/48	7,063.97	"	"	"	4,238.38
2/15/48	7,066.64	"	"	"	4,239.98
KGCU power increase	7,071.98	"	"	"	4,243.19

FULL NETWORK PLUS WCPO PLUS ADDITIONAL MARKETS
PLUS CHARGES FOR BONUS STATIONS—403 STATIONS

10/19/47 power	7,383.79	27½%	12½%	40%	4,430.27
KQV power increase	7,410.46	"	"	"	4,446.28
11/2/47	7,431.79	"	"	"	4,459.07
1/4/48	7,449.13	"	"	"	4,469.48
2/1/48	7,453.13	"	"	"	4,471.88
2/15/48	7,455.80	"	"	"	4,473.48
KGCU power increase	7,461.14	"	"	"	4,476.68

* The gross figures shown for full network include the Additional Markets. The 37½% discount is used in the event that enough Additional Markets do not clear and therefore the total gross billing drops below the required \$7,000.00 for the additional 2½% discount.

These costs are shown on two bases, first with discounts totaling 37½ per cent, and second, with discounts totaling 40 per cent. In the event that all of the stations in "Additional Markets" can be cleared, they will provide sufficient gross billing to earn 40 per cent. However, if enough stations in "Additional Markets" fail to clear, the gross billing can fall below the \$7,000 gross required to earn 27½ per cent weekly discount (which with 12½ per cent annual rebate makes the total 40 per cent discount).

Bonus stations are handled differently on MBS from the way they are on the other networks. A bonus station is delivered free of charge to all advertisers whose programs are broadcast in network-option time periods. To advertisers whose programs are broadcast in station-option time

periods, a charge is made for each bonus station used. The above summary of costs covers the 2:00-2:15 P.M., CNYT, period on Sunday, which falls in station option-time and, therefore, the charges for bonus stations apply.

And so today the Mutual Network is known throughout the country as the network of the "World Series," "Fulton Lewis Jr.," "Bulldog Drummond," "The Shadow," and "Twenty Questions."

CHAPTER X

Regional Networks and the CBC

IN THE broadcasting field, consideration cannot shift directly from network radio to spot radio without overlooking one important phase of commercial broadcasting, namely, the regional networks available to advertisers.

Regional networks are simply small networks. Their importance was first underscored by the vast number of manufacturers who sell only in restricted sections of the country. These advertisers could not, economically, use a network broadcast on a national basis, nor was their distribution so limited that individual station broadcasts were entirely adequate for them. The demand was created for groupings of stations within natural geographical and marketing areas.

There are thirty-seven regional networks available to advertisers, as follows:

- American Western Network
- Columbia Pacific Network
- Don Lee (Mutual) Broadcasting System (California)
- NBC Western Network
- Arizona Network
- Arizona Broadcasting System
- Arrowhead Network (Minnesota and Wisconsin)
- California Rural Network
- Columbia New England Network
- Connecticut State Network
- Dairyland Network (Minnesota)
- Intermountain Mutual Network
- Iowa Tall Corn Network

Kansas State Network
 Lone Star Chain (Texas)
 Long Texas Enterprises
 Maine Broadcasting System
 McClatchy Beeline (California)
 Michigan Radio Network
 Mid-States Group (Iowa)
 New England Regional Network
 Northwest Network (Minnesota and Wisconsin)
 Oklahoma Network
 Paul Bunyan Network (Michigan)
 Quaker State Network (Pennsylvania)
 Southwest Network (Texas and New Mexico)
 Tennessee Valley Network
 Texas Quality Network
 Texas State Network
 Tobacco Network (North Carolina)
 Universal Network (California)
 West Texas Network
 West Virginia Network
 Wolverine Network (Michigan)
 Wisconsin Network
 Yankee Network (New England)
 Z Bar Network (Montana)

The first four regional networks listed and the Yankee Network are the most important from the standpoint of contribution to the listening audience and of advertiser use. The first four are the regular Pacific Coast outlets for the national networks and carry a large volume of regional business and numerous programs especially prepared for the Pacific Coast audience. There are many Pacific Coast enterprises which are concentrated in the three states California, Oregon, and Washington, and which welcome the opportunity to purchase coverage in those areas exclusively. Then, too, there is the time difference between New York and the Pacific Coast which makes desirable evening time periods available on the regional networks. For example, if the last rebroadcast of a transcontinental network program is scheduled from 11:30 P.M. to 12:00 midnight, New York Time (8:30-9:00 P.M. PST), the coast stations have

from 9:00 P.M. to 12:00 midnight PST to fill, regionally or locally. This time follows a solid, early evening sequence of top-rank network programs and is ideally suited for the sectional advertiser.

These four regional networks are sold through the regular network sales offices and at the regular network time rates. They are frequently bought by national advertisers, as well, to supplement their advertising campaigns. These groups, being subdivisions of national networks, operate under one handicap. If the time used by a regional advertiser is required for a coast-to-coast broadcast or re-broadcast, it is subject to recapture by the parent network. Despite this occasional difficulty, there have been many successful radio campaigns broadcast exclusively on the Pacific Coast outlets of the four major networks.

In addition to the Pacific Coast stations, outlets in the Mountain Time Zone may be added, subject to availability, for these Pacific-Coast originated programs.

The number of stations available in these regional groups are:

American Western Network:	21	stations	plus	18	Mountain	Zone	stations
Columbia Pacific Network:	13	"	"	17	"	"	"
Don Lee (Mutual) Network:	39	"	"	17	"	"	"
NBC Western Network:	12	"	"	15	"	"	"

The Yankee Network, with twenty-four stations in the six New England states, is one of the oldest regional networks in existence. The key station is WNAC-Boston, originally owned by the Shepard Stores, and this station, together with WEAN-Providence, serves as the bellwether for the group. Both of these stations, at one time or another, have been affiliated with each of the four national networks. Currently, they and the other Yankee Network outlets are affiliated with the Mutual Broadcasting System.

The Yankee Network is an excellent example of a successful, independent regional network. Over a period of years it has catered to New England's likes and dislikes and has produced programs which are tailor-made for that audience. These programs have not been unorthodox in their conception, for they have consisted of play-by-play

GENERAL BROADCASTING						
GROSS NIGHT RATES—6:00 P.M. TO 10:30 P.M. DAILY						
STATIONS	Hour	¾ Hour	½ Hour	¼ Hour	Five Minutes	
Boston, Mass.	WNAC	440.00	358.00	264.00	176.00	88.00
Bridgeton, Conn.	WICC	160.00	128.00	96.00	64.00	32.00
Fall River, Mass.	WSAR	120.00	96.00	72.00	48.00	24.00
Fitchburg-Leominster, Mass.	WEIM	80.00	64.00	48.00	32.00	16.00
Greenfield, Mass.	WHAI	45.00	36.00	27.00	18.00	9.00
Hartford, Conn.	WHTD	200.00	160.00	120.00	80.00	40.00
Holyoke, Mass.	WHYN	80.00	64.00	48.00	32.00	16.00
Laconia, N. H.	WLNH	40.00	32.00	24.00	16.00	8.00
Lewiston-Auburn, Maine	WCOU	60.00	48.00	36.00	24.00	12.00
Lowell-Lawrence, Mass.	WLLH	120.00	96.00	72.00	48.00	24.00
New London, Conn.	WNLC	80.00	64.00	48.00	32.00	16.00
Pittsfield, Mass.	WBRK	100.00	80.00	60.00	40.00	20.00
*Portsmouth-Dover, N. H.	WHEB	100.00	80.00	60.00	40.00	20.00
Providence, R. I.	WEAN	220.00	176.00	132.00	88.00	44.00
Rutland, Vt.	WYSB	40.00	32.00	24.00	16.00	8.00
*St. Albans, Vt. { Sold Only	WWSR					
Waterbury, Vt. { As a Unit	WDEV	80.00	64.00	48.00	32.00	16.00
Worcester, Mass.	WAAB	160.00	128.00	96.00	64.00	32.00
Total 18 Stations		2,125.00	1,700.00	1,275.00	850.00	425.00
Augusta, Maine	WRDO	60.00	48.00	36.00	24.00	12.00
Bangor, Maine	WLBZ	140.00	112.00	84.00	56.00	28.00
Manchester, N. H.	WFSA	100.00	80.00	60.00	40.00	20.00
Portland, Maine	WCSH	160.00	128.00	96.00	64.00	32.00
Waterbury, Conn.	WATR	100.00	80.00	60.00	40.00	20.00
FM						
Boston, Mass. { Sold Only	WGTR					
Mt. Washington, N. H. { As a Unit	WMTW	90.00	72.00	54.00	36.00	18.00
Grand Total 25 Stations		2,775.00	2,200.00	1,655.00	1,110.00	555.00

* WHEB Evening operation governed by local sunset. ** WDEV-WWSR operation governed by local sunset.

GROSS DAY RATES—½ GROSS NIGHT RATES
(8:00 A.M. to 6:00 P.M. and 10:30 P.M. to 12:00 MIDNIGHT DAILY EXCEPT SUNDAY, AND 8:00 A.M. to 1:00 P.M. and 10:30 P.M. to 12:00 MIDNIGHT SUNDAYS.)

SUNDAYS—1:00 P.M. to 6:00 P.M.—¾ GROSS NIGHT RATE
MIDNIGHT to 8:00 A.M.—½ GROSS NIGHT RATE

Figure 7A. Typical Regional Network Rate Card, Front.
Courtesy of Yankee Network.

baseball broadcasts, football games, news and farm programs, cooking schools, and forums and sports and farm broadcasts. But each of these has been slanted directly at New Englanders. The Yankee Network also has the advantage of offering an advertiser twenty-four local outlets in the six states. A rate card for the Yankee Network is shown on pages 150 and 151.

This detail is cited for the Yankee Network because it points up the need that a regional network fills for the listener, the individual stations, and the sectional advertiser. Broadcasts that are not national in scope but are limited in interest to the specific area are produced from a metropolitan center in which talent, eminent speakers, and qualified authorities are available. These broadcasts cannot be duplicated by the individual stations in the smaller communities and are not available on the national networks. To

THE YANKEE NETWORK NEWS SERVICE

Daily except Sundays, 8:00 A.M. to 8:15 A.M.; Sundays 8:45 A.M. to 9:00 A.M. Limited to three announcements daily. Using all Yankee Network stations except WFEA, WGTR and WMTW. Per participating announcement \$155.00.

Daily including Sundays 1:00 P.M. to 1:15 P.M. Limited to three announcements daily. Using all Yankee Network stations except WATR, WGTR and WMTW. Per participating announcement \$155.00.

Daily except Sundays 6:00 P.M. to 6:15 P.M. Limited to three announcements daily. Using all Yankee Network stations except WFEA, WGTR and WMTW. Per participating announcement \$310.00.

DISCOUNTS AND COMMISSIONS

a. Time discounts apply to total number of broadcasts for the same sponsor in one year under original or renewed contracts and apply on Station Time only.

Less than 26 times	Net
26 to 51 times	5%
52 to 103 times	7½%
104 to 155 times	10%
156 to 207 times	12½%
208 and more times	15%

Programs, including special features, running continuously for 52 consecutive weeks, earn an additional rebate of 10% on the gross — based on the lowest billing for any one week. Programs (not announcements) using minimum of 18 Yankee Network stations in first group earn an extra 10% discount on gross billing.

b. A Commission of 15% is allowed to recognized agencies on net Station Time.

c. No Cash Discount.

d. Charges for facilities are payable immediately after each broadcast.

**Figure 7B. Typical Regional Network Rate Card, Reverse.
Courtesy of Yankee Network.**

the regional advertiser, it is a distinct advantage to broadcast on as many local outlets as possible within the territory which he serves. By so doing, he can localize his radio campaign to his distributors and dealers more effectively.

This, then, is the general pattern of regional-network operation that all of the groups previously listed seek to achieve. There are many other definite demarcations in audiences throughout the country which justify sectional combinations of stations.

Unfortunately, many of the sectional groups do not attempt to serve their regions with custom-made broadcasts of special interest. Instead, they have been thrown together for commercial purposes only or to satisfy an advertiser or advertisers who did not wish to use spot broadcasts in the area. By purchasing a regional network, joined by lines, only one talent cost is incurred.

It is doubtful if all of the thirty-seven regional networks are actually in operation. Probably some of them are available if an advertiser wishes to buy them, but have no day-to-day operation as a network. There are many other regional networks which have been available at one time or another, and which have gone out of existence as soon as advertiser support has been withdrawn. Many of the present ones will undoubtedly do likewise if they have no greater excuse for existence than to fill commercial requirements. It is curious to observe that the formation of a state or regional network has been the next goal for so many station operators after they have got their second wind. But successful regional networks are far more than just the physical joining together of a number of stations by telephone lines.

These regional networks should not be confused with other available groupings of stations for spot broadcasting, such as the Georgia Major Market Trio: WAGA-Atlanta, WTOC-Savannah, and WMAZ-Macon. Such combinations of stations are not connected by lines and are offered to advertisers, many times at a price concession, if the entire group is purchased.

Group Ownership of Radio Stations

In addition to the regional networks and the groupings of stations for spot broadcasting, there are forty-six companies which own groups of three or more radio stations. The three groups of network-owned stations have been discussed previously. Of the remainder, some of the leading multiple-owners are:

Cowles Broadcasting Company

KRNT-Des Moines
WNAX-Yankton
WOL-Washington
WCOP-Boston

James E. Cox Stations

WSB-Atlanta
WIOD-Miami

WHIO-Dayton

Ed Craney Stations

KXLF-Butte
KXL-Portland, Oregon
KXLY-Spokane
KXLJ-Helena
KXLQ-Bozeman
KCOW-Ellensburg
KXLL-Missoula

Field Enterprises, Inc.

WJJD-Chicago
 WSAI-Cincinnati
 KOIN-Portland
 KJR-Seattle

Fort Industry Company

WSPD-Toledo
 WWVA-Wheeling
 WMMN-Fairmont
 WLOK-Lima
 WAGA-Atlanta
 WGBS-Miami
 KIRO-Seattle (minority
 interest)
 WJBK-Detroit

Gannett Newspaper Stations

WHEC-Rochester
 WENY-Elmira
 WHDL-Olean (minority
 interest)
 WTHT-Hartford
 WDAN-Danville
 WOKO and WABY-Al-
 bany (minority interest)

General Tire and Rubber Company

WNAC-Boston
 WAAB-Worcester
 WEAN-Providence
 WICC-Bridgeport
 WONS-Hartford
 WMTW-Portland, Maine

Hearst Radio, Inc.

WBAL-Baltimore
 WISN-Milwaukee
 WCAE-Pittsburgh

Taylor-Howe-Snowden Stations

KGNC-Amarillo
 KFYO-Lubbock
 KTSA-San Antonio
 KRGV-Weslaco

Pierce E. Lackey Stations

WPAD-Paducah
 WHOP-Hopkinsville
 WSON-Henderson
 WCIF-Madisonville
 WKTM-Mayfield

McClatchy Broadcasting Company

KFBK-Sacramento
 KMJ-Fresno
 KWG-Stockton
 KERN-Bakersfield
 KOH-Reno

The Nunn Stations

WLAP-Lexington
 WCMI-Ashland
 KFDA-Amarillo
 WBIR-Knoxville
 WMOB-Mobile

Oklahoma Publishing Company

WKY-Oklahoma City
 KLZ-Denver
 KVOR-Colorado Springs
 WEEK-Peoria

George A. Richards Stations

WJR-Detroit
 WGAR-Cleveland
 KMPC-Beverly Hills

Adeline B. Rines Stations

WCSH-Portland

WRDO-Augusta

WLBZ-Bangor

Scripps Howard Group

WCPO-Cincinnati

WNOX-Knoxville

WMC-Memphis

Westinghouse Radio Stations

WBZ-Boston

WBZA-Springfield, Massachusetts

KDKA-Pittsburgh

KYW-Philadelphia

WOWO-Fort Wayne

KEX-Portland, Oregon

Harry C. Wilder Stations

WSYR-Syracuse

WTRY-Troy

WELI-New Haven

Of these eighteen owners of groups of radio stations, eight are affiliated with newspapers. All of them are responsible interests, not only financially, but also from the standpoint of the public interest in each area. Group ownership of radio stations provides operating economies, but even more important, provides an interchange of program ideas and operating experiences which result in a more efficient broadcasting service to each community.

It is difficult to quote any accurate figures to indicate the complete extent of regional-network advertising, as networks include the revenues derived from regional operations in the combined network billing figures. The most reliable estimate of regional network net time sales is prepared each year by *Broadcasting Yearbook*. These figures for seven years are:

	<u>Net Time Sales</u> <u>Regional Network</u>	<u>Increase Over</u> <u>Previous Year</u>
1940	\$1,869,583	
1941	2,752,073	4.7
1942	2,631,788	-4.3
1943	4,593,967	24.6
1944	6,150,656	33.9
1945	6,414,526	4.1
1946	5,728,871	-10.4
1947	5,890,000	0.5

The estimated net time sales on regional networks for 1947 amount only to 1.7 per cent of the total net time sales of broadcasting. From these figures, bearing in mind that there are additional regional-network time sales buried in national network figures, it becomes apparent that regional networks have not reached their maximum potential, either in service to their areas or in commercial acceptance.

The Canadian Broadcasting Corporation

The networks of the Canadian Broadcasting Corporation may by no means be classified as regional networks of the United States. However, Canadian broadcasting is becoming attractive to increasing numbers of American advertisers. It is advisable, therefore, to include in this chapter a description of the facilities available in the Dominion.

The development of radio broadcasting in Canada did not parallel its development in the United States. During the 1920's, its growth was characterized by an increasing number of commercial stations in the highly populated areas, to the virtual exclusion of stations in thinly populated regions. The broadcasting art had not begun to develop in Canada, so these stations were virtually dependent upon United States sources of program material.

This was not a firm foundation on which to build either a national philosophy of radio or a national system to provide radio to all parts of the Dominion. Parliament recognized these conditions and in 1928 appointed the Aird Commission to study them and to make recommendations to improve them. In its report, the Commission stated that only "by some form of public ownership, operation and control behind which is the national power and prestige of the whole public of Canada" could the best interests of the public and the nation be served.

The Commission also recommended the building of high-power stations across Canada to bring equally good reception to all of the settled portions of the country. An interchange of programs among various parts of the country was proposed, but not to the exclusion of the best programs available from other countries.

Canada is a large country but is not densely populated. It extends through five time zones: Atlantic, Eastern, Central, Mountain, and Pacific. But throughout that vast area, there is a total population of only about twelve million people, and radio homes number only two and a half million. The maintenance of a national network over that extended area is a costly operation, and in order to finance a national system a licensing fee of \$2.50 per set per year was established in 1928.

In 1932, Parliament passed an act setting up the Canadian Radio Broadcasting Commission, which began to function as a national system. But this Commission was found to be too limited in scope by 1936. In that year, the Canadian Broadcasting Act was passed creating a corporation which would be flexible enough to administer radio broadcasting on an efficient national basis. This body is the present Canadian Broadcasting Corporation, which consists of a board of nine appointed Governors, who serve without salary, a paid Chairman, and a General Manager who is responsible for the administration and day-to-day operation of the Corporation. The operating departments of CBC are patterned closely after the network setups in the United States.

The duty of this Corporation is to co-ordinate "all broadcasting in Canada, through exclusive control being vested in the nationally owned system, of:"¹

1. "The character of all programs, political or otherwise, broadcast by all stations and of the advertising content thereof; and
2. "All wireline networks used for carrying broadcast programs."

The CBC is not a part of the government but rather serves as a trustee of broadcasting on behalf of the public, the real shareholders of the Corporation. This point was further emphasized in a report made by the Hon. J. J. McCann, Minister of National Revenue, to the Special Committee on Radio Broadcasting, on June 4th, 1946:

¹ *Annual Report of Canadian Broadcasting Corporation*, p. 5, 1946.

"I want to make it very clear that the CBC does not operate in any sense as a government department. . . . The Canadian Broadcasting Corporation is not a government-owned body, nor is it a government-controlled body. It was never meant to be either; and I hope it never will become one, for government control of so important a medium has no place in a democratic state in normal times."

This search for a national radio system in Canada was an interesting one to watch, for there were two widely divergent systems to choose from—the American and the government-controlled British systems. With its heritage from Britain, it was logical that Canada should turn to the British broadcasting system. With its close proximity to and community of interests with the United States, the temptation was strong to set up a carbon copy of the American system. That Canada accepted neither system *in toto* is a tribute to the careful analysis of its own peculiar requirements. The setup finally established more closely parallels the American system than it does the BBC, thereby assuring Canadian listeners more varied programs.

Under international agreement, Canada is granted a limited number of frequencies, which are licensed in one year periods to private operators. This licensing is handled through the Department of Transport and not through the CBC, although the Board of the CBC is required to make recommendations to the licensing authority. The CBC itself is licensed to operate eleven stations:

CBH — Halifax, N. S.	100 watts
CBA — Sackville, N. B.	50,000 watts
CBJ — Chicoutimi, P. Q.	1,000 watts
CBV — Quebec, P. Q.	1,000 watts
CBM — Montreal, P. Q.	5,000 watts
CBF — Montreal, P. Q.	50,000 watts
CBO — Ottawa, Ont.	1,000 watts
CBL — Toronto, Ont.	50,000 watts
CJBC — Toronto, Ont.	5,000 watts
CBK — Watrous, Sask.	50,000 watts
CBR — Vancouver, B. C.	5,000 watts

In addition to these eleven, there are 101 other stations, which operate either independently or as part of three networks operated by the CBC.

The Trans-Canada network is the oldest of the three networks and is made up of seven CBC stations and seventeen privately owned stations from Halifax to Vancouver. The affiliated, privately owned stations are paid regular commercial rates for all sponsored programs carried and agree to take either commercial or sustaining programs from CBC during certain specified periods of the day. This network is programmed on a full sixteen-hour daily schedule and an arbitrary balance is maintained between sustaining and commercial programs.

The Dominion Network was established in 1944 and consists of one CBC station and twenty-eight private stations from coast-to-coast. Arrangements with privately owned stations are the same as in the case of the Trans-Canada Network. This network provides program service for three hours each evening. The listener thus has a choice of network programs, at least within those hours.

The French-speaking audience in the Province of Quebec is served by a separate CBC-French Network, consisting of three CBC stations and eight privately owned stations within the Province. Some of the network musical programs are carried by both English and French networks, with the opening and closing announcements in both languages. Many other programs of all types are written and produced entirely in the French language.

These three networks bring network coverage to 96 per cent of the radio homes in Canada for sixteen hours daily on the Trans-Canada and French networks and for three hours daily on the Dominion Network. In 1936, network service was available only to 49 per cent of Canada's radio homes, mostly in urban areas, for six hours on weekdays and eight and a half hours on Sundays.

Each of these networks is available to American advertisers, and each individual station in Canada is available for spot broadcasting. The Canadian networks can be used by American advertisers in two ways: by using them alone, without relation to United States broadcasting, by producing a program in Toronto; by joining the CBC network to the United States network used for a simultaneous broadcast.

The second method is the one generally used. Either CBC network, subject to availability, can be hooked into a broadcast on any one of the four United States networks. Such advertisers as Lever Bros., Campbell Soup Company, Bristol-Myers Co., Colgate-Palmolive-Peet Co., Gillette Safety Razor Co., Kraft Cheese Co., Electric Auto-Lite, Eversharp, and Texaco purchase facilities in this manner for their Canadian sales and distribution subsidiaries. Frequently, special commercial announcements are required for the Canadian audience, and these are easily inserted by CBC on a cue basis, at Toronto. The lines from the United States networks feed CBC at that point. CBC reserves the right to pass on program acceptability.

A typical cost estimate for the CBC-Trans-Canada Network used in conjunction with a United States network half-hour evening broadcast follows:

CANADIAN BROADCASTING CORPORATION
TRANS-CANADA NETWORK

Plus Supplementary Stations CKOC—CKCK
 Programme: "Lux Radio Theatre" (EX CBS)
 Sponsor: Lever Bros. Ltd.
 Day: Monday
 Time: 9:00—10:00 PM EST
 Contract: Jan. 6th, 1947—Dec. 29th, 1947
 (Less 8 weeks Summer Hiatus)

ATLANTIC REGION	10:00—11:00 PM AST	<i>Night Rates</i>	
Sydney	CJCB	50.00	
Halifax	CBH	40.00	
Sackville	CBA	150.00	
St. John	CHSJ	50.00	
Fredericton	CFNB	45.00	335.00
<hr/>			
MID-EASTERN REGION	9:00—10:00 PM EST		
Ottawa	CBO	80.00	
Kingston	CKWS	60.00	
Sudbury	CKSO	50.00	
North Bay	CFCH	30.00	
Kirkland Lake	CJKL	40.00	
Timmins	CKGB	40.00	
Sault Ste. Marie	CJIC	30.00	
Fort William	CKPR	45.00	
Hamilton	CKOC	80.00	455.00

representatives sell time on the leading Canadian stations just as they do for domestic stations.

There has been one recent development in Canada which has caused some concern among independent broadcasters. The CBC has taken over the favorable frequencies assigned to three of the largest independent stations—CFCN-Calgary, CKY-Winnipeg, and CFRB-Toronto—as 50,000 watt, CBC outlets in those cities. If this policy is continued, it will result in a monopolistic broadcasting setup which would be at variance with Canadian business principles.

Actually, the CBC is a closely drawn, financial operation. It is exceedingly difficult to operate and program three networks on an annual budget of approximately \$5,479,000, of which \$3,787,000 is derived from licensing fees and the balance of \$1,692,000 from commercial revenue. The use of Canadian facilities by United States advertisers has brought important revenue to CBC. The availability of both commercial and sustaining network broadcasts from this country has brought program entertainment to Canadian listeners of far greater variety than any exclusively Canadian system could provide. And through radio, our relationships with our neighbor to the north have been more firmly cemented.

CHAPTER XI

Radio Research

THE broadcasting industry demands research just as insistently as do all other industries. It is the same insurance to stockholders and guide to management in radio that it is in the automotive, electrical, financial, engineering, and chemical fields. In fact, research and surveys have become so important in all lines of endeavor that they are now an integral part even of political campaigns. At least one Congressional candidate, faced with a difficult contest, made frequent surveys of his constituents during the pre-election period, gauged his campaign on the facts thus determined, and was elected by a substantial margin. The use of public-opinion surveys in Presidential campaigns is well known.

In radio, there are two types of research which are conducted constantly by specialists in each field. The first is engineering research, which affects the advertiser but little and is too technical for persons engaged in the business end of broadcasting to understand further than its most elementary principles.

The second type is audience research, which seeks to determine station coverage, audience size, and program appeal. This is the type of research with which advertisers and agencies are most familiar and which they have helped to develop. It is technical, to a degree, and embraces all of the fundamental concepts of successful market research, adapted and expanded to meet the peculiar requirements of broadcasting. It has developed its own specialists and has been treated at length in many excellent volumes. A

successful purchaser or seller of time must read these book and determine the basic factors for reliable research.

Behind all of these radio research efforts, there is a constant lure. To the first individual or organization who devises a research method which can tell an advertiser exactly how many radio sets were tuned to his program, will fall one of the world's richest prizes. In magazine and newspaper advertising, we know, at least, into how many homes the publications go, through properly attested circulation figures. In radio we have no such known facts—only approximations, arrived at by varying research procedures, are available.

This constant incentive has led to some truly crackpot research projects. One of the earliest impracticalities provided for each radio listener's turning on a sixty-watt bulb in his home at a given signal. This would increase the load on the meters of the local power company, and by some mathematical formula it could be determined exactly how many additional sixty-watt bulbs had been turned on. This would indicate the number of homes listening to the station, and all sorts of conclusions could be resolved from that fact. There were, of course, many fallacies in the plan; chief among them was the fact that the increased load at the power station would be so small that it could not be calculated. However, one electric-bulb manufacturer did purchase a series of attractive network programs in a late Sunday evening period with the avowed intention of inducing the listening audience to stay up later and wear out their bulbs faster.

There has been a constant evolution in the types of surveys used by local stations, networks, and national research organizations. Because it is impossible to get a complete picture of an area as large as the United States, all survey and research work depends upon adequate sampling, quantitatively and qualitatively, proper questioning, and intelligent interpretation of results.

In conducting radio research which is acceptable to agencies and national advertisers, two independent research organizations have forged to the front in the national field. These are C. E. Hooper, Inc., and the Nielsen Radio Index.

Each of these services develops a program rating which indicates the proportion of the sample tuned to the various programs.

Because of the vastness of radio-set ownership and because broadcasting has no list of subscribers to use as a starting point, research has had to be conducted on the basis of a sampling technique. The processes used have been refined and refined, until today they stand at a level difficult to challenge.

The Co-operative Analysis of Broadcasting

The original program-rating reports were the Crossley Reports, prepared by an independent research organization in Princeton, New Jersey. These were soon converted into the Cooperative Analysis of Broadcasting (CAB), which was supported by the networks, advertising agencies, and national advertisers.

The CAB reports were based on telephone interviews employing the "recall" technique—respondents were asked what programs they had listened to during preceding periods in the day. Later, because of pressure within the industry, CAB was forced to drop the recall method and to adopt the "coincidental" method—respondents were asked what programs they were listening to at the time of the call. Subscribers were supplied twice monthly with national rating reports, based on thirty-three cities, and semiannually with reports containing detailed analyses of programs and the use of radio sets. In addition, an annual report was made available to advertisers indicating the relative standings of stations in individual cities.

The Cooperative Analysis of Broadcasting was discontinued in 1946, chiefly due to the fact that other surveys with greater acceptance became available in the industry. Most subscribers felt that there was no need for continuing duplicate survey services.

The Hooperatings

C. E. Hooper, Inc., published the first Network Hooperatings in 1934. From the start, the coincidental telephone-call method was used. The respondent is asked:

1. Are you listening to the radio just now?
2. To what program are you listening?
3. Over what station is that program coming?
4. What advertiser puts on that program?

This type of survey obviously eliminates any memory factor and virtually assures an accurate answer from the respondent. These calls are made within the city limits of thirty-six cities from coast-to-coast, each of which has an outlet for each of the four networks. This assures the possibility of equal reception for each network program broadcast and constitutes a laboratory where individual program popularity is the deciding factor in determining the rating. The calls are made during two nonconsecutive weeks within each month.

The Network Hooperatings, therefore, are measurements of the comparative popularity of the programs. Differences in Network Hooperatings between network programs are thus an index to relative talent appeal.

The Hooperatings are released to subscribers twice each month and furnish a sensitive series of ratings on any given network broadcast. By careful study of these reports, an advertiser can quickly detect a downward or upward trend in the appeal of his program and make the necessary changes in his program format.

A sample Network Hooperating is shown on page 166. The report on "Lux Radio Theatre," for example, shows that it is based on calls made in all rating cities and also that the program originates in Hollywood. It indicates a rating of 19.9 for the program and that 38.5 per cent of all radio sets were in use during the 9:00 to 10:00 P.M., Eastern Standard Time, period on Monday, of which the "Lux Radio Theatre" attracted 51.8 per cent. The figures preceded by a plus sign indicate the increase since the previous report in the rating, the sets in use, and the share of the total audience.

The Hooper organization also produces a second survey known as City Hooperatings. This service is extended to seventy cities and is prepared on the same "coincidental" basis as the Network Hooperatings. It measures listening

MONDAY EVENING		10/7				10/7				MONDAY EVENING	
NYT	Over-All Sets-in Use	ABC		CBS		MBS		NBC		Over-All Sets-in Use	NYT
		Rating	Sets Share	Rating	Sets Share	Rating	Sets Share	Rating	Sets Share		
6:00 P.M.	18.1 +4.7	W. Kiernan -0.5		Quincy Howe 2.3# +0.5		3.6# +2.0		John MacVane 6.8# +1.9		18.1 +4.7	6:00 P.M.
6:15	17.5 +2.4	2.7# +0.6		In My Opinion 3.3# +0.2		3.0# +0.7		Echoes - Tropics 5.6# +2.0		17.5 +2.4	6:15
6:30	20.7 +5.6	2.8# +1.1		Red Barber 4.7# +1.9		4.9# +2.6		Spotlight-Sports 5.2# -0.1		20.7 +5.6	6:30
6:45	22.7 +8.4	Allen Prescott 2.3# -0.6		ROBERT TOOP Campbell (33N) 5.1 (22.8 22.3)		4.4# +1.3		L. THOMAS (HWT) Sun 011 (33N) - LN 11.8 (27.8 42.3) +3.6 (36.8 32.4)		22.7 +8.4	6:45
7:00	24.0 +6.0	Headline Edition 2.9# +0.8		HYS. OF THE WEEK P&G (22N)(HWT) 5.0 (26.0 19.3) +1.7 (23.3 +5.2)		FILTON LEWIS Co-Op (10)(HWT) 2.6 (33.0 7.8) +0.8 (32.2 27.1) +0.8 (+3.5 -0.5)		SPRINGER CLUB LIG. & S. (31N) P. 9.9 (28.3 35.3) +1.7 (22.3 27.5)		24.0 +6.0	7:00
7:15	24.5 +8.9	ELMER DAVIS McLA Co-Op (10)(HWT) 2.3 (20.3 16.4) +0.4 (+1.9 +0.4)		JACK SMITH P & G (31N) 8.0 (27.0 29.5) +1.8 (+1.6 +5.2)		HENRY J. TAYLOR Gov. Dewey (31) 3.7# -0.1		NEWS - VANDERCOCK Miles (32N) P. +2.7 (+3.1 +8.1)		24.5 +8.9	7:15
7:30	27.9 +5.7	LONE RANGER KIX (28) (r10:00)		BOB HANK SHOW Camels & P.A. (31N) (r10:30)		CAROLYN GILBERT (31) 6.5# +1.7		Carolyn Gilbert (31N) P. 27.9 +5.7		27.9 +5.7	7:30
7:45	25.0 +5.7	8.1 (31.2 26.0) +2.1 (+6.3 +2.0)		11.4 (31.3 36.5) +3.3 (+5.1 +5.6)		INSIDE OF SPORTS BASKET (31)(HWT) 3.0 (27.4 10.9) +0.8 (+3.3 +2.0)		H. KALTEBORN (HWT) 6.6 (27.2 24.1) +0.6 (27.3 8.2)		25.0 +5.7	7:45
8:00	30.6 +10.6	LIM & ARNER MITES (31) P. 3.5 (32.8 10.7) +0.5 (+4.0 -0.4)		TINNER SANCTUM Promo-Seltzer (31) (r12:30)		BULLDOG DRUMMOID Lewis-Home (32N)(r10:00)		CAVALCADE-AMERICA Du Pont (33N) (r11:30)		30.6 +10.6	8:00
8:15	34.4 +10.5	Earl Godwin 4.4#		11.2 (33.6 33.2) +3.4 (+8.6 +1.9)		5.8 (35.5 16.3) -1.2 (+6.1 -7.5)		10.6 (35.0 30.2) +3.5 (+10.4 +1.5)		34.4 +10.5	8:15
8:30	36.2 +8.6	Fat Man 7.1# +0.8		JOAN DAVIS Swan Soap (33H) (r11:30)		GREGORY HOOD Petri Wine (27N) (r11:30)		VOICE - FIRESTONE Firestone (33H)		36.2 +8.6	8:30
8:45	35.7 +7.1	Fat Man 7.0# +1.2		11.2 (38.3 29.3) NEW NEWS (33H) (r11:30)		7.0 (38.3 18.4) +1.7 (+5.8 +2.0)		9.7 (35.9 26.9) +0.9 (+5.2 -1.8)		35.7 +7.1	8:45
9:00	40.2 +5.5	I Deal In Crime 5.9# -0.3		RADIO THEATRE Lux (33H)		GABRIEL HEATTER Repert. (32N) 7.7 (39.1 19.5) +0.9 (+2.0 +1.1)		TELEPHONE HOUR Bell System (33N) (r12:00)		40.2 +5.5	9:00
9:15	39.4 +4.7	I Deal In Crime 6.0# -0.1				Real Stories 3.7#		6.8 (40.6 16.8) -0.8 (+4.0 -4.0)		39.4 +4.7	9:15
9:30	38.8 +1.7	Johnny Olsen 1.9# -0.8		19.9 (38.5 51.8) +3.7 (+4.0 +4.7)		SPOTLIGHT BANDS Coca-Cola (32)		BORGE & GOODMAN Socony Vacuum (33H)		38.8 +1.7	9:30
9:45	35.6 +4.1	Johnny Olsen 2.2# -0.6				4.1 (37.2 10.9) 0.0 (+1.9 -0.7)		6.6 (37.2 17.8) -0.2 (+2.9 -2.0)		35.6 +4.1	9:45
10:00	35.9 +4.1	SPORTS TALK Amer. Cy. (33N) 1.6 (36.1 4.4) -0.1 (+6.6 -1.4)		SCREEN OUTLD Lady Esther (33H)		Tommy Dorsey 3.4# -1.4		CONTENTED PHO. Carnation (33N)		35.9 +4.1	10:00
10:15	30.5 +0.4	'First 100 Years' 1.9# +0.2		20.0 (33.2 60.1) +4.1 (+2.3 +8.6)		Tommy Dorsey 2.7# -0.9		5.9 (33.2 17.7) +0.5 (+2.3 +0.3)		30.5 +0.4	10:15
10:30	26.6 -2.8	'First 100 Years' 1.9# +0.2		BOB HANK SHOW Camels (Repert.)		G. Barry Orch. 1.4#		DR. I. Q. Mars, Inc. (33)		26.6 -2.8	10:30
10:45		Fantasy in Melody				V. Brandwynn Orch.		11.4 (26.6 42.7) +0.8 (-2.8 +6.6)			10:45

Figure 8. Typical Hooperating "Pocket Piece" Supplied to Network, Advertiser, and Agency Subscribers. Courtesy of C. E. Hooper, Inc.

within the city proper and shows actual listening, program by program, for the principal stations mentioned by the respondents.

These reports are of value to the national advertiser in that they reveal the differences in the numbers listening to specific programs in different cities. They are of greatest



HOOPER STATION LISTENING INDEX

City Zone

CITY: PORTIA, ILL.

MONTHS: FEBRUARY-MARCH, 1946

Total Coincidental Calls—This Period: 17,606

SHARE OF AUDIENCE

INDEX	STG- IN-USE	WYF	WESL	WGN	WLS- WDR	WMAU	WISD	OTHERS	HOMES CALLED
WEEKDAY MORNING MON. THRU FRI. 8:00 A.M.—12:00 NOON	23.7	4.5	5.9	4.3	17.3	9.1	56.5	2.4	2,237
WEEKDAY AFTERNOON MON. THRU FRI. 12:00 NOON—6:00 P.M.	25.4	7.3	5.2	5.9	9.3	12.0	56.9	5.4	3,623
EVENING SUN. THRU SAT. 6:00 P.M.—10:00 P.M.	41.1		3.9	5.4	10.1	23.8	53.1	1.7	7,147
SUNDAY AFTERNOON 12:00 NOON—6:00 P.M.	23.8	0.9	7.7	15.0	18.7	21.5	33.1	3.1	1,538
SATURDAY DAYTIME 8:00 A.M.—6:00 P.M.	21.2	6.7	5.5	4.8	6.1	6.5	66.7	4.7	2,566
TOTALS RATED TIME PERIODS	29.3	5.6†	4.9	5.8	11.2	17.5	54.1	3.1	17,606

The Hooper "STATION LISTENING INDEX" is computed from the total station mentions secured from the coincidental questions "To what program were you listening, please?" and "Over what station is that program coming?" asked of persons found to be listening to the radio. Excluded from this base ("Total Mentions") are the names of homes, the names of radio programs, and the names of radio stations. The base for "Station-Use" is computed on the basis of the total number of calls to identify the station to which they are listening. Base for "Station-Use" computation is "Total Homes Called."

* Every rated hour gives equal weight. For this reason this Total Index is not an arithmetic average of the Day-Part Indexes.

† Adjusted to compensate for the fact that WYF signs off at local sunset.

The Code of Practice governing the use of "CONTINUING MEASUREMENT OF RADIO LISTENING" applies to this "STATION LISTENING INDEX."

Figure 9. Hooper Station Listening Index. Courtesy of C. E. Hooper, Inc.

value to the local station and the spot advertiser, by serving as a guide in station and time selection. The reports are usually syndicated by the majority of radio stations in each city and are issued three times each year. A sample City Hooperating is shown on page 167.

Two facts should be borne in mind in connection with both of these Hooper reports. Each of them is based on telephone calls. As shown in Chapter II, there are more than twice as many radio homes in the United States as there are telephone homes. This immediately restricts the sample to less than 50 per cent of the total radio audience and centers the survey in homes able to afford a telephone, although no attempt is made to weight the calls on the basis of income levels. Second, because the calls are concentrated on city telephone subscribers, the results do not reflect either suburban or rural program or station preferences. Other surveys have shown that there are marked differences in program tastes between urban and rural listeners, so that the Hooperating may not show an accurate program rating if projected to the national coverage of a network. Hooperatings, too, are restricted to time periods within which a telephone call would not be a nuisance. As a result, ratings are not available for late evening or early morning periods.

It was the successful development by Hooper of the coincidental telephone-call technique which forced CAB first to adopt the same method and later to dissolve.

The Nielsen Radio Index

The Nielsen Radio Index is prepared by the A. C. Nielsen Company of Chicago, a firm which has been singularly successful in market research in the food, drug, and liquor fields. The facts in this survey are secured by means of an audimeter attached to radio sets in scientifically selected sample homes. The audimeter is an electronic device which records on a continuous tape every minute of listening on the radio set by station and time.

All homes selected are investigated thoroughly before the audimeter is installed. They are properly weighted as to income level, city size, time zone, and other marketing char-

acteristics, and cover a coast-to-coast area containing 63 per cent of all of the radio homes in the United States.

The tapes are removed each month and are decoded to show the exact extent of listening within the household, the actual minutes when the set was in use, and the division of listening between various available stations and programs. From a study of these tapes, many facts in regard to a program can be known. For example, they show minute-by-minute listening, which may indicate why the radio audience tunes out a given program at a certain point. Analysis of these findings can show what the program lacks to hold the audience for the entire broadcast period. A rating is developed for each program, of course, and can be projected against the total radio audience, since the homes in the sample are properly balanced as urban and rural, telephone and non-telephone, et cetera, in areas representing 63 per cent of the total radio homes in the country. Accumulation in audience and duplication of listening can also be developed from these tapes. Furthermore, inventories of radio-advertised products are taken in kitchens, pantries, bathrooms, and boudoirs. These inventories, combined with listening records, can indicate sales effectiveness and produce a pattern of consumer buying in relation to consumer listening.

This service was tested experimentally for four years before it was offered to networks, agencies, advertisers, and stations in 1942. It is considerably more expensive than the Hooper service and is not as yet designed for individual station use like the Hooper City Ratings.

The Broadcast Measurement Bureau

One of the most significant developments in the field of radio research was the establishment in 1945 of the Broadcast Measurement Bureau (BMB). This bureau was financed by the broadcasting industry and endorsed by the American Association of Advertising Agencies and the Association of National Advertisers.

The purpose of the BMB survey is to measure "listening audience" for every individual station in the country on a uniform basis. Listening audience is defined as the total

2. A pretested, controlled mail ballot is used.
 3. The returns are tabulated by a research-controlled system of standards.
 4. The returns are released to subscribers in uniform and usable form.
- This BMB survey employs many of the techniques and

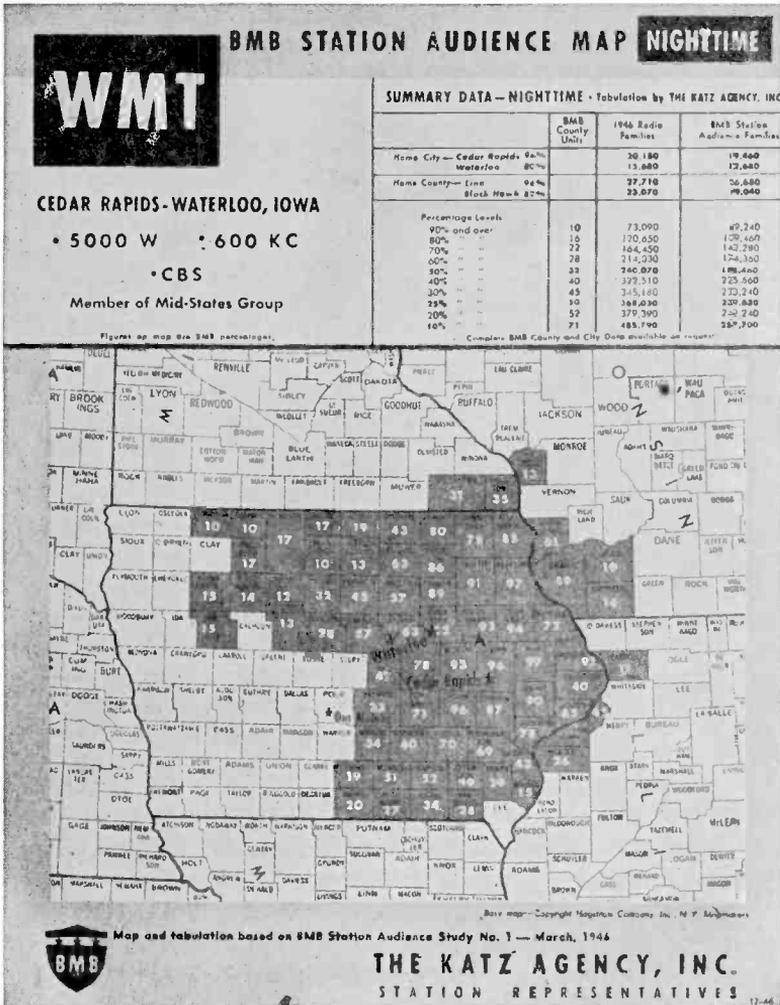


Figure 12. Typical Individual Station Audience Map Based on BMB Results. Courtesy of WMT Cedar Rapids.

methods developed and refined by the Columbia Broadcasting System in its successive Listening Area Surveys since 1940. A sample of the actual ballot used is shown on page 172. These ballots are sent to over a half million families in upwards of 20,000 cities and towns and 3,100 farming areas, with a merchandise gift as incentive to complete and return the questionnaire. Returns are not tabulated for any county until a minimum of 50 per cent of the sample in each type of community has returned a usable ballot.

These returns indicate the intensity of listening by percentage levels ranging downward from 100 per cent to ten per cent. BMB does not seek to place any arbitrary limits on primary, secondary, or tertiary coverage. All of the facts gathered by the survey are presented *in toto* and the individual station, advertiser, or agency may establish its own coverage values. A typical example of the use of these results by an individual station is shown on page 173.

In addition to the individual station reports, BMB also prepares Area Reports on all stations serving each city and county. These are merely recapitulations of all the individual station reports. The call-letters and night and day audiences and percentage of listeners are listed under each place for all stations serving that place.

BMB data are also available for use by the networks in preparing network coverage summaries. The tabulation of these results is a more complicated problem, as duplication from more than one network station in a given area must be eliminated. For the first time, uniform coverage measurements are available for all four networks. CBS had previously made extensive and sincere research efforts to determine its coverage; NBC had first employed an audience-mail analysis and, later, postal-card surveys; ABC had projected the original NBC method; and MBS used a composite of individual station coverage data before adopting their listenability surveys, which rely most heavily on field-strength measurements. Now, however, advertisers and agencies have a uniform gauge which can be applied to all networks. This data can be used effectively for advertising cost allocation by network sponsors. And since the same method is employed by the Bureau of Broadcast

Measurement in Canada, an interchange of uniform information is provided.

Other Surveys Available to Advertisers

In addition to these established research services, there are four other types of accepted research which are available to an advertiser, agency, network, or local station. Each of these is a custom-made survey to meet specific requirements and is not available on a continuous basis.

The first is the listener-diary study, which is usually conducted by mail in a carefully selected sample of radio homes. The listener is requested to keep an actual diary, quarter-hour by quarter-hour, of the family listening for a given period of time, generally in units of one week. This type of survey provides great latitude in the information which can be developed. It can be as extensive as individual requirements dictate and should embrace a full week's broadcasting schedule.

The second type is the printed-roster survey, which is conducted by house-to-house interviews, again properly weighted by income levels, urban and rural homes, et cetera. This is essentially a recall study, wherein interviewers ask a sample of radio owners when their radios have been in use during some period of time preceding the interview. When the set-use pattern has been established, the interviewer hands the respondent a list, showing all of the programs which could have been heard during this period of time. The respondent is then asked to designate which of the programs were actually listened to during the time. The interview, of course, can include any additional pertinent questions desired. As in the case of the listener-diary study, this method has the advantage of not being limited to homes in which there are telephones and can provide an accurate picture of audience composition.

The other two types of custom-made research are qualitative program measurements. The Lazarsfeld-Stanton program-analyzer survey is based upon a carefully selected group of listeners gathered together in a studio at the same time and offering an opportunity to probe for the reasons dictating their likes and dislikes. To each one is given an

electronic device by which he can register his approval or disapproval of the various elements of an actual program. These reactions are recorded on a tape during the entire program and, together with the results of an interview with each participant at the conclusion of the program, produce definite evidence of the strong and weak points.

The fourth type of special survey is the listener-panel technique. This consists of the selection of a representative jury, which, by appointment, will listen to specified broadcasts and will report their reactions in formal questionnaires. In this manner, reactions to all of the essential units of a broadcast can be secured. This type of survey can be conducted by mail, thus providing as wide a geographic scope as desired.

Individual Station Surveys

These, then, are the major surveys in the field. But many local stations caught the gleam of radio research early, and went out and made their own surveys. One common practice was to arrange with a local business school or college for a group of student interviewers. The actual interviews were made either by telephone or house-to-house canvass with questionnaires prepared by the station. Quotas were set and the students, inexperienced in scientific research, were much more interested in meeting these quotas and earning the fee than they were in developing unassailable research facts.

With improper questionnaires, inadequate distribution of interviews, and amateur interviewers, the station making the survey was uniformly returned as the preponderant favorite in its area during all hours of the day and night. Advertisers were treated to the spectacle of two surveys of this type, made by two stations in the same city within six months and returning diametrically opposite results. In fact, a station in one of the country's largest markets, where four stations were about on a par, consistently refrained from making a survey because it always ranked second on the surveys made by each of its competitors. The competing station making a survey always ranked first, and it was possible to make capital out of this fact by pointing an ac-

cusing finger at the inefficient survey methods then in use.

There were two early types of surveys used by local stations which were valuable and which even today are of interest to advertisers and agencies. These are the field-intensity survey, described in Chapter III, which indicates where the station can be heard, and the audience-mail survey, which indicates where it is actually listened to.

Radio stations at first did not know how to use mail received from the listening audience. They were fascinated by the size of it—so many thousand letters this month, so many more thousand the next month. One of the earliest radio station representatives told an advertising agency his station had received 25,000 letters, expecting that fact alone to bowl over the time-buyer and result in an order. When questioned, he had no idea over what period of time these letters had been received or whether in response to one or many offers. The volume of audience mail is, in itself, meaningless. Only proper analysis and interpretation can draw interesting and helpful facts from it.

One method is to prepare an audience-mail map of intensity of coverage county by county. A par county is established—the county where the station's transmitter is located and every home can secure an excellent signal. A ratio is then established between the mail received from and the number of radio homes in the home county. This ratio is used as the gauge for measuring mail received from all other counties. If any county has a ratio of 50 per cent, or better, of the ratio established for the par county, it is considered to be in the primary coverage area of the station. If a county has a ratio of less than 50 per cent of the ratio established for the par county, it is considered to be in the secondary coverage area of the station.

For example, if the station draws mail from its home county at the rate of two replies per 100 radio homes, any county from which it draws at the rate of one or more replies per 100 radio homes is considered a primary county. Any county from which the station draws at the rate of less than one reply per 100 radio homes is considered a secondary county.

Stations like to have frequent offers made on commercial

programs, in order to produce large mail returns which can be analyzed and which provide a recurring check on the extent of the listening audience. Audience-mail maps, when studied in connection with field-intensity surveys, produce quite interesting facts. In some cases, stations have discovered that counties in which their signal shows poor strength, have shown up as primary counties on the mail map. In these counties, there have been stations from other, and sometimes even nearer, markets, which have laid down stronger signals, but the habitual listening has been concentrated on the station with an inferior signal. This can be explained by the geography of trading areas and social ties; listeners turn naturally to a particular city on either or both of these counts. In other counties, in which signal strength is good, perhaps only secondary coverage can be claimed on the basis of mail analysis. In these counties, the audience may turn to other stations which can be heard equally well. The truth of the matter is, the signal-strength survey shows the area in which the station can be heard, and the audience-mail survey produces convincing proof of the area in which the station is listened to.

It is interesting to note the scattered points from which even the most ordinary offer will draw mail. Such returns are a source of constant curiosity to a station, but, of course, no attempts are made to evaluate them as anything more than freaks of reception. The story is told of the owner of an all-night diner near Albany, New York, who consistently heard WBT-Charlotte, North Carolina, well, liked its programs, and considered purchasing spot announcements for his diner.

Since the growth of radio research and the perfection of its techniques, very few stations engage in their own survey and research projects. Many of the old surveys have already been discarded, and with constantly changing programs and the resulting shifts in audience listening habits, a continuing check must be made.

There are four sources of information available to the individual station, three of them available through national or semi-national research organizations. These three are

the Conlan Surveys, and C. E. Hooper, Inc., Radio Index, and BMB, previously described.

The Conlan Surveys are prepared on order for any station by an independent survey organization. They are conducted by means of coincidental telephone-calls throughout the day and evening for an entire week. They have the advantage, over the national surveys, of using a larger and more adequate sample, that is, the results are based on many more interviews. For example, C. E. Hooper, Inc., in the course of preparing its national results, makes a survey in the city of San Antonio, Texas (population 325,000) which is limited to an average of three-plus phone-calls per fifteen-minute period. Conlan, on special assignment, conducts a survey including 35,215 completed phone-calls within one particular week. Bear in mind that both of these surveys use the coincidental telephone-call method.

The BMB report is also available to the local station. This will be used increasingly by individual stations, and, of course, represents an unchallenged promotion tool.

The fifth source of research available to the local station is a custom-made survey conducted by a local or neighboring university and under competent research supervision. This type of survey is prepared annually by Stations WIBW-Topeka and WHO-De Moines under the supervision of Dr. Whan, of the University of Wichita.

These surveys are not made on the basis of telephone calls but are prepared by means of house-to-house interviews by qualified canvassers, and are properly weighted as to income levels, properly distributed geographically, and properly balanced between urban and rural homes. Surveys of this type develop far more facts of local value than Conlan, Hooper, Nielsen, or BMB could possibly uncover. They go far beyond hours of actual listening and program popularity. The stations can probe the important factors in radio listening which operate in their territories and which will help them to present the type of program desired by their listeners. They actually solicit program advice and suggestions from their audience, and the complete report is of extreme value in local station operation.

For example, the most recent survey prepared for Station WIBW-Topeka produced the following facts:

RADIO SETS IN KANSAS HOMES

Number of radio receivers
Condition of radio sets in Kansas

STATION PREFERENCES IN KANSAS

Station preferences for the entire state
Trends in station preferences
Trends in station popularity— Daytime heard regularly
“ “ “ “ — Nighttime heard regularly
“ “ “ “ — Daytime listened to most
“ “ “ “ — Nighttime listened to most
Station preferences by place of residence of listener
“ “ by farm, village and urban families
“ “ by districts— Daytime
“ “ by districts— Nighttime
“ “ by districts for 6 leading stations (maps)
Stations preferred for news and newscasters
“ “ for farm news
Networks carrying best-liked commentators

LISTENING HABITS AND HOURS

Trends in amount of listening
Number of hours average Kansas adults listen
Effect of age of listener on amount of listening
Percentage of adults listening on weekdays
Effect of sex and residence of listener on time spent listening
Composition of the adult radio audience in terms of age of listener
Portion of radio homes available to radio during major portions of radio day
Portion of radio homes available to radio by two hour periods
Percentage of adults who listen to radio during early morning hours
Percentage of adults who listen to radio during late evening hours
Variation in amount of listening done by individuals
Influence of “time change” on listening hours

PROGRAM PREFERENCES

Best-liked newscasters
Favorite farm news editors

- Best-liked commentators
- Trends in popularity of types of program materials
- Effect of sex and residence of listener on preference for program materials
- Effect of education of listener on preference for program materials
- Effect of age of listener on preference for program materials

ADEQUACY OF PROGRAM SERVICE IN KANSAS

- Do listeners want programs not now available?
- Percentage of listeners in agreement as to unavailability of program type
- Percentage of listeners unable to get wanted programs
- Types of programs not available by periods of radio day
- Most needed programs by class of listener
- Percentage of listeners naming each program type as unavailable

RADIO'S PRESTIGE IN KANSAS

- Attitude of adults toward the "job radio is doing" in Kansas—by age and education
- Is there any way in which radio could give the public better service?
- Ways suggested by adults for Kansas radio to give better service

PUBLIC ATTITUDE TOWARD COMMERCIAL ANNOUNCEMENTS

- Attitude toward commercializing "public service" types of programs
- Attitude toward Number of announcements on public service programs
- Attitude toward Position of announcements on public service programs
- Attitude toward Amount of commercialization in radio in general
- Commercialism *vs.* number and length of announcements
- Attitude toward the Number of announcements on single programs
- Attitude toward the Length of individual announcements heard
 - " " the Method of presenting commercials
 - " " the announcer's delivery of commercials
 - " " "singing commercials"
 - " " claims made by radio advertisers
 - " " individual commercial announcements

Lack of agreement in selecting most pleasing or most annoying commercials
Specific advertisements "especially pleasing" and "most annoying"

We see, therefore, that research has provided expert survey services for national advertisers, advertising agencies, networks, local advertisers, and local stations. It is possible that in the past quarter-century, broadcasting has been the most surveyed industry of them all. Anyone interested in the facts developed by radio research wants to have confidence in the method used and the interpretation of the results. Perhaps the best warning on this subject is that contained in a handbook prepared by the National Association of Broadcasters entitled *How To Measure Radio Audiences*:¹

"The vast majority of research, radio or otherwise, is soundly conceived, carefully executed and honestly reported. But it is necessary to read carefully the original report itself. That should state clearly and exactly what is being measured, when the measurement was made, how the survey was conducted, who performed the work, etc.

"Certain of these questions should be asked and answered about every piece of research. The integrity of the researcher should be established. Several national research organizations are equipped to operate in a large number of U.S. cities and towns and, in many communities, local research groups have adequate facilities to survey the surrounding area. Obviously, a study made by a reputable, impartial organization is to be preferred.

"The scope of the study should be clearly defined. Does the sample include all classes of homes in a good cross section of the area? Or were only telephone homes called? Or families who had written letters to the program or station? Or only families owning automobiles? Samples of such specialized groups are sometimes taken for particular purposes, but it should be clearly understood what type of sample has been used.

"The geography of a radio research sample is another important factor. A survey of the station city may or may not represent the suburbs as well. Where was the survey made? If farms con-

¹ National Association of Broadcasters, *How To Measure Radio Audiences*, pp. 20, 21, New York, 1943.

stitute a major segment of the population in the area, have farmers been interviewed in the proper proportion?

“Important, too, is the time when a particular survey was made. Certain basic elements of broadcasting, such as the number of families at home and the number listening to the radio, have very definite seasonal patterns but change little in any given season from one year to the next. Preferences for various stations can change fairly rapidly as program schedules change. Weather can affect the results of a particular survey, as can such broadcasting events as baseball games, major political speeches, etc. Any such relevant information should be made known in the report of the survey.

“The foregoing questions require no professional skill in research to evaluate the answers. The question of the manner in which a survey was performed is somewhat more difficult to interpret. Interviews are principally accomplished by personal calls, telephone calls or mail questionnaires. An excellent case can be made for the use of personal interviewers for nearly any type of research, but it should be borne in mind that the caliber and training of the interviewers is of enormous importance. The best-planned survey can be ruined by incompetent interviewers.

“When simple reporting of current or recent activity is all that is required, the telephone interview is adequate, recognizing the limitation that only telephone homes are sampled. If greater geographic spread is required in a study which seeks answers to a few simple questions, mail questionnaires can be satisfactorily employed. A carefully selected sample should be taken to insure a good cross section of the area in the outgoing mailing, while a system of ‘follow-ups,’ to encourage response from a substantial majority of those addressed, should be used to insure a representative sample in the returns.”

CHAPTER XII

Planning a Network Campaign

RADIO has demonstrated that it can sell goods. But the radio is not a cure-all for the advertising ills of all national manufacturers. There have been many times when radio has not sold goods—and there have been good reasons why. For some advertisers, radio, and radio alone, can carry the entire burden. For other advertisers, radio is most effective when used in combination with other media. Whether radio should be used and how it should be used are two decisions which rest with the advertising agency of the national advertiser.

An advertising agency does not reach a decision overnight to recommend broadcasting to a client. Such a decision is the result of cumulative thought, research, and experience. It is interesting to trace the steps through which a typical recommendation to use network radio must pass before the time and talent are actually purchased and the program series starts on the air.

Most agency staffs include a group, known as the Plans Board, comprised of experts in each branch of advertising. This group meets at regular intervals to consider and recommend advertising expenditures for all clients. The total appropriation is determined for each campaign, and it is the Board's duty to present the final recommendation to the advertiser.

For any major advertising campaign, and numerous smaller ones as well, radio is considered both in competition to, and in combination with, magazines, newspapers, and

outdoor advertising. The Plans Board usually calls upon the radio department of the agency to prepare the case for broadcasting. The radio department is told the budget available, the type of consumer to be reached, and the territory to be covered. From there on, it must assemble the facts to support its proposal. What are some of these facts and what do agencies look for in considering a network radio campaign?

Evening or Daytime Radio

One of the first decisions to be reached is whether evening or daytime radio is to be used. If the product is purchased exclusively by women, daytime radio is considered. More women listen in the evening, but daytime radio costs less for station time and daytime program talent is cheaper. What does daytime radio have to offer? Is it a possibility?

Network research has shown that annual expenditures for daytime radio in the decade from 1935 through 1945 increased from \$7,115,793 to \$36,288,294—a greater rate of increase than was registered by evening radio within the same span of years. The bulk of these expenditures was made by food, drug products, and soap manufacturers who were interested in reaching the housewife when the need for these products was uppermost in her mind.

Three families out of four listen to their radios during the average weekday, and each weekday they listen an average of 3 hours and 1 minute in the daytime. Of this time, one hour and eighteen minutes are devoted to listening to the five-day, weekly serial type of program, thirty-one minutes to music, twenty-seven minutes to news, and the balance to various other types of broadcasts.¹ There is an audience available during the daytime hours.

On a five-days-a-week, fifteen-minute daytime program, the advertiser has sixteen and a quarter minutes of commercial announcement compared to three minutes on a once-a-week, half-hour evening program. The station cost for five daytime quarter-hours is two-thirds more than for an evening half-hour, but the talent cost is generally one-third to one-half as much as in the evening.

¹ Station WBBM-Chicago, *Listener Diary Study*, 1945.

Daytime radio also offers Saturday morning and afternoon periods, in which a combined family audience of the evening type can be reached, although in lesser numbers. Many advertisers have been singularly successful with broadcasts in these periods. In addition, if a children's audience is desired, late afternoon periods have proved their value in reaching that market.

Daytime radio, then, should be explored thoroughly. If a combined family audience is required, nighttime radio is the logical choice. Once either daytime or evening radio has been selected, the agency generally calls in the salesmen from the various networks to discuss time availabilities. This step is important in framing the final decision and is subject to the most detailed analysis.

Network Availabilities and Costs

Assuming that the decision has been made to use a half-hour evening program, the agency receives a time-quotation of the best open period from each of the four networks. It is the radio department's function, then, to select the best one as the basis for its final recommendation.

The value of a half-hour evening period on a network is dependent upon a number of factors. First, the programs that precede and follow the open period are reviewed. If the new program can be placed between two high-ranking shows, it gains an immediate advantage. Equally important are the programs broadcast at the same time on the other networks. This competitive situation explains why a given period frequently is open on one or more networks—no advertiser will buy opposite the strong, high-rating programs broadcast on the other networks at the same time.

Second, a comparison of the coverage supplied by the networks is made. With BMB coverage figures, this comparison can be made on a uniform basis and is not as difficult as when each network used its own individual method of calculating its coverage areas.

Closely allied with coverage is cost. Estimates of station costs are prepared by each network for the period offered. Sets-in-use figures for each period by time zones across the country are important. Perhaps, on one or two

networks, rebroadcasts would be necessary to reach the Pacific Coast during an evening hour. This would mean additional talent costs for repeating the programs. Some periods offered may fall in network-option time and others in station-option time. The network-option time periods are more desirable, because station clearances will be easier.

Many agencies have found it advantageous to advise each network of the exact time periods offered by competing networks and to request the network to prepare a specific presentation on its time offer. The procedure is sound because it supplies the agency with all the facts in connection with each offering; furthermore the networks are given an equal opportunity to secure the business. Although formal options on time cannot be secured on all networks, limited reservations on a period may be made. These are arranged with each network at the time the presentation is made.

Program Sources

There are numerous sources of radio programs. Many of the top-ranking shows on the air are sold as complete packages to agencies and advertisers by independent producers, talent booking agencies, or networks. That is, the comedian or star, the orchestra, announcer, singers, script, sound effects, and all the elements of the show are lumped together at a flat sum. The preparation, casting, production, scripts, and rehearsals are all handled by the outside producer, and the agency acts in a supervisory capacity on that portion of the broadcast, with complete responsibility only for the preparation of the commercial announcements and their presentation in the program.

The use of "package shows" is widespread. At one time, the leading advertising agencies would not consider outside ideas for radio programs. Large staffs were maintained in the radio departments to plan and produce programs. Gradually, however, the economies of the "package show" asserted themselves. Such a program is produced by radio production experts who do not appear on the agency payroll. Also, many of the leading programs on the air cannot be purchased in any other way. Radio stars may have definite ideas on the proper format for their programs and

may have gathered the supporting cast into a "stock company." The "package show" idea has given stability to programs and resulted in actual savings to agencies and advertisers.

Another and increasingly important source of new programs is the networks themselves. Every network is producing more and more programs with the aim of selling them eventually. This contrasts with the former practice of producing programs merely for their own sustaining-program requirements. A network-produced show has much to recommend it, since it can be broadcast and tested at the lower "sustaining" fees for actors and musicians. Experiments can be made until the right format is developed, and the program checked as a unit in a complete network schedule. Generally, such programs can be offered to advertisers and agencies at costs lower than package-show producers can quote or the agencies themselves can duplicate.

Many agencies, of course, purchase scripts and cast, direct, and produce their own shows. This is justified when the agency produces a number of programs, so that the overhead in the radio department does not swallow all the profits.

The selection of a program for a series of half-hour evening broadcasts is a grave responsibility. The monetary commitment is large and the selection must be one that will attract the largest possible listening audience for the advertiser. It is usually made from the following types of programs, or combinations of them. Opposite each type, examples are listed with estimated program costs:²

Comedy-Variety	"Durante and Moore"	\$12,500
	"Jack Benny"	22,000
	"Jack Carson"	10,000
	"Bob Hope"	21,000
Musical-Variety	"Ginny Simms"	11,000
	"Kay Kyser"	14,500
	"Dinah Shore"	13,500
	"Dick Haymes"	10,500

² *Variety*, February 26, 1947 Estimate.

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Drama	"Screen Guild Players"	10,500
	"Cavalcade of America"	11,500
	"Dr. Christian"	6,500
Mystery-Drama	"Mr. District Attorney"	7,000
	"Crime Photographer"	2,000
	"Inner Sanctum"	4,500
Comedy-Drama	"Suspense"	7,000
	"Fannie Brice"	15,000
	"Fibber McGee and Molly"	16,000
	"Blondie"	8,500
Quiz Programs	"Aldrich Family"	12,300
	"Take It or Leave It"	7,500
	"Doctor I. Q."	6,000
	"Professor Quiz"	3,500
Stunt Programs	"Bob Hawk"	5,000
	"Truth or Consequences"	10,000
	"People Are Funny"	7,500
Popular Music	"Fitch Bandwagon"	12,000
	"Frank Sinatra"	13,000
	"Manhattan Merry-Go-Round"	5,000
	"Vaughn Monroe"	7,500
Classical and Semi-Classical Music	"Telephone Hour"	8,500
	"American Album of Familiar Music"	5,000

(News commentators are not included in the above list of program types as they are usually broadcast in fifteen-minute rather than half-hour evening programs.)

The radio department must study the program schedules on all networks to determine the types of broadcasts which are generally successful. Then the ratings achieved by various types of programs must be analyzed closely. The station cost for a half-hour evening period remains constant no matter what type of program is used, but the variation in program costs can very well spell success or failure for the advertiser's campaign. If a program costing \$6,000 earns a rating of 10.0, it delivers listeners at a lower cost per thousand than another program costing \$15,000, which achieves a rating of 17.0.

The radio department must answer for itself, "How high is successful?" It must estimate realistically the probable rating the program will attain and what rating the agency

and advertiser will consider as successful. There are many programs today on all networks which never have and never will build a 20.0 rating. Yet these programs have been broadcast for years and are considered by their sponsors as eminently successful in building sales.

Any agency radio department dealing in talent and programs must be fully conversant with the rules and regulations of the two performing unions in the broadcasting industry. These are AFM (the American Federation of Musicians) and AFRA (the American Federation of Radio Artists). All network musicians are members of AFM and all network actors, announcers, and singers are members of AFRA. Each of these unions has established wage scales and working conditions which must be adhered to by all program producers. The unions prescribe minimum fees for auditions, rehearsals, broadcasts, and rebroadcasts, and outline in complete form all the conditions of employment.

AFM grew up with radio; it began before musicians were employed on radio programs. AFRA, on the other hand, was not formed until radio broadcasting was well started. One of the chief reasons for its formation was the fact that some advertisers and agencies exploited actors, announcers, and singers. Radio was a new avenue for their talents and performers were anxious to "get on the air." Trading on this fact, some agencies paid ridiculously low fees to these new aspirants and required free auditions and unduly long rehearsal time.

When a decision on the program has finally been reached and costs have been estimated, a recording—complete with commercial announcements—is usually made for the advertiser. By this time, the other branch of the radio department has selected the best network period from those offered. Then the time and talent recommendations of the department are combined and submitted to the Plans Board.

There they are considered in comparison with the recommendations of other media. If the Plans Board decides that radio, either alone or together with other media, is to be the agency's recommendation, a meeting is set with the advertiser at which the agency presents its reasons for rec-

ommending radio and "auditions" the program. No rule exists which states categorically that radio can be used alone or that radio must be used in combination with other media. Some companies spend all their advertising dollars in broadcasting. Others spend only a fraction of their total advertising budget on radio. Each procedure has met with success. The answer seems to depend upon the requirements of the individual advertiser and the character of his products. For certain advertisers, radio alone can produce sales. For others, a well-rounded campaign including other media produces the best results.

If the advertiser approves the plans, the agency concludes arrangements with the network and the talent.

The Purchase of Network Time

The purchase of time is usually made by a letter to the successful network; the name of the advertiser, product to be advertised, program to be used, cancellation privileges, costs, and any special details are outlined. The network acknowledges the order by letter, and this exchange of correspondence represents the legal commitment until such time as the formal contract forms are prepared, signed, and executed.

A similar procedure is followed in purchasing the program: the option is taken up by letter, acknowledged, and followed by formal contracts. Talent contracts conform to time contracts in regard to cycles and cancellation dates. The contracts usually provide for an advancing price scale, on the theory that the program value increases as the program establishes itself and builds a larger listening audience over a period of time. This constantly increasing cost of talent has brought many programs to the brink of cancellation, and some of them have gone over the brink. During the war years, the profits of many manufacturers were used to purchase expensive, even gaudy, radio programs instead of paying large taxes on profits to the government. Artists placed fictitious values on their services and, to their very evident surprise, frequently received what they asked.

Now a larger percentage of corporate profits can be retained by manufacturers and labor costs have risen. A

review of radio expenditures was inevitable and some sponsors discovered interesting facts about radio advertising. There is increasing evidence that broadcast advertising is returning to basic principles and that "the cost per thousand listeners actually reached" is resuming its former importance as a guide in purchasing time and talent. A high program rating, with all the prestige that it entails, is meaningless if it does not gain listeners and produce sales at a reasonable cost. If the practice of judging only by rating were continued much longer, radio would find itself on the losing side of competition with other media on a cost basis alone. More effective broadcast advertising can be achieved by many advertisers if they discontinue top-heavy talent appropriations, start from scratch, and substitute intelligent program planning for mere dollars.

Station Clearances

As soon as the order is placed with the network, all of its departments (see Chapter IV) start operating. First, a teletype order is issued to the stations called for in the contract and clearance of the time period is started. The message outlines the program and contract details and requires confirmation by the individual station. Occasionally, clearance difficulties are encountered. A station may have a local program scheduled in the period ordered by the network advertiser. The sponsor of the local program may have had that period for a number of years and may refuse to shift his program to another time. In that case, the station might be faced with the loss of local revenue greater than his income from the network. On a dollar-and-cents basis, it would be unwise for the station to withdraw the time from the local advertiser. Yet there are other considerations.

If the period falls within network-option time, the station is obligated to clear; it should explain to the local advertiser, therefore, when the time is sold, that it is recapturable for a network program. If the period falls within station-option time, the choice of clearing rests with the station. It may decide that the audience-building value of the network program is important enough to justify

shifting the local program, with the chance of losing the local sponsor. Or it may decide not to clear for the network show and to offer the national advertiser a delayed broadcast period instead. In either case, the network sponsor knows in advance whether the period falls in network- or station-option time. If it falls in station-option time, some clearance difficulties can be anticipated.

The networks make every effort consonant with good business practice to secure live clearance for the advertiser. On occasion, the agency participates in these negotiations with a station until a mutually satisfactory arrangement has been worked out. An advertiser is not obliged to accept a delayed broadcast on any station and may cancel that station until such time as it can clear on a live basis. However, nonacceptance of a delayed broadcast may result in a loss of discount to the advertiser.

Reports on station acceptances and requests for delayed broadcasts are given to the agency as received, until the whole network has been cleared and delayed broadcasts either approved or those stations concerned are cancelled.

Promotion and Publicity

The program promotion and publicity departments of the network work in close co-operation with the advertising agency in preparing promotional and publicity material for individual station use. This material usually takes the form of a complete kit which is sent to each station at network expense and contains biographical sketches of the stars on the program, descriptions of the program, glossy prints for local newspaper publicity, mats for local newspaper advertisements, suggested announcements to be broadcast prior to the start and during the first weeks of the series. Build-up announcements are also scheduled on the network in sustaining periods during the week prior to the start of a new series. Publicity releases are issued to the trade and general presses, and a schedule is set for continuing releases after the series starts. Radio columnists and editors, both valuable allies for any radio program, should be supplied constantly with publicity material, information, and program details.

This whole question of merchandising and publicity is of vital importance to the success of a broadcasting campaign. It calls for the closest co-operation between network, agency, and advertiser. No advertiser should spend the whole budget available for broadcasting on time and talent alone. A certain amount—it is not possible to set any arbitrary proportion—should be reserved for merchandising, promotion, and publicity activity. Many advertisers hold regional sales meetings to inaugurate a new radio series. Audition recordings are played and the whole philosophy of the campaign is explained. Point-of-purchase material, such as window streamers, counter displays, or door stickers, can be supplied in order to reach the listener at the place where the purchase is made. Envelope stuffers can be enclosed with dividend checks to stockholders.

No legitimate or movie theatre would offer entertainment without having the street address of the theatre and the time of the play or movie constantly available to the public. Newspaper spotlight advertising for radio programs is used for the same purpose. These spotlight ads are usually one column by one to four inches and carry program details, local station call-letters, and time of broadcast. They are scheduled on the day of broadcast in specified positions on the radio page of the newspaper. In addition to this type of advertising, it is also effective to carry "tune-in" references to the program in all other forms of advertising used. Some advertisers can use promotion material in the packages containing their product or on the cartons or labels.

All of this merchandising, promotion, and publicity activity serves a very real purpose. It builds the listening audience for the series more quickly than if the programs went on the air unheralded. The more listeners who can be directed to the programs and the earlier in the series, the greater the chance for successful ratings—and successful sales.

Studio Reservations

Studio reservations and rehearsal schedules are two important details handled by the network's operating departments. The requirements of the agency must be met in

all particulars. A studio engineer, a production representative, an announcer, and a sound effects man are generally assigned for each rehearsal session and broadcast. There is no charge for the engineer's or the network representative's services. The announcer is hired by the agency (usually after competitive auditions) on the basis of AFRA requirements. The services of the sound effects man are charged for at the rate of \$12.50 per man, per hour.

Once these studio reservations and assignments of personnel are made, they operate on a recurring basis or until the requirements of the program are changed.

If an audience is required for the broadcasts, tickets are printed by the network at no charge to the agency or advertiser. These tickets are another excellent merchandising tool if distributed to dealers selling the sponsor's product. Tickets are allotted to the advertiser, the agency, and network on the basis of their requirements. Most advertisers keep a permanent file of recordings of all broadcasts. These reference recordings are not suitable for broadcast purposes; they are made by independent recording companies which maintain special lines to the originating stations of the networks. Arrangements to open these lines and feed the broadcasts are made by the network.

Clearance of Program Material

Networks require that program material, commercial announcements, and a listing of musical numbers to be used be submitted one week in advance of the broadcast date. Under unusual circumstances this time can be reduced. The program material is submitted to the network continuity acceptance department where it is checked against the network's requirements. The commercial announcements are timed (and if necessary, cut) to conform to the limits for commercial copy. The musical numbers are given to the music clearance department so that copyright provisions can be fulfilled, and also for another very practical purpose: to avoid constant repetition of the same musical numbers on successive broadcasts.

Finally, the premiere program is ready to be broadcast. The universal reaction of advertiser, agency, and network

to the first broadcast in a new series is, "There were a few rough spots, but it should settle down into a fine series." Then the reports of the trade press are devoured and the first program rating is awaited with ill-concealed impatience.

Once the programs start, they move along according to schedule, and the relationship between the network and the advertiser and the agency becomes an operating servicing function. From time to time, however, the needs of the advertiser vary, requiring special service from the network.

Remote Originations

For example, if the show is built around a dance orchestra, the orchestra might book a series of out-of-town dates. This would mean originating the complete program from a different location every week—a dance hall in Omaha one week, the Athletic Club in Minneapolis the next week, the Civic Auditorium in Kansas City the next, et cetera. Special lines would have to be arranged for these pickups and technical field personnel, instead of the regular studio engineers, would be assigned for these originations. These extra services, plus transportation arrangements for the men and their equipment would represent an additional cost to the advertiser which he might pay or pass along to the orchestra leader if so provided when the talent contract was signed. Usually a combination charge is made for these originations; for example, \$375.00 less 15 per cent agency commission plus \$120.00 net. The first item includes the actual cost of lines purchased from A.T.&T., loops and connections, a profit for the network, engineers' time and living expenses, and 15 per cent commission for the advertising agency. The \$120.00 is an actual cost item which includes no profit for the network or commission to the agency. It covers transportation, handling of equipment, and miscellaneous expenses. Neither of these charges is subject to weekly or annual discount as earned on station costs.

It is extremely valuable for network programs to originate from various points throughout the country and give local listeners an opportunity to see their favorites in person. Special publicity can be secured in the local press for

such appearances, and tickets for the broadcasts can be given to customers and dealers in the area. The local outlet of the network can be depended upon for the utmost co-operation in arranging publicity, interviews, official welcomes, and all the other features calculated to make the appearance a success.

Partial Originations

Another frequently used type of origination is a pickup of a portion of the program from the network's studios in Hollywood if the main portion originates in New York, or vice versa. This kind of switchover can be handled in three ways: a delayed switchover, an instantaneous switchover, or a two-way pickup. The delayed switchover, as its name implies, involves the loss of four seconds on the switch from New York to Hollywood, and an additional four seconds on the switch from Hollywood back to New York. The instantaneous switchover enables Hollywood to pick up immediately, on cue, from New York and for New York to return immediately after the concluding cue from Hollywood, with no loss of time. This necessitates the purchase, through A.T.&T., of an additional line from New York to Hollywood. The two-way pickup provides for continuous switching back and forth (without cues) throughout the program. Because it requires the purchase of two additional lines from A.T.&T. between New York and Hollywood, two-way pickup is the most expensive method.

Charges for partial originations from Hollywood or from the studios of the network outlets in other cities are based on the cost of the lines, loops and connections, a profit to the network, and agency commission. No net costs are quoted for partial originations as in the case of complete originations, since no New York personnel, transportation, or shipping of equipment is involved. Pickup charges are not subject to weekly or annual discounts as earned on station costs.

Sectional and Local Announcements

During the course of a campaign, the sponsor might desire to advertise a new brand or product only in certain

sections of the country where distribution had been secured. The network setups are flexible enough so that this can be handled at a minimum of cost. For example, assume that the new product can be purchased only on the Pacific Coast and the program originates in New York. Hollywood can cut the network line and make an announcement there which will be carried by all of the Pacific Coast stations fed on the network line out of Hollywood. The balance of the country hears the regular network announcement from New York. The only charge to the advertiser is the cost of an additional announcer in Hollywood.

Other parts of the country can receive similar sectional announcements originating from any desired point. In most cases a line charge is made in addition to the fee for the second announcer. Sectional announcements are used by many network sponsors as an effective means of meeting regional requirements.

If a situation should develop whereby an advertiser had a strictly local problem in one area, it can be met by means of local cut-in announcements. These announcements are handled by the individual network outlet which would cut away from the network at a given time and on a given cue, make the announcement, and return to the network for the balance of the program. Each network station has a set fee for this type of localized service.

Program Interruptions

Even on the best operated networks, program interruptions occur occasionally. These can affect the entire network, a section of the network, or just one station. The causes are many and varied and can be either of a network or strictly local character.

Service interruptions can be caused by an error in routing the program in the master control room of the network or in the Long Lines Department of A.T.&T., by line failure at any point in the country caused by mechanical breakdown or by lines torn down by storms, by power failure in any given city, or by equipment failure at an individual station. Interruptions vary from momentary cuts to the loss of the entire program. One of the most unusual losses

of an entire program was reported by a station as due to "rats inside the wall gnawing away the insulation on the line leading from control room to transmitter causing short circuit."

All interruptions, whether of network or local station origin, are reported immediately to the agency indicating the exact loss of time. Each network has an established system of handling rebates for interruptions. If they are of a prescribed minimum length, a *pro rata* rebate on the charge for the station or stations involved is allowed automatically. In its first report to the agency the network makes no attempt to locate the exact position of the interruption in relation to the entertainment or commercial portions of the program. The agency then checks the time of the interruption against the "as broadcast" copy of the script used for that broadcast. If commercial time was seriously affected, the agency requests an adjustment on the *pro rata* rebate. The network then checks the interruption time against its copy of the "as broadcast" script containing the actual timing of the broadcast. If it agrees with the agency's calculation, an increased rebate is allowed on the basis of the loss of commercial time and in accordance with the formula of the individual network. All rebates and adjusted rebates are allowed only on station charges. Talent or program charges are not considered in these computations.

During the war years there was a greater number of interruptions than normally occur because of the terrific burden placed on line facilities, changing and inexperienced personnel, and the inability of networks and stations to replace worn-out broadcast equipment. Interruptions are now decreasing and operations are comparable to the efficiency of the prewar years, 1940 and 1941.

Network One-time Omissions

As a broadcast series progresses, there are occasions on which the complete broadcast may be omitted on the entire network or on an individual station. Network contracts provide for the recapture of broadcast periods for events of public interest. These are usually Presidential talks or

broadcasts of vital interest nationally. The network endeavors to give the agency and advertiser as much advance notice as possible if a period is to be recaptured and automatically assumes all noncancellable talent and program costs for the cancelled broadcast. If sufficient advance notice can be given, these costs can be kept down to a minimum by cancelling the calls for actors and musicians. The network makes suitable courtesy announcements preceding and following the special program explaining to the listeners why the regular program is not broadcast. For Presidential talks, the accepted custom is to omit the opening courtesy announcement and use only the announcement at the close.

Station One-time Omissions

Individual stations frequently omit a broadcast for a local public service program as described in Chapter IV. On request from the station, arrangements are made in advance by the network with the agency. Delayed broadcasts are usually arranged and the station makes suitable courtesy announcements at the regular broadcast time. Stations have been guilty on occasion of pre-empting an advertiser's time without advance notice. This is poor practice for it is most embarrassing to the network and agency to be advised by the advertiser that his regional representative reports that a given station did not carry a broadcast. In the case of a one-time omission by an individual station, full credit for the normal station charge is allowed if a delayed broadcast was not accepted. If a delayed broadcast was approved by the advertiser and the agency, the normal station charge applies as usual. No rebate or adjustment is allowed on any talent or program costs for a one-time omission.

Billing for station charges, as per contract, is sent at regular intervals to the advertising agency. Adjustments and credits are allowed on these charges for program interruptions and one-time omissions. Additional costs for sectional announcement arrangements or remote originations are billed with the normal station costs.

The above situations are some of the usual developments

as a broadcast series unfolds; they represent the continuing service offered by the network. Some agencies and advertisers require additional services such as arranging a summer hiatus, cancelling and adding individual stations, reports on offers made on the programs, et cetera, to meet individual requirements. These can usually be handled within the framework of the network structure.

CHAPTER XIII

Spot Broadcasting

IN THE previous chapters we have considered network broadcasting which, by the very nature of its coverage and costs, is a medium used only by national advertisers. We turn now to an equally important form of broadcast advertising called "spot broadcasting," which is used by national, regional, and strictly local advertisers alike. More advertisers can use spot broadcasting than could ever use network broadcasts.

Many persons would define spot broadcasting as announcement broadcasting—a small spot in a station's daily program schedule. The more accurate definition of spot broadcasting employs the geographic connotation of the word "spot"; that is, a spot or locality on a map that is an advertiser's actual or potential sales area. Spot broadcasting is the use of one or more stations, completely unrelated one to the other, for a radio advertising campaign. The actual program used may range from announcements, which are not accepted in network broadcasting, to any length desired by the advertiser.

Network broadcasting may be likened to magazine advertising among printed media in that its use is economical only for national advertisers. Spot broadcasting parallels newspaper advertising in that it can be used even by the smallest local retailer. In fact, spot broadcasting has made it possible for regional and local advertisers to use radio as an advertising media. If only network broadcasting were available, the small company operating in a limited area

would be forced to forego this effective means of advertising. National competitors would be able to build sales by network broadcasts heard in the small company's home area, but the local advertiser would have to rely on other media.

Spot broadcasting is not a new development; actually, network broadcasting evolved from spot broadcasting. The fact of the matter, even today, is that radio stations could not operate except for the revenue they derive from local and national spot broadcasting.

Radio Station Representatives

Time on every station in the United States, including all the network stations we have seen listed on the preceding pages, may be purchased for spot broadcasting. Indeed, most of them aggressively solicit spot business. Practically every important radio station in the country has a national sales representative. These sales representatives operate on the same basis as newspaper representatives in securing spot business from national advertisers and in selling one station exclusively in each market. Offices staffed by experienced advertising salesmen are maintained in New York, Chicago, Los Angeles, and Hollywood. The radio station representative receives his compensation in the form of commission on the business he secures for the station. This is generally assumed to be 15 per cent of the net time charges after deduction of discounts and advertising agency commission. It is doubtful whether many of the thirty or more firms engaged in this business actually receive 15 per cent from every station on their lists.

Perhaps the flat 15 per cent commission is not basically sound. Some stations have wide coverage, high popularity, high rates, and are in demand by advertisers. The representative does not have to expend much effort in selling such a station. Another station might require intensive selling on the part of the representative and, because it is sold at a lower rate, brings only a fraction of the commission received on the first station. In other words, 5 per cent commission might represent a fair remuneration for the one station whereas the representative should receive 30 per cent commission to be duly compensated for making

a sale of time on the other. The actual commission paid is usually arranged between the station and the representative on the basis of the financial and ethical considerations involved. The bargaining power of the more important stations has been greatly increased as competition among the representatives has become intensified.

The present exclusive representation of radio stations evolved from a chaotic brokerage system in the early days of broadcasting. The station broker was a fast-talking individual, with his office in his hat, who would interest an agency and an advertiser in using spot broadcasting. He prepared a cost estimate on the basis of the published rates of the station desired and supplied fragmentary information regarding each station on the list. Surveys were unheard of; sales tools and sales promotion, result stories, and other selling aids were nonexistent. It did not matter which station was selected in a market; usually the most expensive one was quoted. When the advertiser's approval was received, the broker boarded a train and visited each station. On the basis of the order he negotiated a rate which might be as much as 50 per cent lower than that shown by the rate card and which would give him a profit far in excess of any normal selling commission. Radio stations were eager for business and many of their managements were unschooled in the ways of national advertising. Frequently, local talent was thrown in free of charge, there was no uniformity in rates quoted to different advertisers, and no limits on the amount of commercial copy.

It was not long before advertisers, agencies, and stations checked this type of operation. One agency circularized all the leading radio stations in the country on the subject, asking if they preferred to do business through a broker or directly with an agency. An overwhelming majority replied that not only did they prefer to do business with advertising agencies directly, but that they would quote better time availabilities to agencies than to brokers. As a result of this inquiry, the agency placed all its spot business directly with the radio stations for several years until exclusive representation developed in March, 1932. On that date, the Edward Petry Company started as the first firm

of truly exclusive station representatives. Within a year the brokerage system was dead and such firms as the Paul H. Raymer Co., Free and Peters, John Blair Company, Weed and Company, and the Katz Agency entered the field to complete the stabilization of the selling of spot broadcasting time. The networks, too, set up subsidiary units to sell spot broadcasting time on their company-owned stations.

Electrical Transcriptions

Electrical transcriptions are an integral part of spot broadcasting. They are recordings made exclusively for broadcast purposes and their use dates back to the earliest days of radio. At least two of the old station brokers worked out a scheme whereby they would profit in two or three ways on every recorded spot broadcasting campaign. They set themselves up to make recordings and then manufactured double turntables, about the size of a steamer trunk, which would permit, by the use of simple fading equipment, the uninterrupted playing of a sequence of seventy-eight r.p.m. (revolutions per minute) recordings. One of these brokers sold his equipment outright to the stations at a handsome profit. In return, he assured the station that it would receive all the business he sold for that area. The other broker only leased his turntables to the stations at a substantial fee and required an agreement that they would pay him a selling commission on all the business he secured for them.

It seems almost unreal to look back at the recordings and equipment used in 1929 and 1930. All the records were ten inches in diameter and were played at the rate of 78 revolutions per minute, the same as ordinary phonograph records. No twelve-inch and sixteen-inch records played at $33\frac{1}{3}$ revolutions per minute were in use. One of the earliest auditions was held in a suite of rooms in New York's Hotel Pennsylvania. The loud-speaker was set ostentatiously on a table in the living room, the turntable was propped up in a bathtub in an adjoining room. The audition progressed, and by deft handling, quick fading, and a large measure of good luck, it was virtually impossible to

distinguish when one record was concluded and the next one started.

Despite the crude recordings and equipment, this type of broadcasting held keen interest for advertisers. Many stations obtained the turntables in order to present recorded broadcasts properly, but there were also a number of leading stations which refused to accept recorded broadcasts at all because they feared listener prejudice.

One of the outstanding recorded spot programs was broadcast on Thanksgiving Day afternoon in 1930. A national baking company wished to celebrate by radio the twenty-fifth anniversary of its founding. The company's plants were scattered throughout the country in such a manner that a network broadcast would not be practical. Recorded spot broadcasting was decided upon and the program selected was one that made capital of the fact that it was recorded, for it could not have been accomplished in any other way. The program featured the specially recorded music of the outstanding bands in each European country. Short-wave pickups from Europe were not available then, so it was necessary to send a recording group abroad five months in advance of the broadcast date. They toured Great Britain and the Continent and recorded the selections on wax masters which were brought back to this country and the necessary pressings made from them.

The program was finally cast into a two-hour broadcast for which forty separate recordings were required. Each station received duplicate sets of recordings and a timing and cue sheet. The first set of recordings was used by the station for rehearsal purposes and the second set was held for the actual broadcast so that there would be no scratches nor surface noises on the records. Today a two-hour recorded broadcast requires no more than eight 16-inch, 33 $\frac{1}{3}$ r.p.m. recordings.

Even with a program as outstanding as this, many desired stations would not accept it simply because it was a recorded broadcast. Today every station in the country will accept recorded broadcasts for part or all of its daily schedule.

As is the case in all broadcast engineering, the past

eighteen years have seen rapid advances in the perfection of recordings and recording equipment. First there was the change from 78 r.p.m. to $33\frac{1}{3}$ r.p.m. transcriptions. Then came the introduction of vertical recordings, in which the impression is made on the bottom of the grooves in the recording instead of cutting into the side walls of the grooves as in the lateral method. This resulted in greater fidelity in the recording and reproduction of musical selections. The reproducing equipment, turntables, tone-arms, et cetera were improved constantly. Turntable operators gained experience in playing transcriptions. The result of all these improvements is that the average listener cannot tell whether he is hearing a transcribed or a live broadcast. And if he does hear the announcement that the program is recorded, all the old prejudices are gone. For the future, wire recordings hold out even greater promise.¹

Transcription Library Services

In addition to transcriptions for commercial programs and announcements, several recording companies make library transcriptions for station use exclusively. Such services as the NBC Thesaurus, World Broadcasting System Library, Standard Radio, et cetera can supply stations with a wide variety of musical selections which serve as an excellent backlog for local program production. Top-ranking talent is used for these recordings. Another type of recording company produces transcribed programs, both dramatic and musical, and sells them direct or through local stations to national, regional, and local advertisers on a syndicated basis. The charge made for each market is a set percentage of the cost of the time purchased.

Standard Rate and Data Service

Each station publishes a rate card which shows costs for all time periods and announcements, and which gives essential

¹ As of January 1, 1948, the American Federation of Musicians banned the making of commercial phonograph records. This means that no new recordings of this type will be made until contracts are renegotiated with the recording companies, and once the sizable backlog of records is used up radio stations will have to use reprints of old records for disc jockey shows and other programs on which commercial records are used.

facts regarding the station such as power, frequency, ownership, studio and transmitter locations, frequency discounts, national representatives, network affiliation, et cetera. These rate cards are summarized in the monthly publication *Standard Rate and Data Service*, Radio Advertising Section, which is of great value to national advertisers and agencies.

Advantages of Spot Broadcasting

With a natural adjunct in recordings, aggressive selling by stations and representatives, and the same advantages of spoken advertising over printed advertising which is enjoyed by network broadcasts, spot broadcasting has developed as rapidly as has network broadcasting. In addition, spot broadcasting has certain advantages over network broadcasting which have contributed to this growth.

As previously pointed out, spot broadcasting offers the only means by which the local or regional manufacturer can make practical use of radio advertising. Yet it also holds definite advantages for the national advertiser.

The first of these advantages is that it is possible to purchase the best station in every city used. No single network has the best station in every city. But there is difficulty in determining which is the "best" station to be used. Station A may have concentrated on building up a women's daytime audience with home economics programs, women's forums, daytime serials, et cetera. For an advertiser interested in reaching this market, Station A is the "best" buy. Station B in the same city may have concentrated strongly on building a men's and boys' audience with important sporting events and qualified sports announcers. If the advertiser desires to reach this group, Station B is the "best" buy. Station C in the same market may be owned by a newspaper and may have built up the outstanding news broadcasts in the area. If the audience which prefers these programs is the one desired by the advertiser, Station C is the "best" buy.

The point is that the "best" station in each city must be judged in terms of the job to be done for the individual advertiser. Otherwise, advertising agencies could spend

the first week of each year in reviewing and analyzing the stations in the country to determine the "best" station in each city. These stations would be used for every campaign for the balance of the year on the basis of this arbitrary selection with no regard for the audience to be reached or the job to be done by the advertiser. Spot broadcasting cannot be purchased in this way. Every campaign is a custom job and the selection of stations must be made on the basis of the individual requirements of that campaign.

In spot broadcasting it is possible to purchase a broadcast of any length from a twenty-word announcement to a two-and-one-half-hour broadcast of a football game. Because there is no minimum requirement of a fifteen-minute period (as in network broadcasting), this provides for greater flexibility in the choice of programs.

An advertiser may purchase one station or a thousand stations. There is no basic network requirement nor any enforced combination of supplementary stations as on the networks. On numerous occasions network advertisers have had to forego network coverage in parts of supplementary areas because their distribution did not justify the use of the number of stations required in the group. In spot broadcasting, these advertisers would have been free to purchase the cities they needed without consideration for any others. Also in spot broadcasting advertising expenditures may be correlated exactly with sales. As sales improve in certain localities, the appropriations may be stepped up for those areas without relation to the other markets used.

We have mentioned the effect of time zones on network broadcasts—that they often necessitate a repeat of the broadcast. These time differentials can be eliminated in spot broadcasting. If 9:00 P.M. is the desired time, it can be secured in each of the four time zones. Nor is it necessary to purchase the same day on every station. In spot broadcasting, even more than network, it is possible to shop around and purchase the best available period on the basis of programs preceding, following, and opposite. In this way, the advertiser frequently can purchase better time periods than in the network framework which is fixed, sta-

tion by station, across the country. For example, at one time it was possible to purchase the half-hour between "Jack Benny" and "Charlie McCarthy" on a station which did not carry the "Fitch Bandwagon," the program that normally comes between these two programs on the network. That was an exceptionally good availability, but it is illustrative of the latitude a spot advertiser has in selecting his time period. The station line-ups of network programs vary sufficiently to create good availabilities of this type.

In most cases, no minimum order is required in spot broadcasting. As previously noted, networks usually require a minimum of thirteen weeks, though exceptions are made for one-time sporting events of an outstanding nature. In spot, an advertiser may purchase one announcement or a fifty-two-week series of half-hour programs.

Spot broadcasting may employ successful local talent in each city. Most stations have developed local personalities, groups, orchestras, et cetera which have built large and loyal local followings. A national advertiser who purchases this talent has a pretested program which can deliver an immediate audience. When a national advertiser employs talent of this type, it is a demonstration of the old principle of "local boy makes good" and the home town pride swells.

But there are limitations on using local talent and programs for spot broadcasting by National Advertisers. It cost one leading advertising agency a sizable sum of money to learn them at first hand. This agency sent a talent scout to audition local programs on the leading stations in each of the forty largest cities in the country. He found, first, that some stations operate virtually as repeater stations for the network with which they are affiliated. They carry network broadcasts, both commercial and sustaining, for the bulk of their operating schedule, and supplement them with local news broadcasts, announcements, and occasional recorded musical programs. They maintain no talent staff and do not attempt to produce any local shows. Such an operation is definitely not in the interest of the community which the station serves, but nevertheless such cases do exist.

The second fact learned was that most stations have a

sense of showmanship and make a determined effort to build local programs which will appeal to their listeners. Their areas are thoroughly scoured for possibilities and if not enough strictly local talent can be found, performers are imported from other areas. Any popular local talent is generally sponsored by a local advertiser and therefore not available to a national advertiser for a spot campaign. In addition, any local talent that develops and makes good soon pushes on to a larger market with New York, Chicago, or Hollywood as its ultimate goal.

The third fact disclosed was that news and sports broadcasters were the most prevalent type of local talent available to national spot advertisers. These men are generally employed by a local newspaper in addition to their radio work and are less likely to become itinerant talent.

And the fourth fact uncovered by this agency, which should have been evident from the start, was that the least expensive way to audition local talent is to hear it on recordings. All stations are ready and willing to prepare recordings and send them to agencies when a spot campaign is in prospect.

In purchasing local talent, a point could be reached at which the duplication of talent costs would become uneconomical for the advertiser. Assume, for an example, that a national advertiser decides to use spot broadcasting in forty markets and uses local news broadcasters in evening periods, three times weekly on each station. If the average cost, exclusive of station time, is \$100 weekly per station for the news preparation and the broadcaster, the advertiser has reached a combined talent budget of \$4,000 weekly. At some point, the spot broadcaster must decide whether the duplication of talent costs, in comparison with other program possibilities for the campaign, is economical. In this case, forty separate news broadcasters are employed and forty separate announcers, some good and some bad, are giving the all-important commercial announcements.

With a talent budget of \$4,000 weekly, this advertiser might well consider the possibility of using a series of half-hour recorded programs instead. In this way, he could standardize his broadcast in each city and be certain that his sales messages would be delivered in exactly the manner

he desired in each of the forty markets. In addition to the talent cost, recording charges would be involved, but, by recording two or three programs at each session, the cost would be nominal when averaged over forty stations.

One of radio's great advantages is that it provides an advertiser with the opportunity to go on the air at once, literally within an hour of the time the decision is made. It is not necessary to prepare any mats, engravings, or posters in advance. Spot broadcasting is even more flexible than network broadcasting in this respect. Advertisers have frequently purchased spot radio programs overnight to meet an immediate competitive sales situation, price reduction, shortage of supply, or other emergency situation.

The commitment for a network campaign is large and an advertiser using radio for the first time might well wonder if broadcasting can do an effective job for his product. Spot broadcasting offers the advertiser a means of pretesting radio to determine whether it can sell a specific product before he undertakes a national network campaign. An exhaustive test can be made in one area. A program of the type to be used on the network can be purchased locally; different types of commercial copy can be tested. Special offers can be made and analyzed. Store inventories can be made—within the test area prior to, during, and at the end of the campaign—and checked against sales. Coincidental listening surveys and house-to-house canvasses can also be made. All of these gauges of radio's effectiveness can be used at reasonable costs in a restricted area. A national advertiser may employ this type of test prior to purchasing a network campaign and a regional advertiser may use it before expanding his spot broadcasting campaign to other markets.

A national advertiser may use spot broadcasting to supply a mat service to his distributors and dealers just as he does for newspaper advertising. The "mats" are recordings of programs or announcements, supplied at no charge, for which the dealer pays for all or part of the broadcasting time. This leads directly into a consideration of the rate structure of spot broadcasting.

In network broadcasting there is one rate for all adver-

tisers, subject to 15 per cent agency commission if the time is purchased by an advertising agency, or subject to no commission if the time is purchased direct by the advertiser. In spot broadcasting, on the other hand, most stations operate on three different rate schedules, a practice common to most newspapers. The first and highest is the national rate on which advertising agency and national sales representative's commissions are allowed. The second and somewhat lower rate is the local rate granted to local advertisers. An advertising agency commission, if a local agency is involved, and a commission to the station's salesman are sometimes allowed on this charge. The third rate is the local retail rate granted for volume broadcasting to local department stores and retail outlets. Here also a local advertising agency may place the business and be granted commission, and the salesman for the station receives his commission.

If a national advertiser supplies recorded programs or announcements to his local distributor or dealer, it is difficult to determine the rate that should apply for the broadcasting time. If the station sells time to the local distributor at the local rate, the national advertiser is, in effect, securing broadcasting at the local rate. If the national rate is charged, the local distributor or dealer is penalized.

Just how complicated this situation can become may be seen in the experience of a national soft drink company with licensed bottlers throughout the country. Network broadcasting was used for several seasons and a proportion of the costs assessed against the individual bottlers. This immediately made each bottler a program critic and most of them expressed individual preferences as to type of broadcast. Also because no network has the best station in every city, some bottlers preferred to have their advertising on different stations in their areas.

The national company yielded to this pressure, abandoned the network series and decided upon an extensive spot campaign. A series of programs and announcements was prepared by the advertising agency and time was purchased, at national rates, on the station in each city which was recommended by the bottler. The costs were assessed

against the bottlers on the same basis as the costs of the network series had been.

Then the bottlers complained that they could purchase the same time on the same stations at a cheaper local rate if they were permitted to handle it. This posed a serious problem for the advertiser and agency, for the agency which had planned and created the campaign would lose the commission on broadcasting bought on hundreds of stations at local rates. Also, the national sales representatives would lose their commissions. The problem was finally solved as follows. For each station used, the local bottler secured an estimate of time costs and submitted it to the advertiser. The advertiser added 15 per cent to this amount for agency commission. If the total cost was less than the cost quoted on a national basis by the advertising agency, for the same service on the same station, the order was placed by the bottler. The invoices were sent to the parent company which automatically credited the agency with commission on the charges. If the local rate secured by the bottler plus 15 per cent was more than the national rate quoted by the agency, the agency placed the business with the station in the normal manner.

This procedure assured the agency of its commission on all broadcasting charges. It did not provide the national station sales representatives with their commission on business placed by the local bottler, but an adjustment on those fees was worked out with the stations.

In this case, it was entirely ethical for the local stations to grant local rates to the bottlers. A bottling plant is a local enterprise, it employs local labor, pays local taxes, purchases supplies locally, and is dependent upon sales in that area alone for its success or failure. There have been many cases where stations have been approached by advertisers with deals that were distinctly unethical, but these have not been advanced by responsible advertisers. Reputable advertisers and agencies do not indulge in rate-cutting practices. The usual procedure in purchasing co-operative spot broadcasting is for the local distributor or dealer to acquaint the station with all the facts in the case and secure the proper rate applying to that type of business.

Many of the larger and more important stations throughout the country now have a single rate for their time periods, whether purchased by a national, regional, local, or retail advertiser. This is a growing trend and it is sound, because, actually, the station reaches the same number of radio homes for each type of advertiser. The days of offering a cash inducement to local advertisers to use radio are just about over.

Promotion and Publicity

Merchandising, publicity, and promotion are as important for spot broadcasting campaigns as for network broadcasting. Stations will generally give more support to a spot campaign than they will to a network campaign simply because of the difference in dollars involved. For example, if a station receives from the network with which it is affiliated \$60 in payment for a half-hour network program, and receives, after deduction of all commissions, \$125 for the same period of time when sold for a spot program, it can afford to spend more for promotion in the latter case. But there are two schools of thought among stations regarding this type of activity. One group holds that they are in the broadcasting business and that their rates are for broadcasting time only. If the advertiser wants merchandising, publicity, and promotion help, the station will arrange for local advertising and publicity firms to handle the requirements on a cost basis. The other group holds that this type of assistance is due the spot broadcaster and even features this co-operation in their sales solicitations. Probably somewhere between the two procedures lies the correct solution.

Disadvantages of Spot Broadcasting

Some of the advantages of spot broadcasting have been noted, but there are certain disadvantages as well. For example, it is necessary to secure availabilities, make selections, and sign contracts with each station individually. In network broadcasting the time period is uniform within each time zone, and a single contract covers every station used. In spot broadcasting, program material and com-

mercial announcements must be sent to each station, whereas in dealing with a network one continuity and set of announcements is sufficient. Generally, local programs have not the same high listener appeal as network programs, although New York, Chicago, or Hollywood talent can be recorded and used successfully in a spot series.

The National Association of Broadcasters

At the present time, 1,372 radio stations are members of the National Association of Broadcasters, the trade association for the industry. This association has drafted a new code for self-regulation which was adopted at the 1948 convention of broadcasters. This code outlines the length of commercial copy permissible in five-minute to full-hour programs and catalogues the types of business not acceptable to individual stations.

Station Rates for Spot Broadcasting

In purchasing spot broadcasting, an advertiser will find that there is little uniformity in station rate structures and discounts. Many stations allow discounts on the basis of frequency—the number of broadcasts used within a year. Others employ a combination of frequency discounts and annual discounts. Some stations allow discounts on the basis of dollar volume. One station has a flat rate with no discounts at all. It is a confusing process to prepare an estimate on the basis of these varying schedules. There has been a movement within the industry for a number of years to standardize these discounts, but it has met with only partial success. So varied are the views of individual station operators on the question of rate cards that the NAB Sales Managers Subcommittee on Standardization of Rate Cards was compelled to offer five different formats for consideration by the stations.

Thus we see that radio advertising is available to all advertisers in spot broadcasting. The national advertiser can use it instead of, or supplementary to, network broadcasting. For the regional and local advertiser, it is the only means of using broadcasting.

CHAPTER XIV

Spot Broadcasting—Announcements

ALTHOUGH spot broadcasting is not exclusively announcement broadcasting, nevertheless announcements constitute the largest single class of spot broadcasts. They are used by numbers of national advertisers as supplements to other advertising, and by thousands of local advertisers throughout the country. Announcements may not be bought on the four major networks, but they may be bought on the very same network stations, between the same network programs, by means of spot broadcasting.

Originally, announcements were held in poor repute. An advertiser who used them was thought to be simply trying to purchase a "free ride" on the preceding program, and attempting to capitalize on the other advertiser's expenditure of talent and on the audience which it built. But announcements can be such effective, reasonably priced selling aids, that their increased use could not be permanently held in check by any superficial prejudice.

Creative minds in the advertising profession turned their attention to developing the distinctive characteristics of radio announcements. There is slight resemblance between the spot announcement of today and the spot announcement of ten years ago. The Bulova time signal, the Pepsi-Cola Jingle, and "Chiquita Banana" are accepted landmarks in the American scene. Formerly, spot announcements were completely uninspired and were read without enthusiasm by local announcers. Some of them

ran as long as 200 words of straight selling copy. Here again, electrical transcriptions have made possible the wide variety of treatments that make announcement broadcasting so flexible today.

There are four types of announcements in general use:

1. Station-break announcements.
2. 100-word live announcements.
3. One-minute transcribed announcements.
4. Participating announcements.

The station-break announcement is made possible by the FCC requirement that individual stations identify themselves at regular intervals. This is the 20-second or 30-second pause on network affiliated stations which follows the network concluding cue and precedes the start of the next program. Independent stations must conform to the same identification requirements as network outlets and may establish their own time interval devoted to that purpose. This time is available for sale by the individual station and may be sold to a spot advertiser. Usually twenty to thirty-five words can be delivered during this short interval between programs. The exact length of the announcement reflects the individual station's standard of good programming.

These announcements are in great demand and many stations have waiting lists of advertisers desiring to purchase them. Their greatest advantage lies in the fact that they can be scheduled between two network programs. For example, a spot for station-break announcements which has great appeal for advertisers is that which falls between the "Lux Radio Theatre" and "My Friend Irma" on Monday evenings. The timing works out as follows:

9:00	— 9:59:28 PM EST	Network broadcast— <i>Lux Radio Theatre</i>
9:59:28	— 9:59:30 PM EST	Network cue—"This is CBS—the Columbia Broadcasting System"
9:59:30	— 9:59:32 PM EST	Local station identification
9:59:32	— 10:00 PM EST	Station-break spot announcement
10:00	— 10:29:30 PM EST	Network broadcast— <i>My Friend Irma</i>

In purchasing station-break announcements, advertisers search for availabilities between high ranking programs. One advertiser placed a standing order with his agency to buy any station-break which became available following a network program with a Hooper rating of 10.0 or better. Station-breaks occur just as regularly following locally produced shows as they do after network programs and quite often offer as good, or better, availabilities.

These short announcements, frequently made, are excellent vehicles for securing name publicity and for reminder copy. Obviously, because of the limited word content, they cannot include long selling copy. They are particularly valuable when tied in with a service feature such as a time signal, weather report, temperature report or frost warning. This type of station-break announcement does more than ride on the audience delivered by the preceding program, for it performs an actual service to the listener. A sample live station-break announcement is shown on the following page.

Because recorded station-break announcements are accepted by most stations, the advertiser may secure the same uniformity in presenting his message that he would secure in recorded spot broadcasts of greater length. The costs for station-break announcements are paradoxical—they are at once the cheapest and the most expensive on the station's rate card. They are the cheapest because they are the smallest unit sold by the station and therefore cost the least. Yet, it must be borne in mind that the advertiser receives only fifteen seconds; if this rate were maintained for a fifteen-minute program, the cost for the quarter hour would be sixty times the cost of the station-break! The evening station-break rate on Station WGR-Buffalo, for example, is \$36.00 and the evening quarter-hour rate is \$140.00, only 3.9 times as much as for the station-break. On the basis of commercial copy, the station-break permits thirty words and the quarter-hour allows two minutes and thirty seconds, a ratio of about one to ten. It is plainly evident, therefore, that, even with the severe limitation on copy, there is a premium for preferred station-break positions. In fact, many stations charge the same rate for them as they do for

<h1 style="margin: 0;">BENTON & BOWLES, INC</h1> <p style="font-size: small; margin: 0;">FOUR HUNDRED AND FORTY FOUR MADISON AVENUE NEW YORK 22 N.Y. TELEPHONE WICKERSHAM 2 0400</p>	
<p>Client: FLORIDA CITRUS COMMISSION</p> <p>Product: FLORIDA VALENCIA ORANGES</p> <p>Program: 25 WORD LIVE SPOTS REVISED</p>	<p>Date:</p> <p>Station:</p> <p>Draft: 1-2-44-47</p>
<p>14-A - REVISED ANNOUNCER 25 words</p> <p>Spring fever got you? Then get Florida Valencia Oranges - rich in Vitamin C. Specially priced Florida Valencia Oranges - are nineteen forty-seven's sweetest orange event.</p>	
<p>15-A - REVISED 25 words</p> <p>They're spring beauties - specially priced. They're Florida Valencia Oranges - sweet and juicy and rich in vitamin C. Buy a bagful of Florida Valencia Oranges - today!</p>	
<p>16-A - REVISED 25 words</p> <p>Right now - Florida's springtime crop of prized Valencia Oranges is at the peak of delicious goodness. So buy plentiful specially priced Florida Valencia Oranges - today!</p>	
<p>17-A - REVISED 25 words</p> <p>For the juiciest orange offering in years - buy Florida Valentias!</p> <p>Right now - they're specially priced and in plentiful supply.</p> <p>Buy sweet Florida Valencia Oranges - today!</p>	

Figure 13. Typical Station-break Announcements. Courtesy of Benton and Bowles, Inc. and Florida Citrus Commission.

100-word live or one-minute transcribed announcements.

The placement of station-break announcements can lead to unpleasant complications if they are scheduled promiscuously by the individual station. For example, a network sponsor who extolled the virtues of a cream-of-mushroom soup in his closing announcement would be greatly distraught if this were followed by a station-break announcement referring to a headache remedy or "nasal stuffiness." Neither the advertiser nor the network has any control over the station-break time; the responsibility rests squarely with the station. Conflicts of this kind have arisen and the stations have quickly corrected them on the basis of good taste and the rights of each advertiser.

The key stations for the networks generally do not sell all of their station-break announcements; instead, they use some of this time for promotional announcements to build the listening audience for their daily schedules. The other stations, however, recognize in this type of announcement one of their greatest sources of income. An average station can sell these announcements at \$30.00 apiece. If ten are sold each evening between 6:00 and 11:00 P.M., seven evenings a week, they represent revenue of \$2,100 weekly or \$109,200 annually.

The 100-word live announcement is, as its name implies, an announcement of limited length made by the local station announcer. These announcements, requiring about fifty to sixty seconds, cannot be placed as advantageously as station-breaks between two commercial programs. They must either precede or follow a sustaining program. One might not, for example, be broadcast between "Lux Radio Theatre" and "My Friend Irma" though it might be scheduled immediately following "My Friend Irma" if the next broadcast were noncommercial. The timing would work out as follows:

10:00	—10:29:28 PM EST	Network broadcast— <i>My Friend Irma</i>
10:29:28	—10:29:30 PM EST	Network cue—"This is CBS—the Columbia Broadcasting System"
10:29:30	—10:29:32 PM EST	Local station identification

10:29:32—10:30:22 PM EST 100-word live announcement
10:30:22—10:59:30 PM EST Sustaining program (network or
local)

The above timing would be possible only if the station were willing to forego a station-break announcement at 10:29:32 P.M. If not, the 100-word live announcement would start at 10:30 P.M. and run to 10:30:50 P.M. with the sustaining program following immediately. This type of announcement permits longer selling copy at the expense of better placement. It depends upon the effectiveness of the local announcer unless the advertiser decides that, for the sake of uniformity, he will record the announcements and send pressings to each station on the schedule.

One of the greatest disadvantages of 100-word live announcements is that they are subject to removal if the time which they occupy is sold. In the example cited, if the 10:30-10:59:30 P.M. period were sold, it would not be possible to schedule an announcement from 10:29:32 to 10:30:22 P.M. as the other commercial program would have to start at 10:30 P.M. exactly. In such a case, the station would notify the agency that the time had been sold and that it would be necessary to move to some other mutually satisfactory period.

Perhaps the most versatile and effective type of announcement is the one-minute transcription. This recorded announcement that runs sixty seconds by the clock represents the ultimate in copy writers' and producer's ingenuity. The one-minute transcribed announcement offers sixty seconds of broadcast time—the idea man's delight. Many of the one-minute transcriptions today are a result of the flexibility of this type of announcement. Some of them are actually one-minute versions of half-hour programs with an opening commercial, entertainment, middle commercial, entertainment and closing commercial. They are miniature replicas of the longer programs; listeners are hardly aware that they run for only sixty seconds. They may be all musical, part musical and part dramatic, or all commercial, depending upon the requirements of the advertiser.

No matter how ingenious they are, they suffer the same placement disadvantages as the 100-word live announce-

ment. They cannot be scheduled between two network commercial programs but must precede or follow sustaining programs.

Using the previous example, a one-minute transcription could not be broadcast between the "Lux Radio Theatre" and "My Friend Irma." It might be scheduled immediately after "My Friend Irma" provided a sustaining program were to follow. The timing would be as follows:

10:00	—10:29:28 PM EST	Network broadcast— <i>My Friend Irma</i>
10:29:28	—10:29:30 PM EST	Network cue—"This is CBS—the Columbia Broadcasting System"
10:29:30	—10:29:32 PM EST	Local station identification
10:29:32	—10:30:32 PM EST	One-minute transcription
10:30:32	—10:59:30 PM EST	Sustaining program (network or local)

Here again, this timing would be possible only if the station were willing to forego a station-break announcement at 10:29:32 P.M. If not, the one-minute transcription would have to start at 10:30 P.M. taking the first full minute of the sustaining program which followed "My Friend Irma."

By their very nature, one-minute transcriptions assure the advertiser of uniform delivery of both the entertainment and commercial portions of his broadcast. They are rehearsed and recorded until they are perfect and then each station broadcasts a print of the final version. They include longer selling copy than either the station-break or 100-word live announcement and, if properly conceived, actually offer the listener some entertainment value. A sample one-minute transcribed announcement is shown on the following page.

The fourth type of announcement, the participating announcement, may or may not be a good buy for the advertiser. If he participates in a home economics, sports, news, musical clock, disc jockey or other type of service feature on the local station, he has, perhaps, made a good buy. Features of this type with varying sponsorship have a loyal, recurring audience, if not a large one.

<h1 style="margin: 0;">BENTON & BOWLES, INC</h1> <p style="font-size: small; margin: 0;">FOUR HUNDRED AND FORTY FOUR MADISON AVENUE NEW YORK 22 N.Y. TELEPHONE WICKERSHAM 4 5600</p>	
Client: PROCTER & GAMBLE Product: IVORY SNOW Program: ONE MINUTE SPOT REVISED	Date: FOR RECORDING ON TUES. MARCH 4, 1947 Station: WWL CINCINNATI, OHIO Draft: 1-3-4-47
<u>ONE MINUTE SPOT - REVISED</u>	131 words 1 minute spot
ARTHUR (FEW NOTES OF MUSICAL INTRODUCTION) (MUSIC UNDER)	
<ol style="list-style-type: none"> 1. Says a housewife, Sally Singer, 2. "Tie a string around your finger - 3. For - Wonderful Ivory Snow. 4. Makes your dishes bright and beamin' 5. And for speed, it's just a demon. 6. Yes - Wonderful Ivory Snow. 7. So gentle and kind you see 8. It treats your hands wonderfully 9 Ivory-mild and granulated, 10. It just isn't duplicated ... 11. Yes - Wonderful Ivory Snow. 	
(MUSIC OUT)	
<ol style="list-style-type: none"> 12. One soap both safe for hands <u>and</u> fast! For dishwashing, Ivory 13. Snow's far faster than mild but slow bar soaps, and far safer than 14. regular washday soaps, which may be so strong they can make 15. hands red and rough. Because Ivory Snow's the only soap both 16. in granulated snowdrop form for speed and efficiency and Ivory- 17. mild-and-pure for protection to hands. So for <u>your</u> dishwashing, 18. get (MUSIC) Wonderful Ivory Snow. S-S-O-W! 	

Figure 14. Typical Script for 1-minute Transcription. Courtesy of Benton and Bowles, Inc. and Procter & Gamble.

Participating announcements are usually of three types. The first consists of 100-word or one-minute live announcements. The advertiser supplies the station with all the data about his product and the local impresario incorporates these into her own selling story as part, for example, of "Mrs. Page's Household Economics Program." Or the advertiser prepares straight copy which "Mrs. Page" delivers as received. Or the advertiser submits transcriptions by which "Mrs. Page" proudly introduces him as a co-sponsor of her program.

The great advantage in purchasing participation announcements lies in the fact that it is possible, immediately, to reach "Mrs. Page's" small but very loyal audience. Many stations have invested sizable sums in maintaining "Cooking School" or "Home Economics" programs over a period of years. Such programs are naturals for new advertisers.

Another type of participating period is one that should be avoided by most advertisers. Recognizing the increased demand for evening announcements, many stations have set aside a quarter-hour between 6:00 and 7:00 P.M. in which they broadcast announcements interspersed with recorded musical numbers. In many cases, eight or ten one-minute announcements are broadcast within a single fifteen minute period. The value to any one advertiser is seriously open to question, as it is not possible to do effective advertising for any one advertiser in such a conglomerate broadcast. However, they do supply day after day mention of the advertiser and product and, if distinctively presented, can be distinguished and remembered from the mass.

So, we see that of the four types of announcements available to an advertiser, each has its own individual advantages and disadvantages.

The great advantage of the station-break announcement is that it may be scheduled between two high-ranking sponsored programs. Its disadvantages are severely curtailed selling copy and the possibility that the sponsored programs preceding and following may change, even though a change in the actual broadcast time may not be required.

The 100-word live announcement has the advantage of

allowing longer commercial copy and it may still follow at least a network sponsored show even if it must precede a sustaining program. These announcements are subject to removal if the sustaining period is sold, for no station will permit an announcement to block the sale of a quarter-hour or half-hour period.

The one-minute transcription has the great advantage of offering to the advertiser a full sixty seconds which he may utilize in any manner he sees fit. This provides a vehicle for effective selling which cannot be matched by any other type of announcement. It involves a larger expenditure, for actors, actresses, music, and sound effects are often employed, and there are the additional charges for recording. The disadvantages are the placement problem and removal if the sustaining period preceding or following is sold. This is one feature held in common with 100-word live announcements.

The participating announcement has the advantage of reaching an immediate audience for the advertiser, provided it is not thrown into a "catch all" period with numerous other announcements. Participation in household economics periods is particularly valuable for food advertisers, for their product receives the endorsement of the local authority automatically. A disadvantage lies in the fact that participating programs have a definitely limited audience.

These then, are the types of announcements available to all advertisers, national, regional, and local. It is exceedingly difficult to estimate the exact number of announcements of any type that would be required to provide an effective weekly schedule. The latter is usually governed by the budget and the length of campaign desired. A simple rule of thumb might be established by considering that a half-hour evening program, broadcast once weekly, permits the advertiser to use three minutes of commercial copy. If an equivalent amount of time were used for announcement broadcasting each week, a comparable number of listeners might be reached. But, would the effect of scattered announcements be as productive as three commercial announcements broadcast as integral parts of a half-hour program? It is doubtful whether it would.

CHAPTER XV

Spot Broadcasting for the Local Retailer

THE effectiveness of broadcasting for the national manufacturer has been emphasized so repeatedly that it has had the effect of frightening the local retailer. The vastness of a network program series involving \$10,000 for time, another \$10,000 for talent, all for a fleeting thirty minutes of air time, is indeed imposing. Hollywood stars, thirty-five piece orchestras, World Series ball games, all are held in high esteem as advertising vehicles by the local merchants and proprietors of retail establishments. But the latter do not believe that this same medium is effective for selling their own products. Many of them are the same local dealers over whose counters the nationally advertised brands reach the ultimate consumer.

The national manufacturer is far removed from the purchaser of his product. The local dealer, on the other hand, is in direct, daily contact with his consumers. If the manufacturer of the nationally advertised product uses radio to acquaint the public with his product, what is more logical than for the dealer to use radio also to make the final sale? If the national advertiser stakes the major portion of his budget on network radio, it is a good indication that radio can sell his goods. The course has been charted for the local retailers but too few of them have utilized this form of advertising. Yet there is evidence that the use of radio by retailers is increasing.

Broadcasting Yearbook for 1948 estimates that for the year 1947 the net time sales for all types of broadcasting totaled \$356,690,000. Of this amount 38.0 per cent represented strictly local time sales. The *Yearbook* points out:¹

“Local advertising was the outstanding leader in 1947, increasing 16.6% over the previous year. For the first time in radio history, local-time sale-dollar volume exceeded network time sales. The figure for local time sales is 2.8% above the figure for network sales.”

The years ahead will be competitive selling years when local retailers may well add another effective selling medium to their schedules. It is logical to assume that the use of radio by local retailers will continue to increase until it has reached its rightful place in local advertising campaigns.

Broadcasting Magazine reported a survey made by the National Retail Dry Goods Association among three hundred of its member stores which supplies a gauge as to the amount of broadcasting used by that type of retailer.²

The results showed:

1. Only two-thirds of the stores surveyed used radio at all.
2. Slightly more than half the stores devoted 10% or less of their total advertising budget to radio; one-quarter of the stores devoted 5% or less.
3. Half of the stores expected to expand their general advertising but only 23.1% expected to increase radio expenditures.
4. Radio budgets would be maintained at present levels by 64% of the stores while 12.9% intended to reduce their radio advertising.
5. The use of radio increased with the distance from the Eastern Seaboard: radio was used by 45.6% of the Eastern stores, 71.6% of the Midwest stores, 73% of the Southern stores, and 88.6% of those on the Pacific Coast.
6. Musical programs, news, household hints, fashions, shopping news and gossip, and spot announcements were the leading types of programs used in that order.
7. Of the reporting stores, 28% said general results from radio were highly successful, 56.1% moderately successful, 12.7% slightly successful and 3.2% unsuccessful.

¹ *Broadcasting Yearbook* 1948, p. 15.

² *Broadcasting Magazine*, August 5, 1946, p. 28.

The results of this survey clearly indicate a lack of proper promotion, education, and selling of the broadcasting medium directed to the local retailer by the individual radio stations. This is a job which cannot be done on a network or regional network level. It must be done by the station itself and can be accomplished successfully by adapting much of the promotion material developed by the national networks to the peculiar needs of the station's own territory.

These comments are not a blanket indictment of all individual radio stations nor of all local retailers. Many local retailers in all parts of the country have achieved successful results with radio advertising—a success due to their own progressiveness and the sales initiative of the local station. In fact, various retail establishments have used radio advertising with good success in one part of the country or another. The list includes such diverse types of enterprises as the following:

<u>Type</u>	<u>Program Used</u>
Stock broker	Financial News
Shoe store	Local historical program
Furniture store	Hillbilly philosopher
Jewelry store	Spot announcements
Department store	Juvenile amateur program
Title Insurance & Trust Company	Historical musical comedy
Photographer	Man-on-the-street program
Beauty shop	Beauty hints
Night club	Dance orchestra
Bakery	Swap shop program
Automobile supply store	Sports news
Music store	Familiar music program
Dairy	Teen-age quiz program

It is not the purpose here to pass judgment on the campaigns and types of programs these local retailers have selected, but to point out that radio has been used by virtually every type of retail enterprise. That similar broadcasting can be used more widely than at present seems evident. There is a lucrative field here which many stations can develop but increased use of the radio media can

be encouraged only by a thorough, analytical approach to the retailer's individual and special problems.

Too many stations have sold all their best time to network and national spot advertisers, leaving only the less desirable periods for local sale. This is not necessary under the station time options in effect for all network outlets; there is no reason why local advertisers should be offered only Class "C" periods. Many times, new and inexperienced local salesmen have been sent out to sell retailers a specific program—frequently an "open-end" syndicated transcription—without any effort to fit the radio schedule to the retailer's specific needs. Such campaigns have failed and have created a deep-seated prejudice against the broadcasting medium.

The majority of local retailers have been trained in the school of newspaper advertising and they do not understand radio or how to use it successfully. The networks encountered the same situation in the national field during the first decade of broadcasting. Advertising agency account men and media directors were steeped in the tradition of printed advertising, newspapers, magazines, and billboards. A patient, continuous, and factual educational campaign was necessary to convince them of the merits of broadcasting. This same approach to retailers is still necessary, but today the radio station has many more research and promotion tools to use than the networks had.

All blame for the failure of some local retail broadcasting cannot be placed in the lap of the radio station. Some local retailers, novices in the radio field, have insisted on campaigns that the stations have known to be poorly conceived. Their faults have ranged from bad program selections to overloading of time periods with commercial announcements for many different products. To recommend changes would have meant the loss of the business, and the stations followed the easier course.

But let us probe further into this question of selling radio to local merchants and consider the problems of the individual salesman. Many more men are engaged in selling broadcasting to local retailers than are employed in selling network or national spot advertising. Most of the new-

comers to radio gain their first experience in this field but it requires a formula radically different from the larger radio campaigns.

It has been said that a *good* salesman can make his living no matter what he has to sell. A good salesman can make his living in local radio provided he develops a successful personal sales plan.

Suggested Plan for Local Selling

Let us assume at the start that the local station salesman is thoroughly grounded in the rudiments of salesmanship, either from study or practical experience in other fields. He does not need to be trained in elementary good taste in approaching a customer or in the over-all psychology of selling, but he does need guidance in developing a selling plan for his prospects.

Here is a four-point plan which will produce results:

1. The Period of Inquiry.
2. The Period of Planning.
3. The Period of Execution.
4. The Period of Expansion.

Period of Inquiry

During the Period of Inquiry the salesman should discuss radio only in the most general terms with the prospect. An attempt should be made to whet his appetite to participate in the big parade of broadcasts heard daily on the station. Trade papers should be scanned closely for reports on incidents likely to prove of interest to the prospect. Stories of successful radio campaigns used by similar advertisers in other parts of the country make excellent "conversation pieces." Reports from the National Association of Broadcasters are a source of both general and specific information. During this period, the alert salesman can pick up numerous clues as to the type of broadcasting the prospect would be likely to buy.

Relating this information to the prospect should by no means develop into a monologue but should be made an opportunity to learn the details of the prospect's business. The salesman should secure all possible information regard-

ing that business. He should determine its immediate and long range goals. He should learn the sources of supply, manufacturing and distribution routines, seasonal sales trends, gross volume, advertising allowances, yes, even the labor problems of the particular enterprise.

This information can be secured if an honest and intelligent approach has been made. The prospect, of course, realizes that the salesman will eventually try to sell him radio advertising but the objective at this point is to build up his confidence so that when the sales approach is made he will know that it is a studied, thoughtful proposal to increase his sales.

During this period it would be suicide for the salesman to rush to the customer with just any program or announcement schedule and by dint of high-pressure salesmanship sell him the wrong type or amount of broadcasting. The salesman must live in the same city with the advertiser and meet him constantly in social, civic, and religious life. One resounding failure will remove the advertiser from the prospect list forever. The salesman must bide his time and console himself with the thought that "He Must Be Sold—But He Must Be Sold—Right."

Period of Planning

When the salesman feels that he has sufficient information, background, and understanding of the business in question to make an intelligent recommendation, he can then proceed to the second period—the Period of Planning.

This period can be divided into two parts: first, planning by the salesman and the station, and, second, planning with the advertiser. With all the facts at hand on the product or service to be advertised, the budget available, and the goals which should be achieved, a series of planning sessions should be held with the local sales manager and program director of the station. The local sales manager contributes his experience on other local retail accounts and the program director knows the availability of various types of programs and talent and the appeal of each type to the listening audience. All possibilities should be culled over thoroughly and the one selected which, in the combined judgment of the

three men, is best calculated to produce results. It might be a local program, a newscast, an open-end transcription or a series of announcements, but, whatever it is, it should be prepared in presentation form for the advertiser. The presentation does not have to be an elaborate production. It may consist merely of a series of typed sheets, each of them building up to the final recommendation. These presentations are custom-made jobs to fit specific requirements, but each of them should contain background material on the effectiveness of broadcast advertising (material similar to that contained in Chapter II), set ownership, hours of listening, coverage details of the individual station, listener surveys, et cetera, focussing down to the specific recommendation for the local retailer.

It is impossible to offer any detailed outline for this type of presentation because the requirements of local retailers vary so widely. A presentation for a service station and parking lot would contain widely different information from one prepared for a bakery. But the presentation should be confined to a factual and honest development of the reasoning behind the recommendation without any attempt to oversell.

The second phase of the Period of Planning is planning with the local advertiser. When the presentation is ready, the salesman sits down with the advertiser and goes over it step by step, answering questions as they are asked, and concluding by proposing a definite date for the start of the broadcast series.

If the salesman has correctly calculated the requirements of the prospect's business, there can be little argument on the progression of the presentation. However, the customer's inertia usually remains to be overcome, and, frequently, his timidity in using a new advertising medium—or in using advertising at all. It is most unusual if a sale can be made immediately upon completion of the presentation and quite probable that a series of meetings will be required before the sale is completed. Right here the individual ingenuity, skill, and ability of the salesman must take over to clinch the final sale. During this interval he may require additional help, advice, and suggestions from the local sales

manager and program director. Yet in order to clinch the sale, the salesman himself is the one who must have analyzed correctly to overcome the sales objections of the prospect.

Period of Execution

Once the sale is accomplished, comprehensive arrangements must be made to insure the effectiveness of the radio campaign. If a program is to be used, talent must be engaged, continuity prepared, merchandising and publicity planned. The campaign should be integrated with other advertising of the local advertiser. If announcements are to be used, they, too, must be carefully planned, a schedule of products to be advertised set up, and preparation of the copy started. During this period the station salesman should consider himself as an employee of the local advertiser. Careful planning in advance is the best possible insurance for the ultimate success of the campaign.

Although the Period of Execution starts, technically, with the first broadcast in the series, it may well be called the Period of Service for the local salesman. He should continue in his assumed role as an employee of the sponsor, attend program rehearsals, and make certain that copy and continuity are prepared and submitted in time. He should make suggestions for improvements in the campaign and offer improved time periods if they should open up. He should check constantly on the sales results of the advertising. Here the local radio salesman enjoys an advantage, for sales results are more quickly discernible at local retail establishments than on a national basis.

During this period the advertiser, salesman and radio station must work together closely to produce a successful advertising campaign. If the progress of the campaign in attracting an audience and selling goods is interpreted correctly, the advertising will be effective. The successful station and salesman counsel regularly with local retail sponsors and follow closely the progress of their broadcasting. Too many stations and salesmen have forgotten the local advertiser once the contract has been signed, forgetting

also that the best prospect for new business is a satisfied current sponsor.

Period of Expansion

The goal that the salesman should have set at the beginning of his sales campaign is the fourth period—the Period of Expansion. Once the radio campaign has been planned, sold, started on the air, and has proved that it can sell the advertiser's goods, the next concern of the salesman is to sell the sponsor additional broadcasting.

The same careful planning which resulted in the original sale is necessary with one major difference—the advertiser has learned that radio *can* sell his product. That hurdle will not have to be taken again. The major question still to be answered is the amount of broadcasting which can be justified by the advertiser's sales volume and advertising budget. The most effective means of determining the answer is to approach it by successive increases rather than in one fell swoop. If each increase is planned, executed, analyzed, and found to be justified before the next increase is recommended, the firm foundation of the original campaign is maintained.

Increases in a broadcasting campaign need not consist of more of the same type of program. A local advertiser may have purchased a series of programs and an additional announcement schedule might be the logical development. Or it could work in just the opposite way. Here again the local salesman should work closely with his sales manager and program director in framing the recommendation for expansion. But in this case they will have actual experience with the advertiser on which to base their conclusions. The successful radio station is the station which has a number of satisfied local retail sponsors. As shown in Chapter XVI, a successful record with local advertisers is one of the important factors considered by national advertisers in their selection of stations for national spot broadcasting. If a station's representative can show an imposing roster of local advertisers to a national advertiser, that station is most likely to be used for the spot campaign.

The failure of local retailers to use broadcast advertising in greater volume has been a source of great concern to individual stations and the industry as a whole. Trade magazines for several industries have attempted to collect and present successful radio campaigns used within their respective businesses. The National Association of Broadcasters has prepared similar reports for the bakery and brewing fields and in 1945 co-operated with Joske's of Texas, department store, in the most comprehensive study of retail broadcasting that has been conducted.

The Joske Experiment

The purpose of this experiment was to learn as much as possible of the methods and techniques whereby radio advertising could most effectively serve retailers of all types.³ It was agreed when Joske's and the NAB financed the study that the resultant information would be released for the benefit of retailers and broadcasters throughout the country. It was felt that a department store would produce the most beneficial results, for the experience of any department could be applied to a small retail shop and any individual service of the department store would be applicable to the smaller service establishments.

Prior to the opening of the campaign, an independent research organization was employed to determine Joske's position in the San Antonio market from a competitive standpoint, and a thorough analysis of the store's volume, location, merchandise, services, atmosphere, and personnel was made. From these studies six major objectives for the fifty-two week schedule were evolved:

1. To build store traffic and increase sales by:
 - a) Advertising "top" departments and "in demand" merchandise;
 - b) Creating greater acceptance of Joske's as a Texas institution to which customers will turn first for their purchases;
2. To identify Joske's with the civic, social, cultural, edu-

³ Data on the Joske experiment are adapted and summarized from the "Radio for Retailers" report of the National Association of Broadcasters released in October, 1946.

- cational, and military groups of the city and surrounding country by:
- a) Sponsoring programs wherein material of interest to these groups can be featured, or representatives of the groups can participate;
 - b) Promoting various city-wide and national drives;
3. Extend Joske's trading area by:
- a) Reaching out-of-town people who are not exposed to Joske's current advertising;
4. Increase the effectiveness of Joske's current advertising by:
- a) Reaching as many families as possible in the immediate trading area who are not being reached by other Joske advertising;
 - b) Adding a new and potent advertising impact on those already reached by other media;
5. Strengthen Joske's position with manufacturers, designers, and magazines by:
- a) Promoting lines, brands, and names in a manner that will create greater reciprocal co-operation;
6. Give new selling impetus to store personnel by:
- a) Co-ordinating their in-the-store selling with a "personalized" outside preselling form of advertising.

A complete radio department, consisting of a radio director and experienced copy writers, was installed at the store. These people became an operating part of the regular publicity department so that their work could be integrated properly with the other promotional and advertising efforts. A plan to promote the radio programs was set up, incorporating:

1. Pre-program announcements.
2. Tie-in of radio programs in regularly scheduled newspaper advertising.
3. Special newspaper advertisements devoted exclusively to the radio programs.
4. Direct mail tie-ins with radio advertising.
5. Point-of-sale merchandising displays in windows and on selling floors.
6. Regular instruction of personnel correlating radio with over-all advertising program.

San Antonio was a fortunate selection. In 1945 there were five stations operating in the city, an outlet for each of the national networks and one independent station; the power range was from 250 watts to 50,000 watts. It was agreed at the outset of the experiment that Joske's would not decrease its expenditures in other advertising media but would increase its radio expenditures to 20.5 per cent of the combined newspaper-radio appropriation.

As a result of the preliminary studies and to meet specified objectives, fifty-four weekly radio programs were added to the existing schedule of 109 announcements. Programs were recommended in order to build a larger and more loyal listening audience. They also provided an opportunity to integrate the nature of the radio entertainment or information with the advertising copy.

In order to enhance the value of the findings, programs were recommended which were of a type that could be duplicated by any station or store in the United States. All programs were selected on the basis of the "beamed program" technique. This is a simple procedure of choosing program, time, and station for their ability to reach the desired audience for individual departments or services of the store. It is a vitally important analysis for every retail broadcaster to make.

The schedule, as finally constructed, consisted of the following programs:

"Beauty Time"
KTSA—7:45-8:00 A.M.
Monday through Saturday

Recorded melody music, time and weather service, beauty tips to sell cosmetics and toiletries to urban working girls and housewives.

"News at Nine"
KONO—9:00-9:15 A.M.
Monday through Saturday

News and weather report to sell popular priced merchandise with news appeal to average-income housewives.

"Texas Today"
WOAI—9:30-9:45 A.M.
Monday through Friday

Local personality discussing current fashions, books, music, art, education, interior decorating, and interviews with visiting personalities to sell better merchandise to higher-income-group women.

- "For Members Only"
KONO—11:30-11:45 A.M.
Monday through Saturday
Recorded popular music to sell Bargain Basement, special sales, and budget accounts to low-income-group women.
- "Fulton Lewis, Jr."
KMAC—6:00-6:15 P.M.
Monday through Friday
A co-operative MBS network news broadcast to sell the Men's Store to business, professional, and military men.
- "Aloha From the Islands"
KONO—6:30-6:45 P.M.
Monday through Saturday
Recorded Hawaiian music during the supper hour to sell the Military Department and general Joske service to the family group.
- "Nightly News Roundup"
WOAI—11:00-11:05 P.M.
Monday through Saturday
Summary of the latest news to sell better merchandise, men's wear, diamonds, and books to above-average-income family groups.
- "Teen Top Tunes"
KONO—10:00-10:30 A.M.
Saturday only
High school news discussions, teenage guest interviews to sell Teena Texas Shop and Boy's Department to teen-agers.
- "Weekly News Roundup"
WOAI—10:00-10:15 P.M.
Sunday only
Digest of the latest news with commercials devoted to institutional copy and prestige merchandise to sell upper-income families.
- "The Old Ranch Hand"
KABC—7:15-7:30 A.M.
Monday, Wednesday,
Friday
Hillbilly personality and recorded music to sell sporting goods, sweaters, work clothes, etc., to farmers and ranchers.
- "Beauty and a Song"
WOAI—8:30-8:45 A.M.
Monday through Friday
Recorded light classical music and dialogue between an announcer and a beauty personality to sell the five top cosmetic lines to town and farm women.
- "The Good Morning Show"
KTSA—7:30-7:45 A.M.
Monday through Saturday
Recorded melodic music with a master of ceremonies and Joske's personal shopper "Peggy Wilson" to sell popular priced items and good value merchandise of higher price to working men and women and housewives.

“For Members Only”
 KONO—11:45 A.M.—
 12:00 Noon
 Monday through Saturday

An additional segment in this hour participating program, previously described, to sell the Budget House and long-term payment plans to women in the lower-income groups.

“Musical Headliners”
 KONO—2:00–2:30 P.M.
 Sunday only

Recorded popular music to sell Monday bargains in the Budget House and Bargain Basement to men, women, and young people in the middle and lower-income groups.

Several of these programs were already established sustaining broadcasts which had achieved good ratings in their respective periods. Several others had been sponsored by Joske's for a year or more. But all programs were repatterned to conform to the requirements of the “beamed technique,” the planned selection of the merchandise (or service), the potential customers, the program, the time, and the station.

During the year in which these programs were broadcast, two groups of departments were set up, the first group to receive the larger number of programs and commercial announcements and the second group to receive the lesser number of programs and commercial announcements. At the end of the year an independent audit showed that the first group of departments had registered a 42 per cent greater sales increase than the departments receiving less radio. And the cost of radio advertising for that group of departments amounted to 0.5 per cent of sales.

This same audit showed that by increasing radio expenditures from 7.92 per cent to 20.5 per cent of the total advertising budget the results attained were:

1. A profitable increase in sales volume far beyond the added advertising costs.
2. More traffic brought to the store directly and indirectly.
3. The range of Joske's trading area was widened.
4. New customers were reached who had not previously been reached by other forms of Joske advertising.
5. The prestige of the Joske name was increased and the

store's character, services, and slogans were further established.

In a statement commenting on these results at the conclusion of the campaign, James H. Keenan, Joske's vice-president in charge of sales promotion, said:⁴

"The Retail Radio Study has been a highly interesting and educational experience for us at Joske's of Texas. We approached the problem with what might be called a 'clinical attitude'—without prejudices and with an open mind. But we had to be shown. "The study has enabled us to develop new and effective techniques in the use of an important advertising medium. After our year's experience it is fair to conclude that radio advertising has now become a permanent part of our store promotional program. We are most pleased to share with other retailers what we have learned, and are certain this knowledge will assist them, as it has us, in the building of their sales promotion programs."

Seemingly to confirm the Joske experience, another department store embarked upon an intensive radio campaign at about the same time and achieved similar results. The James Black Dry Goods Company of Waterloo, Iowa, purchased a large "package" of radio on Station KXEL, a 50,000-watt ABC outlet, in May, 1945. A total of 24 per cent of the total advertising budget was devoted to radio programs:

1. "R.F.D. 1540"—12:45-1:00 P.M., daily except Sunday; "Farm director"—local news and farm organization activities.
2. "Music for Moderns"—once weekly; Popular recorded music, teen-age items, and school news.
3. "Neighbors' News"—6:15-6:30 A.M., daily except Sunday; World, national, local, and farm news; weather, market, and crop reports.
4. "H.R. Gross News"—10:00-10:15 P.M., daily except Sunday; General summary of the day's important international, national, and local news.
5. Concentrated announcement campaigns for special sales.

⁴ "Radio for Retailers," National Association of Broadcasters, Washington, D. C., October 1946.

These programs won two of the three first prizes in the National Retail Dry Goods Association's first nation-wide radio program contest. The interesting point in this experience is that the program selections coincided so closely with the programs used by Joske's and were directed to the same type of prospective customers. Their selection resulted from the same careful preliminary analyses and the results assure radio of a continued important role in Black's sales promotion.

The Rochester Experience

The radio campaign of the Joske and Black stores were voluntary. All the department stores of Rochester, New York, were forced into involuntary broadcasting campaigns from November 8, 1946, through February 8, 1947. The Rochester newspapers were on strike during the important Christmas selling season and the department stores and specialty shops were compelled to rely on broadcasting and direct mail advertising. It was not possible to preplan these campaigns. The four stations had full schedules with long-term commitments and few choice periods were available.

Yet with poorer time periods, virtual rationing of available periods and spots, and no newspaper advertising, all retail sales in the Rochester area increased 35 per cent in November, 30 per cent in December, and 18 per cent in January over sales in the same months in the preceding year. In reviewing results of the strike, it was found that the only retailers who did not increase sales during the thirteen-week period were the smaller shops which did not see the necessity for purchasing radio time.

Volumes of available evidence indicate that radio is an effective advertising medium for local retailers. Furthermore, radio stations evidently are beginning to realize that local retail advertising is entirely different from the network or national spot advertising which they carry. Budgets are smaller and results are more readily discernible. Approximately 75 per cent of the stations in the country have special retail rates for local advertisers. Any station should

be equipped to prepare a convincing presentation on radio for virtually any type of retail advertiser.

Given more intelligent and thoughtful consideration of his problems by the station, the retailer can preplan his campaign with every reasonable assurance of success. Miracles should not be expected and are seldom achieved, but an adequate schedule, regularly maintained, should produce results for any advertiser.

CHAPTER XVI

Planning a Spot Broadcasting Campaign

SPOT broadcasting is purchased by advertising agencies for advertisers after the same thorough deliberation that is given to network broadcasting. The same Plans Board outlines the budget available, market to be reached, and area to be covered, and assigns the task of a final recommendation to the radio department. There the same division occurs between the program and time-buying units and the ultimate campaign is developed.

One of the first decisions to be made is whether announcements or programs are to be used and whether these are to be recorded or live. Once this is settled, each branch of the department can proceed on its own, except that if live local talent is to be used, the time buyers secure necessary information from the stations for consideration by the program group.

The selection of stations to be used for a spot campaign is considerably more involved than the selection of a network. In network broadcasting, the choice is made from only four networks. In spot broadcasting, a selection may be made from four or more stations in each market used. It is not easy to make these choices without giving detailed consideration to each station that can possibly be utilized. Here are some of the factors that agencies consider in making their selections.

Factors in Selecting Spot Broadcasting Stations

The power and frequency of each station in a market are important but not conclusive factors. They may, perhaps, be given the first consideration, to be modified by other evaluations of a station's worth. Coverage is directly dependent upon the watts and kilocycles assigned to a station, but coverage is not to be purchased at any price the station chooses to charge. Therefore, power and frequency and coverage must be considered in relation to cost and expressed in terms of cost per thousand potential listeners. Cost is a controlling factor throughout the consideration.

For example, a 50,000 watt clear-channel station covers 400,000 radio homes at a rate of \$80.00 per evening quarter-hour, or at a cost of 20¢ per thousand radio homes. A 5,000 watt regional station in the same market might cover 300,000 radio homes at a rate of \$45.00 per evening quarter-hour, or at a cost of 15¢ per thousand radio homes.

It should be borne in mind that, many times, the coverage of a 5,000 watt regional station is 80 per cent or even 90 per cent as large as the audience reached by a competing 50,000 watt station. Aside from the engineering factors involved, there is the inescapable fact that populations are concentrated closely around all important urban centers and thin out rapidly in the rural outer reaches of a 50,000 watt station's primary coverage. Within the area in which the signals of the two stations are comparable, therefore, is the greatest concentration of potential radio audience.

Both the network affiliation of a station and its schedule of network commercial programs are important. The agency is also interested in a station's schedule of local commercial programs. If the important local advertisers use a station either exclusively or more than its competitors, the fact is a revealing clue to the station's acceptability in the market. Local advertisers live in the city and know what station their customers listen to and what station has produced the best results for them.

Surveys are an important guide to the selection of spot stations. As cautioned in Chapter XI, an agency must be certain of the authenticity of any survey presented by a

station. The Hooper and Conlan surveys give a picture of the division of audience at various periods, day and evening, which is helpful in making a selection. The BMB figures on audience and its location must certainly be studied carefully for they represent the first uniform measurements of the coverage of competing radio stations within the same markets.

The ownership and management of a station are also important elements in determining a station's worth. If the management is alive to the needs of the community, if it definitely serves the public interest and has a general awareness of both the commercial and noncommercial requirements of its listeners, that attitude is reflected in every phase of the station's operation. It makes the station a more valuable outlet for every advertiser.

If the station makes a genuine effort to build local programs of known appeal to its audience, it is bound to attract the highest percentage of listeners. Many stations are content to supplement the network commercial and sustaining schedules with announcements, transcriptions, and an occasional news broadcast. This is the cheaper method of running a radio station and has an immediate beneficial effect on the balance sheet. However, over a period of time it is an unsound operation. The listeners will be attracted to the competing station which produces programs of strictly local appeal. Dollars invested in building local programs will bring a larger financial return ultimately to the station and greater sales for its advertisers.

On occasion, the corporate ownership of a radio station can be of great importance to an advertiser. For example, a station owned by a chain of drug stores has been valuable to drug product advertisers. By the use of the station, these advertisers automatically receive special promotions and displays throughout the chain of stores. This type of ownership, if irresponsibly handled, could result in the blackmailing of advertisers.

One of the greatest assets a time-buyer in the radio department of an advertising agency can acquire is a first-hand knowledge of the important radio stations throughout the country. He should visit them and see and hear them

in operation in their communities. He should see the manner in which their publicity is handled by the local press. He should know the principles involved in the operation of the station and evaluate their individual philosophies and goals for broadcasting, advertising in general, and public service. It is easy for the owner of a radio station to impress his own personality on the station. It is so easy, in fact, that many times buyers find themselves forgetting the call letters of a station and thinking only in terms of the owner or manager.

Merchandising and publicity co-operation offered by a station is an important factor to be considered. The types provided are many and varied. Some of the most widely used types are:

1. Car cards.
2. Billboards.
3. Bus and street car dasher boards.
4. Taxi spare tire covers.
5. Lobby and window displays.
6. Envelope stuffers.
7. Circularizing retail lists.
8. Circularizing listener lists.
9. Match book covers.
10. Newspaper advertisements.

The agency must decide if the importance of this co-operation in relation to the cost of time is sufficient to justify the selection of one station over its competitors.

One important southern station which has maintained its leadership in its area for many years has this to say about station promotion:

“Many stations have asked us why our promotion has been so successful. The answer is simple. We devote 80% of our promotion budget to promoting our programs to the *listener*. Most of the other stations spend the bulk of their promotion money promoting the station to the *trade*—advertisers, agencies, etc.”

The availability of specialized types of local programs is an important consideration. If a farm product is to be advertised, the station with the best farm program would undoubtedly be the final choice. Or it might be that a

sports, or news, or household program is desired. This is a particularly important factor if an announcement campaign is to be used.

One of the guideposts for an agency in station selection is past experience with stations. If a station has been successful in a previous campaign, it is a strong recommendation for using the station again. Such a choice sometimes leads to difficulties as in the case of one agency vice-president in charge of radio. His agency had purchased a successful schedule of spot broadcasts in 1933 on 50,000 watt stations in a number of markets. A similar campaign was planned in 1938 and the time-buyer submitted a recommendation which included a number of 5,000 watt stations. The vice-president refused to accept the recommendation because the high-power stations formerly used in many markets had been omitted. He had simply fallen prey to the belief that power was everything and was not aware that listener loyalties are fickle. In the markets in which 5,000 watt stations had been selected, listener acceptance had definitely swung away from the high-power stations. On the basis of cost per thousand potential listeners, they were no longer the best buy; the time buyer knew it because he had kept in touch with the changing situations.

Some agencies determine station rankings by an occult formula involving a slide rule. Radio, however, is an emotional medium and the value of a station or a program can never be reduced to a purely mathematical formula.

When all the factors mentioned have been considered by the agency radio department, plus any additional "trade secret" factors which they may employ, one station begins to stand out as the best buy in each market. The agency's selection of a combination of these stations forms the final list recommended for the spot campaign.

Time Availabilities

Agency practice on time bookings varies. Some agencies prefer to secure time availabilities from the individual stations and to place reservations on them before the final approval on the campaign is received from the advertiser. Other agencies prefer to wait until the campaign is approved

before discussing availabilities with the station representatives and stations.

The first procedure has one definite advantage. By securing availabilities in advance, the agency knows exactly what time might be secured. The time availability is the last and, in many cases, the controlling factor in the selection of one station over another and could very well result in changing a recommendation.

In fact, the selection of stations for a spot campaign might be likened to a day at the race track. In the first race (city), Station *A*, on the basis of all factors considered, won out over Station *B* by a nose. In the second race (city), Station *C* won out over Station *D* by seven lengths. If, in the first city, Station *B* offered a far better availability on the basis of programs preceding, following, and opposite than Station *A*, it could be the deciding factor in recommending Station *B* instead of Station *A*. A better time on Station *B* would deliver a larger audience than an inferior time on the normally preferred Station *A*.

If, in the second city, the availability on Station *D* were greatly superior to the availability on Station *C*, it would still not affect the recommendation, because Station *C*, on all other counts, so far outstripped Station *D*. Even an inferior time on Station *C* would do a better job than the best time on Station *D*. And so it goes in every market where the margin between first and second choice stations varies widely from area to area. In many markets in the United States the selection of a station is a photo finish and the "photo" is the time availability offered by each station.

Securing availabilities in advance has two disadvantages. One of them is that the time is quoted subject to prior sale and may be sold before the advertiser's approval can be secured. The second is that each station representative will attempt to sell the agency the station he represents in every market on his list, which, it must be admitted, is his job, when many of them are not desired at all or other competing stations are preferred.

If the advertising agency's policy is to secure availabilities only after the campaign has been approved, the discussions with the advertiser must be kept flexible enough so that

changes in the approved list can be made on the basis of actual times quoted. In this case, the agency, although having recommended one station in each market, will request availabilities on two or even three stations in each city and will be in a position to purchase immediately without danger of losing the times.

Whichever procedure is followed in regard to actual availabilities, the recommendations for time and program are combined by the radio department, presented to the Plans Board and in turn to the advertiser. When his approval is received, the actual placement of the spot campaign gets under way.

A.A.A.A. Standard Contract for Spot Broadcasting

Compared with placing a network campaign, this is an involved and detailed procedure. One network order covers 100 or more stations, but a separate order must be written for each station on the spot-broadcast list and figured at a different rate. Where the network period is uniform on all stations, the spot times vary from station to station. The selection of each time is the result of a separate deliberation. A standard contract form for spot broadcasting has been prepared jointly by the NAB and the American Association of Advertising Agencies and is generally used by agencies and acceptable to stations. A copy of this order form is shown on the following page.

This standard contract for spot broadcasting represents a logical evolution from the early practice of agencies signing contracts submitted by each individual station. Formerly, contracts varied so widely that it required a corps of lawyers to examine the contracts for each spot campaign. Over a period of time, the agencies and the stations worked out this standard form through their respective trade associations, the 4-A's and the NAB.

The face of this contract outlines all the details of the campaign. It indicates the advertiser, product, type of program, broadcast time, length of series, costs, commissions, and discounts.

The reverse side contains the standard conditions which

STANDARD CONTRACT FOR SPOT BROADCASTING
(STANDARD CONDITIONS 1946. See Over)

NAME OF ADVERTISING AGENCY
ADDRESS
CITY STATE

TO MANAGEMENT OF STATION _____ CONTRACT NO. _____
CITY AND STATE _____ DATE _____

PLEASE FURNISH BROADCASTING FACILITIES TO [advertiser]
FOR [product] _____ NAME OF PROGRAM _____

LENGTH OF BROADCAST _____ HOUR _____ DATE _____ TIMES PER WEEK _____ TOTAL NO. TIMES _____

DATE OF FIRST BROADCAST _____ EXPIRATION DATE _____

PROGRAM MATERIAL ARRANGEMENTS _____

COMMERCIAL ANNOUNCEMENTS _____

CONTINUITY _____ LIVE TALENT _____ TRANSCRIPTIONS _____

ADDITIONAL INSTRUCTIONS _____

RATES:	Station Time	Talent	Line Service	Other Charges	Total
Each Broadcast:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ per broadcast
Per _____ Broadcast:	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____ per contract

LESS TIME DISCOUNT: _____% LESS AGENCY COMMISSION: 15% of Station time Charge LESS CASH DISCOUNT: _____% of net time charge
 _____% _____% of Talent Charge (if paid by _____th of month following service)

Subject to standard conditions on back hereof: _____ NAME OF ADVERTISING AGENCY, PER: _____

Standard Contract for Spot Broadcasting "A. A. A. Form" Copyright 1946 American Association of Advertising Agencies (OVER)

Figure 15. Sample Contract for Spot Broadcasting. Courtesy of American Association of Advertising Agencies.

apply to the contract. These are important and vary considerably from the network conditions.

The conditions regarding payment provide that the agency will pay for the broadcasting by the fifteenth of the month following service and that any billing by the station shall be in accordance with the station's log (as filed with the FCC). Affidavits of performance will be supplied by the station on request from the agency. Despite the fact that stations are most reliable in their performance, errors can occur and it is impractical for an agency or advertiser to check every spot broadcast in every market. The affidavit removes the last lingering doubt that the broadcasts were made as ordered and are particularly valuable to advertisers who are new to radio. The station reserves the right to cancel the contract in the event the agency defaults in its payments.

The conditions covering termination and renewal provide that the contract may be terminated by either party by giving the other party twenty-eight days' prior written notice, provided that no such notice shall be effective until twenty-eight days after the start of the series. In the case of broadcasts of less than five minutes' duration, the contract may be terminated by either party by giving the other fourteen days' prior written notice, but no such notice shall be effective until fourteen days after the start of the series.

The provision that the series must actually start and run for a specified period was insisted upon by the stations. Unfortunately, some advertisers and agencies fell into the habit of purchasing time thirty or sixty days in advance of a starting date and then cancelling two weeks before the series was scheduled to start. Agencies did this more or less on speculation, hoping that a client would purchase the time, and it usually centered on particularly choice availabilities. It was an injustice to the station as it withdrew the time for sale to other agencies and advertisers, and then threw it back on the station at the last minute. This new provision has had a beneficial effect in restraining advance time purchases until it is virtually certain that the time will actually be used.

In the event that the advertiser cancels a contract short

of the full commitment, a short-rate is involved. For example, a contract calls for fifty-two broadcasts on a station which allows 5 per cent frequency discount for twenty-six broadcasts and 10 per cent frequency discount for fifty-two broadcasts. If the series is cancelled after the thirtieth broadcast, only the 5 per cent discount is earned. If the series is cancelled after the tenth broadcast, no frequency discount has been earned. In either case, the billing to the agency has been at the fifty-two-time rate with the 15 per cent frequency discount deducted. Therefore, it is necessary to adjust the difference between the earned rate and the contract rate by a short-rate charge to the agency which is in turn passed on to the advertiser.

In the rare instances in which the station cancels a spot broadcasting contract, no short-rate penalties are assessed against the agency. The agency has the benefit of the same discounts which it would have earned if it had been allowed to complete the contract.

Any spot broadcasting time may be renewed beyond the original contract expiration, provided there is no interruption in the continuity of the broadcasts, by giving the station written notice at least twenty-eight days prior to the expiration date. If the broadcasts are five minutes or less in length, only fourteen days' written notice prior to the expiration date is required.

If a station is unable to broadcast all or any part of an agency's program owing to public emergency, necessity, legal restrictions, labor disputes, strikes, boycotts, secondary boycotts, Acts of God, or mechanical breakdowns beyond the control of the station, a credit is issued to the agency on an exact pro rata basis for the amount of time lost. If the interruption occurs during the commercial announcement portion of the program, a credit is issued to the agency in the same proportion to the total station charges which the omitted commercial portion bears to the total commercial portion of the broadcast. If the pro rata credit would be greater, the agency has the option of receiving that instead.

Stations definitely retain the right to cancel any broadcast or any portion of a broadcast for any program which,

in their "absolute discretion," is deemed to be of public importance or in the public interest. It is agreed that the station will make every effort to notify the agency in advance if the time is to be recaptured. An effort is made to arrange a mutually satisfactory substitute time, but, failing in this, the agency is credited for the full broadcast charge without prejudice to the contract rates and discounts. In the event that a live talent program is cancelled, the station will pay to the agency only the amount represented by the noncancellable net cost of live talent, not to exceed the time cost, incurred by virtue of, and resulting directly from, such cancellation.

Three conditions in this standard contract covering ethical practices were the source of considerable discussion when the contract was drawn up.

1. It is agreed that the time rate named in this contract is the lowest rate made by the station for like broadcasts and that if at any time during the life of this contract the station makes a lower rate for like broadcasts, this contract shall be completed at such lower rate from that date.
2. All time rates shall be published by the station. There shall be no secret rates, rebates or agreements affecting rates. All rates shall be furnished agency if requested in writing so to do.
3. The agency agrees that it will not rebate to its client any part of the commission allowed by the station.

It is doubtful whether any of these three provisions serve a useful purpose today. There may have been cases in which these practices occurred years ago, but no reputable station or agency can afford to indulge in them in this highly competitive field.

The agency is protected against any rate increases for the service purchased during the life of the contract and during subsequent renewals without interruption for a period of fifty-two weeks from the effective date of the increase.

The contract for station time, of course, includes the services of the station's technical staff and of a regular staff announcer. Any other talent or service is contracted for on a regular fee basis. Program material is required seventy-two hours in advance of broadcast time and all broadcasts

Richmond, Virginia
50,000 Watts
1,140 Kilocycles

WRVA
"The Edgeworth Tobacco Station"
COLUMBIA NETWORK AFFILIATE

Rate Card No. 8
Issued August 1, 1944
Effective August 15, 1944

I. GENERAL BROADCAST ADVERTISING

CLASS A—(6:00 p.m. to 10:30 p.m.)	1 time	13 times	26 times	52 times	100 times	200 times
a. 1 hour.....	\$350.00	\$332.50	\$315.00	\$297.50	\$280.00	\$262.50
1/2 hour.....	210.00	199.50	189.00	178.50	168.00	157.50
1/4 hour.....	140.00	133.00	126.00	119.00	112.00	105.00
5 minutes.....	70.00	66.50	63.00	59.50	56.00	52.50
CLASS B—(7:00 a. m. to 2:00 p. m., 5:00 p. m. to 6:00 p. m., 10:30 p. m. to 11:00 p. m.)						
1 hour.....	\$175.00	\$166.25	\$157.50	\$148.75	\$140.00	\$131.25
1/2 hour.....	105.00	99.75	94.50	89.25	84.00	78.75
1/4 hour.....	70.00	66.50	63.00	59.50	56.00	52.50
5 minutes.....	35.00	33.25	31.50	29.75	28.00	26.25
CLASS C—(2:00 p. m. to 5:00 p. m., 11:00 p. m. to midnight)						
1 hour.....	\$140.00	\$133.00	\$126.00	\$119.00	\$112.00	\$105.00
1/2 hour.....	84.00	79.80	75.60	71.40	67.20	63.00
1/4 hour.....	56.00	53.20	50.40	47.60	44.80	42.00
5 minutes.....	28.00	26.60	25.20	23.80	22.40	21.00
CLASS D—(Midnite to 7:00 a. m.) One-half Class C rates.						
SUNDAY—CLASS B all day until 6 p. m.						

b. Announcements:

6:00 p.m. to 10:30 p.m.:	1 time	13 times	26 times	52 times	100 times	200 times
1 minute ET (150 words live).....	\$43.00	\$40.85	\$38.70	\$36.55	\$34.40	\$32.25
20 second ET (35 words live).....	30.00	28.50	27.00	25.50	24.00	22.50
7:00 a.m. to 6:00 p.m.; 10:30 p.m. to midnight:						
1 minute ET (150 words live).....	\$21.50	\$20.42	\$19.35	\$18.27	\$17.20	\$16.12
20 second ET (35 words live).....	15.00	14.25	13.50	12.75	12.00	11.25

c. 12 midnight to 7:00 a.m.—One minute ET (150 words live) \$10.00; no discounts.

d. Net rates shown above computed on following discount scale:

13 times	5%	52 times	15%	200 times	25%
26 times	10%	100 times	20%		

To earn discounts, stipulated number of programs must come within twelve-month period.

2. CLASSIFICATION

All acceptable general accounts subject to same rates. For retail rates and conditions, see Rate Card 8R.

3. SERVICE FACILITIES

- Rates include service of one announcer. Special scripts, talent and production at extra charge. Audition transcription of talent available may be had on request.
- Complete facilities for handling broadcasts outside regular studios. Extra expense billed advertiser.
- Western Electric double 78 and 33 1/2 rpm turntables for handling transcriptions.
- Air-check transcriptions of talent programs available at moderate extra charge.
- World and hangworth transcription library service available.
- Recording Laboratory.
- Norfolk studio origination by special arrangement.

4. COMMISSION AND CASH DISCOUNT

- Fifteen per cent commission to recognized advertising agencies.
- No cash discount. Bills rendered first day of month following service. Payment due on tenth of same month.
- Agency commission and quantity discounts apply on station time only.

5. REGULATIONS AND RESTRICTIONS

- Maximum contract—one year.
- Closing date 48 hours in advance of broadcast.
- Alcoholic beverage accounts not accepted.
- All contracts subject to station approval and may be rejected without giving reason therefor.
- All contracts subject to standard conditions for spot broadcasting adopted in 1942 by the National Association of Broadcasters in cooperation with the American Association of Advertising Agencies.

Figure 16. Typical Individual Station Rate Card.
Courtesy of WRVA Richmond.

A SPOT BROADCASTING CAMPAIGN

W T A G
WORCESTER 1, MASSACHUSETTS

IN ACCOUNT WITH

SMITH ADVERTISING AGENCY
875 FIFTH AVENUE
NEW YORK 20, NEW YORK

PLEASE DETACH THIS STUB AND MAIL WITH YOUR REMITTANCE.

DATE	DESCRIPTION	CHARGES		CREDITS	BALANCE
		STATION TIME	MISCELLANEOUS		
1948	BALANCE BROUGHT FORWARD				
Jan 1	15 Minutes	47.50			
8	15 Minutes	47.50			
15	15 Minutes	47.50			
22	15 Minutes	47.50			
28	15 Minutes	47.50			237.50
	Talent		50.00		287.50

*This amount subject to a
15% agency commission of \$35.63*

W T A G
WORCESTER
MASSACHUSETTS

Figure 17A. Sample Station Invoice for Spot Broadcasting.
Courtesy of WTAG Worcester.

prepared by the agency are subject to the approval of the station, both as to artists and to broadcast content.

An agency time buyer must be familiar with these conditions of the standard contract for spot broadcasting and must plan the campaign on the basis of these provisions. A sample rate card for spot broadcasting on Station WRVA-Richmond is shown on the preceding page.

Electrical Transcriptions

If recorded announcements or programs are to be used, rehearsals and recording sessions must be arranged according to a set schedule. Shipping arrangements for the transcriptions must follow a timetable that will not cause the loss of a broadcast because of the nonarrival of the recording.

For FIFTH AVENUE DRESS SHOPPE

AFFIDAVIT OF PERFORMANCE

State of Massachusetts }
County of Worcester } as

Before me, a Notary Public, personally appeared *James Lweeney*, who, being duly sworn, deposes and says that he is bookkeeper of broadcasting station WTAG in the City of Worcester, County and State aforesaid, and that the program of FIFTH AVENUE DRESS SHOPPE was broadcast through the aforesaid station on the following dates:

January 1, 8, 15, 22, 28, 1948

Each broadcast covered a period of 15 Minutes

James Lweeney
Bookkeeper of Radio Station WTAG

Sworn to and subscribed before me this *31st* day of *January* 19 *48*. IN TESTIMONY WHEREOF I have hereunto set my hand and seal the day and year aforesaid

Notary Public

See reverse side.

Figure 17B. Sample of Proof of Performance for Spot Broadcasting. Courtesy of WTAG Worcester.

Promotion and Publicity

Some spot campaigns are well suited to merchandising and promotion and these arrangements are made in collaboration with the individual stations. Generally, announcement campaigns are not merchandisable, but most other

spot broadcasts can be handled in somewhat the same manner as network broadcasts, even though they lack some of the glamour of big name importance.

Typical Spot Broadcasting Campaigns

Two of the outstanding spot broadcasting campaigns are the "Esso Reporter" news broadcasts and the Bulova Watch time signal announcements. Both of these advertisers recognized the flexibility which spot broadcasting offers, and, by playing to the strength of individual station broadcasts, have developed two of the most valuable campaigns in commercial radio.

"The Esso News Reporter," sponsored by the Standard Oil Company of New Jersey for its gasoline specialty products, is a five-minute news period broadcast four times each day on forty stations. United Press wire news summaries are read by local station announcers. At times the commercial announcements are uniform on all stations, but they may be varied in any single market, or group of markets, in order to plug specialty sales or to meet local weather or traffic conditions. A generous contribution of announcements is donated to local public interest topics such as Red Cross, Community Chest, March of Dimes drives, et cetera.

The series of "Esso Reporter" broadcasts was started in 1936, and:

"... twelve of its stations have been carrying the show ten years or more. Thirty-eight have been with Esso for more than five years. The agency and sponsor feeling is that sticking with a station gives the dealers a confidence that would not be present if the show shifted from station to station. Besides, most of the stations are doing a top-drawer job of promoting the program."¹

The Bulova Watch Company purchased time signals on the leading stations in the country when commercial broadcasting was in its infancy. Today, estimates indicate that these time signals are sponsored by Bulova on something over two hundred radio stations. Because Bulova was the pioneer in the field, it was able to secure and hold the best

¹ "Esso News Reporter," *Sponsor Magazine*, March, 1947, p. 17.

station-break availabilities. A time signal is essentially a station-break announcement and depends upon the programs preceding and following for its effectiveness. By judicious use of commercial copy, Bulova has incurred no disfavor or resentment from sponsors of network programs. So complete is Bulova's domination of effective spots on effective stations that few other watch manufacturers have attempted to compete by means of radio time signals.

Once the series of spot broadcasts starts running, it is subject to occasional interruptions, one-time omissions, and operating errors. The continuing contacts with the station representatives and stations are on service matters. Billing is rendered to the agency on a monthly basis and each invoice is supported by an affidavit of performance. A typical invoice and affidavit are shown on pages 256 and 257.

CHAPTER XVII

Local Station Operation and Management

THE MOST important person in radio is the listener—and where the listener meets the programs, where the advertiser's message meets the consumer, is in the radio station.

Networks and their policies, the FCC and its regulations, advertisers and their agencies mean nothing to the listener. He probably knows nothing whatsoever about any one of them. His interest and his connection with radio lies solely in the fact that on his radio receiving set at certain markings (he may not even know they are kilocycle markings!) he receives programs from one of the several radio stations heard in his community. What John Q. Listener thinks is good about radio is the good that is served him by WXXX, right in his own home town, or perhaps by WYYY in a town a few miles distant. What John thinks is bad about radio is the bad that comes from the same sources.

This is the importance, then, of the proper operation and management of the nearly 1,500 radio stations now licensed in cities and towns throughout the United States. It's up to the manager of the radio station in John Q's home town to bring radio to John Q.—and to bring John Q. to radio.

The management and organization of radio stations varies widely. There are large stations with correspondingly large departmental structures and specialized staffs. There are small stations that are practically solo operations. There are stations owned by individuals, by partnerships,

or by private stock corporations, and there are stations owned by organizations actively engaged in other businesses, such as newspapers, department stores, insurance companies, banks, and even trade unions. There are stations owned by schools and colleges, and stations owned by municipalities.

Despite the variation in kinds and sizes of stations and in types of ownership, the functional organization of a radio station may be charted and plotted in a general way. Certain jobs must be done; certain procedures must be followed even though in one case several departments, employing several people, do the jobs, and in other cases a few individuals double up on the responsibilities.

In general, top management is in the hands of a board of directors, except in cases of ownership by a single individual or a partnership. The activities of this board of directors can be compared with those of any business or industry and need not be considered at any length here. All matters of policy, all responsibility, and all actual control are centered here.

Functions of General Manager

One individual is usually designated by ownership to manage the station and is given the title of station manager, managing director, or general manager. This station manager may or may not be a member of the board of directors. He may or may not be a stockholder, a partner, or the individual who owns the station. He is hired by top management and ownership to assume the actual and functional responsibilities of the operation of the station.

These responsibilities are many. How good the station is depends upon how good he is. What the station is depends upon what he is. He must see that the station operates successfully and profitably within the policies laid down by the ownership. His is the responsibility for keeping the station up to and within the complex standards set by the FCC. Moreover, it is up to the station manager to keep his station abreast of, and, if possible, a step or two ahead of, the radio industry—one of the fastest growing, swiftest changing industries ever known. Only twenty-five

years old, radio is a giant among giants. Its technological advances have been rapid and revolutionary. The impossible has been done time after time. The inconceivable will be done today and tomorrow. Science today makes equipment obsolete between the date of ordering and the date of delivery.

To crown this imposing list, the station manager's two most important responsibilities are yet to be discussed: his responsibility to the public, to his community; and the responsibility of day to day operation of his station, sixteen or seventeen continuous hours of broadcast operation, seven days per week, fifty-two weeks per year.

First, because it should be uppermost in importance, comes the responsibility to the public. A radio station is licensed by the federal government to operate "in the public interest, convenience and necessity." It is an important and vital factor in the life of the community it serves. Radio represents the greatest advancement in mass communication since the invention of movable type, and its influence is far more personal and emotional than any other medium of mass influence. Books have been written on radio's influence and there is no point in going into that here, but if one recalls the prewar maneuvers of the dictators and the initial seizures by invading armies, it will be remembered that control of the radio stations was one of the first objectives to be gained.

Aside from the social and moral implications, community responsibility entails an economic factor of importance. From the profit angle alone the station must make itself felt in its community. As a medium of advertising, the station's own public relations must be efficient and effective, or it will not be successful. To be able to sell time to advertisers, the radio station must be able to build and hold a loyal audience. Here, then, is where a station manager may be a success or a failure. He must first of all *know* his community—know what his public wants, what it likes—know how he can reach the listeners and hold the listeners. If he can know all this, his will be a good station and a commercially successful station. If, furthermore, he succeeds in letting his community know that he knows all this,

and from time to time can show them his own community awareness, then he is an outstanding station manager and his station, large or small, will be a great station.

The viewpoint to be considered must be that of the listener. The receiving set is turned on because the listener wants entertainment, education, or news. No one listens to a certain station because it has a marble-lined reception room or chromium doors, or because the station manager is a civic-minded and likable individual. The listener is interested only in programs. If he can hear what he wants, when he wants it, he'll continue to listen. If he gains satisfaction regularly throughout the day, throughout the week, he becomes a loyal listener, an habitual listener, the backbone of every station's audience.

Here, then, is where the station manager begins to mix the ingredients for successful operation: what to give the listener, and when. Obviously, music will play a big factor in the day's programming—but what kind of music? Time of day and geographic location must be considered as a starter. To start the day, in early broadcast hours, music should be bright and cheery. In certain sections of the country hillbilly music is listened to for hours on end; in other parts of the country and in urban sections, the listeners wouldn't stay with it for five minutes. News is important, of course, but what kind of news? Should one give more time to national and international news, the kind of news "they should be interested in," or should one give emphasis to a local automobile accident, and a neighbor's broken arm? The successful formula used by the newspapers that "names make news" can be just as successful for radio, and the names of the committee members for the local Community Chest drive will arouse more interest than the names of the delegates to the United Nations meeting. All the possibilities of programming must be weighed and considered, but always in the light of local acceptance. Naturally, numerous other factors affect programming judgment. Commercial commitments often interfere with ideal programming. The expense factor may keep one from accomplishing the ideal program structure. Personnel and union problems may conflict. Hour after

hour, day after day, the listeners' radio menu must be planned, replanned, studied, scrutinized, and improved. The proper economic balance must be kept. Aside from the fact that the FCC frowns on it, overcommercialism has a fatal effect upon the audience. Certain phases of community activity of a civic and social nature must be acknowledged in the broadcast structure. Church services, civic meetings, charity drives, school functions are entitled to broadcast time entirely apart from any commercial aspects. The cultural and educational fields must have their share of attention.

This community relationship influences the station manager in discharging his other primary responsibility, the day to day operation of a broadcasting plant. In most cases he must have capable and dependable assistance. This he secures in two ways: by retaining outside consultants, and by organizing an efficient operational staff.

Washington Legal and Engineering Counsel

The complexities of operating under government license make it advisable for a station to have full time legal counsel under retainer in Washington. Constant vigilance and expert advice are essential because of changing conditions of the industry and changing regulations handed down from time to time by the FCC. No matter how expert a station manager may be in his ability to keep abreast of conditions, a legal representative on the Washington scene is usually necessary.

Changes in power of competing stations, or authorization of new stations on the same or adjacent frequencies, may drastically interfere with the success of a station. At the same time, the growth of a station may be enhanced, its coverage area enlarged and its influence broadened, through a change in its own frequency or operating power. Technical advances frequently play an important part in station competition; the station manager must at all times know what his position will be in the future with respect to Frequency Modulation, Television, and Facsimile Broadcasting. To this end it is usually considered essential that a firm of competent radio engineers also be retained in Wash-

ington. With specialized advice in both the engineering and the legal fields the station manager assures himself of proper planning and policy making.

Operating Departments

In the internal organization of the station itself there may be wide variations in organization, although the fundamental principles upon which organization is based are common to all. While the station manager, his board of directors, and outside advisory sources together constitute the administrative group, the manager must have adequate executive personnel under his immediate direction. And below this point, each executive must have a proper staff on the operations level. The fundamental executive and operating divisions are the engineering department, program department, and commercial department. These are headed by the chief engineer, the program manager, and the commercial manager. In the case of some stations, usually larger ones, a promotion department functions under the guidance of a promotion manager and is operated on the same level as the other three departments. In most cases, however, station promotion is handled under joint management of the program and commercial departments, varying according to the personnel involved. In recent years, with more and more stations on the air, nearly all realize the importance of promotion and publicity, yet cannot afford the luxury of a separate department. Often one of the script or copy writers handles promotion; or it may be looked after by the program manager, commercial manager, or station manager.

Functions of Program Department

From the point of view of personnel, the largest department is usually the program department. Getting the material on the air is the function of this department, and this includes planning and composing *what* to get on the air, and getting it on the air *properly*. Most vital here is the staff of announcers, varying in number and abilities according to the size of the station. The average number would be from six to eight announcers, working under the leadership

of a chief announcer. The chief announcer assigns staff announcers to certain programs, arranges the working hours of the staff, and is in general responsible for the training and developing of the staff to function according to station policy. Announcers are chosen for their ability to talk well into a microphone—which is not as easy nor as simple as it sounds. Voice range, tempo, phrasing, diction, personality, and intelligence are a few of the attributes that must be studied when an announcer is being considered. He must be able to *sell* on the air. By that is meant that he must be able to sell not only the sponsors' products but must be able to sell to the listener the program that is on the air, must entertain him, must inform him, must keep his interest.

A good program manager will try to keep his announcing staff varied, both from the viewpoint of the sound of the voices and from the viewpoint of specialization. Certain announcers are best as masters of ceremonies, the smooth talking, jovial personality type, good for public appearance and live audience work. Others are best at news or sports or musical shows. In a well operated station a "change of pace" is provided for the listener by scheduling announcers' working hours so that no one announcer is on the air for too long a time. Often two or three voices are used in the short interim between two programs.

In all but the smaller stations a vital part in the work of the program department is played by one or several "producers." The producer is in direct charge of the technical production of everything that goes on the air, be it a program or a station-break. He works in conjunction with the chief announcer and the control room engineers and with whatever talent or announcers are concerned. His is the job of checking "voice levels" as picked up by the microphones and placing the microphone properly so as to get the best pickup from the orchestra or from the person speaking. He also rehearses programs and otherwise co-ordinates the many elements of anything and everything that is broadcast.

The handling of news is also under the program manager's direction. The importance of news to radio needs no ampli-

fication here. Because of its importance many stations have separate and specially trained staffs to collect, edit, and broadcast the news. This operation varies, of course, according to the size of the station, and in some cases news is handled entirely by announcers. Most stations, however, have come to recognize the value of having at least one news-trained person on the staff who is responsible for compiling and editing the news, whether he be a regular announcer or strictly a news editor whose voice is never heard on the air.

Functions of Music Department

Music plays a major part in all broadcasting and is, of course, a dominant concern of the program department. A musical director is usually in charge of all music used by the station, whether live musicians or transcribed material are involved. In large stations one highly trained person may direct a sizable staff, and in smaller stations the program director, producer, chief announcer, or a staff announcer may function in this capacity. In some cases a girl clerk operates the transcription library and a part-time musical director supervises the outside musical talent hired by the station. Here again the degree of detailed skill and efficiency is important to the station's success. An expert in music can be depended upon to know the right music for every program and to attend to the proper timing of each number played so that the program is smoothly produced. He or she will also know what type of music has the greatest appeal to the type of listener for whom the particular program is designed.

Functions of Public Service Department

A rather recent development is the public service branch of the program department. Perhaps an outgrowth of the war, this subdepartment has taken on increasing meaning and value to a radio station. During the war, radio stations were plunged into the business of servicing the government's many needs—recruiting, war bond sales, fat salvage, et cetera. The station was also a vital factor in informing the public of emergency rulings, blackouts, dimouts, ration-

ing, et cetera. Usually the station manager and program manager found themselves unable to handle the constant flow of "must" broadcasting and extra personnel were hired to process and channel this type of public information.

Following the war the need was still there, for organizations other than government quickly took up the pattern set by the war. Furthermore the radio station found it was good business to keep itself in a position in which the public depended upon it for information. Community Chest drives, Red Cross appeals, Clothes-for-Europe campaigns are vital community activities. Public forums on local issues and documentary broadcasts have become "good radio," calling attention to the influence a radio station commands as well as building good will for the station. Hence, this department is a growing one in more and more radio stations. Formerly, when the Community Chest wanted some "free time" the station manager agreed and then followed a series of audience-killing programs which probably appealed to no one save the committee, turned the listener to another station, and did neither the Community Chest nor the station any good. Now, the station's public service department sees to it that an intelligent and planned effort is made in behalf of the Community Chest, and that what time is given will be utilized scientifically and successfully.

The detail involved in co-ordinating all subdivisions of this department is handled by a sufficient number of clerks, secretaries, and typists. The program department must see that the broadcast schedule is prepared well in advance, that newspaper listings are sent out for publication, that commercial copy is scheduled properly, that studio assignments are made for rehearsals and for broadcasts, and that all material is thoroughly checked and approved prior to being broadcast. Many stations employ writers to prepare complete scripts for all programs. Others allow announcers to write their own programs.

Functions of Traffic Department

A small but vital operations department is the traffic department. Frequently this department, usually one or two

WTAG

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DAILY PROGRAM SCHEDULE FOR WEDNESDAY, MAY 21, 1947

ANNOUNCER	TIME	KEY	FEATURE OR TITLE	TYPE	STUDIO	CLIENT
PB	6:00		SIGN ON		B	
PB	6:01	LS	MORNING PRAYER	TR & LV	B	
PB	6:04½		S. R.			
PB	6:05	LS	NEWS BULLETINS		B	
7:45 RA	7:45		ANN (NEWS)	100 WORDS	B	GOLDSMITH AUTO
PB						
CH	7:47	LC	NEWS BULLETINS	10 MIN LV & CUE		MOBILGAS
7:58 JD	7:57½		ANN (NEWS)	100 WORDS		LOUIS FUR
7:58.50 RA	7:58½		ANN (NEWS)	100 WORDS		PALLEY'S OFFICE

KEY

S : Sustaining
 C : Commercial
 CBS : Columbia
 L : Local
 P : Participating

TYPE

A : Announcement
 T : Transcribed
 LV : Live
 R : Remote
 W : Words
 PR : Program

Figure 18. Typical Individual Station Daily Program Log. Courtesy of WTAG Worcester.

persons, is a part of the program department; sometimes traffic is a branch of the commercial department. No matter whose jurisdiction it comes under, the work is about the same. The traffic department's job is to funnel all broadcast material from all the various sources right into actual broadcast. Responsibility does not stop there, however. The department also follows through after broadcast and sees that proper records are made of all broadcast material and that all commercial announcements and programs are paid for. Its chief function is to make up the daily work sheet, sometimes called "the log." This is a minute by minute—and sometimes second by second—time schedule of what is to be broadcast from the time of signing on the station until the Star Spangled Banner is played at sign-off time.

All commercial copy as well as all sustaining copy, including public service announcements, courtesy announcements, et cetera, flows across the desk of the traffic clerk. From the daily program schedule the outline of the day's broadcasting is known. The traffic clerk then itemizes it in detail, scheduling this announcement at its proper time, followed by this or that program, et cetera. As good broadcasting is a matter of timing to the second, the work of the traffic department is very important. Usually most "glitches," as on-the-air mistakes are called, can be traced to a mistake on the part of the traffic department. Traffic must be sure that a one-minute announcement is not scheduled in a spot where there is only time for a 30-second announcement. The log must indicate whether the announcement or program is "live" or "transcribed." It must also check to see that competitive products are not advertised adjacent to each other, and that commercial announcements are not scheduled where they would be in poor taste—such as a beer advertisement preceding or following a religious program, et cetera. Several copies of the work sheet are made and sent in advance to the various individuals and departments concerned. Most important are the copies sent to the chief announcer and to the control room.

The chief announcer goes over the work sheet and on it assigns the various announcers to their portion of the daily

broadcasting by inserting their initials in the column opposite each broadcast item. The control room engineer checks his copy to see that he will be properly prepared to pick up the various portions scheduled from the studios indicated; often he will be the one to indicate studios, again by initialing the work sheet in advance. Then as actual broadcasting of each item on the work sheet is completed, the control room engineer will initial each item and set down the actual time, to the fraction of a second, when it was broadcast.

The traffic department enables the bookkeeping department to keep a daily check on commercial broadcasts. The many bookkeeping procedures in use vary in complexity; most common is one in which, subsequent to broadcast, the log is gone over by the traffic department and all commercial items checked. The traffic clerk makes out "billing advice" slips for each account and sends these slips to the bookkeeping department. Here the client's contract is kept on file so that the rate and terms of payment may be determined and the client billed accordingly.

The traffic department, in making out the work sheet, must also indicate the type of program for each time of day—using such symbols as LC for local commercial, NS for network sustaining, LS for local sustaining, AP for announcement program, P for participating program, et cetera. From time to time, the FCC requires that program logs for certain specific periods be submitted to them for scrutiny and these annotations are most important. The engineering department, usually through the transmitter control man, must also keep a daily record for inspection by FCC, including an accurate timing of the kinds and types of broadcast items.

Functions of Engineering Department

The next fundamental department to be considered in regard to actually "getting things on the air" is the engineering department. Operating under the chief engineer, this department again varies in size according to the size of the station. From the barest minimum of personnel, enough men to keep the equipment in order and to man the control

and transmitter panels, this department may be developed to a huge staff of specialized employees and equipped to make short-wave remote pickups, operate a mobile transmitter, and develop the most modern equipment and techniques.

Normally, the engineering department must be set up to handle all daily broadcasting with a man at the studio control room panel and another man at the transmitter controls. They must see that all equipment functions smoothly and efficiently in picking up and transmitting the programs in the highest degree of tonal quality and to the full extent of the station's power. Engineers not actually on duty at the control panels are usually attending to maintenance of equipment, improving old equipment, and designing new equipment. They must be licensed by the federal government and must possess and maintain certain standards of skill and knowledge. In some stations engineers double as announcers, and frequently perform as "platter spinners," wherein they do the actual playing of transcriptions and records. Often union regulations require that announcers may not play transcriptions, designating that operation as a technical one requiring the services of an engineer. The chief engineer keeps in touch with the station's engineering counsel in Washington, is alert to all FCC regulations concerning technical matters, and is in constant consultation with management regarding future improvement of the station's physical operations.

Functions of Commercial Department

Certainly from the point of view of this book, the most important department in the radio station is the commercial department. From the point of view of station operation it is equally important, for no station can fulfill its obligations to its ownership nor to its community unless it is solvent and profitable. Good radio is expensive, and only that station which is operating on something better than a shoestring can give the public the best there is to be had in radio broadcasting.

The commercial manager is therefore one whose responsibilities are great. He must build a capable and result-

getting sales organization under him, and he must be in constant touch with ownership and top management regarding station policies. Nearly all functions of a radio station have some commercial aspect, either directly or indirectly, and the point of view of the commercial manager is usually essential to good management.

There are three major sources of income for a radio station: network advertising, national spot advertising, and local advertising. A fourth source of revenue available in varying degrees to the larger stations is the income derived from related services such as the handling of talent, the making of transcriptions, and the writing and production of programs for advertising clients. The last-mentioned source, however, is not actually concerned with radio station operation and will not be discussed at length here.

Network advertising and the revenue it earns is almost automatic. If a station is affiliated with a network, it contracts with that network to accept and broadcast a specified number of network programs. In turn, the network agrees to pay the station at a specified rate for the time used in such broadcasting. This rate is determined at the time of affiliation with the network and usually is figured at a certain percentage of the station's rate-card rates. The network also agrees to furnish sustaining programs to the station. The extent of time used by the network is not subject, usually, to control by the commercial manager. If the station is a "basic" station of the network, or one which must be used by every purchaser of network time, the station will get, and be paid for, all the programs sold on the network, with the exception of some programs sponsored by advertisers who have no distribution in the territory covered by that particular station. If the station is not a basic station, there is usually very little the commercial manager can do to persuade the sponsor of the network program to use his station, although he can point out the value of the market covered by his station, the effective coverage and audience size of his station, and otherwise attempt to "sell" the use of the station.

The other two sources of revenue, however, national spot and local advertising, are directly up to the commercial

manager. Here the selling efficiency of his sales staff is put to work and the results evaluated.

Relationship with National Sales Representatives

National spot broadcasting relates to the advertisement of nationally advertised products directly over the station's facilities as against the advertisement of these products by means of network broadcasting. In other words, the makers of a certain cigarette may use network advertising by means of a half-hour nighttime network program which the station carries and for which it is paid by the network. At the same time the cigarette company may buy, directly from the station, certain announcements throughout the day and night to supplement its network advertising. This latter transaction, the use of the station's facilities by a national advertiser directly, is national spot advertising. The word "spot" does not necessarily mean that only announcements or short spots are used, but may mean that the national sponsor may also buy time for a program that originates in the studios of the station. The word "spot" is used only in contrast to "network" advertising.

The effective handling of this national spot business is of course quite impossible for one man in one community. Most manufacturers of consumer goods place their advertising activities in the hands of advertising agencies. The latter act in behalf of the manufacturer in deciding where advertising campaigns will be conducted, how they will be conducted, what advertising media will be used, and otherwise controlling the entire advertising program of the company. The radio station's commercial manager, in order to sell time on his station, must see that the agencies concerned, and in some cases the manufacturers themselves, are given an adequate sales story on the value of his station for use in an advertising campaign. With advertising agencies and manufacturers' offices located in many cities across the nation, the station needs some sort of national sales staff to make the necessary sales calls and to service the accounts it handles. To accomplish this the station affiliates itself with a firm of national representatives.

These radio representative firms have sales offices located

strategically in all major centers of advertising—New York, Chicago, and many other cities, depending upon the size of the firm. They are equipped to contact the proper people in the advertising agencies and present the necessary data to make a sales presentation not only for one but for a number of radio stations. However, they will not represent two or more stations that by location are competitive. When an advertising agency is preparing a radio campaign, the representatives will be in touch with the agency, trying to sell time on any or all of the stations on their list.

In effect, the radio representative firm is the commercial manager's sales staff in the national field. He must see that all salesmen in all offices of the firm are kept up to date on all policies of the station, know the major selling points of the community and market covered, know what time periods are available for sale, and otherwise be equipped with all sales ammunition necessary to speak successfully for the station. This is done by means of an almost constant flow of communication back and forth—of letters, telegrams, and telephone conversations. When a sale is consummated by the representatives, all particulars are rushed to the commercial manager for his acceptance and approval, including approval of the advertiser, the time periods selected, and the type of copy to be used. The liaison between the station and national sales staff can further be improved by frequent trips by the commercial manager to the various offices of the representative firm, where sales policies and conditions may be discussed personally and wherein the commercial manager may build a personal contact with the major time buyers in the agency field.

The choice and selection of representatives is exceedingly important to the station, for that firm will be the ambassador of the station from coast to coast. Many factors must be considered in selecting one firm over another. Normally, it is good procedure to select a firm that already represents stations somewhat similar in size, in non-competing geographic location, or in network affiliation. If the firm is somewhat familiar already with the types of sales problems that will arise it is better able to cope with them. Its

business reputation, number of sales offices, type of salesmen, and tradition of business ethics are guiding factors in selection.

The factors just mentioned are important to the commercial manager because the firm will not only be acting as an aggressive sales force for him but will also be servicing accounts, fostering good will, and carrying out his policies. The closer the contact the commercial manager can effect with his representative firm, the more successful his national spot sales results will be.

The detail involved in working with the representatives in the handling of national accounts is quite complicated. The station must constantly send "availabilities," meaning time available for sale, to all offices of the representatives. It must also send all information on programs, especially new ones, giving the type of program, its listener appeal, costs, et cetera. If changes are necessary in an advertiser's schedule, the representatives must be notified and they in turn must notify the agency. Frequently, local dealers or jobbers of nationally advertised products must be consulted and "sold" before the account can be sold. In these cases the commercial manager works in direct teamwork with his "reps," does all that is necessary on the local scene, and reports his progress to the national sales office. Frequently, merchandising assistance is asked for by the advertising agency and the representatives relay the request to the commercial manager who then co-operates with the national advertiser in the distribution of counter displays, window streamers, direct mail folders, et cetera. Merchandising assistance is so well developed by some radio stations that separate departments are set up to handle this type of work.

Station and representatives work together in setting up rates for various times of day and for various types of broadcasting service. All contracts from national advertisers are accepted by the representatives, subject to approval by and the signature of the commercial manager. The representatives and the station must be in accord on policy matters. They must know and have agreed that certain time periods are subject to network option and that if the station sells such a time period to a national spot

advertiser it will be subject to recapture by a network advertiser. A policy of "make-good" must also be thoroughly understood so that if a national advertiser's commercial message is cancelled by the station for some valid reason, a substitute announcement may be made at a later date.

Representatives usually contract with a station to represent it for a set period of years, subject to renewal. Payment of the representatives is usually agreed upon at a certain percentage, usually 15 per cent, of all national spot business broadcast by the station. Normally the representative firm insists upon exclusive rights, and receives its commission on all national spot advertising even though in some rare cases an account may be sold directly by the station.

Sales to Local Advertisers

The matter of local advertising should occupy a high place of importance in the operation of the station. For one thing, the station exists to serve the local community and it should serve local business men as well as national firms. The proper balance of local advertising serves a station in two ways: first, it enhances the station's position in the local community in the eyes of the community leaders, who are usually business men, and secondly, it insures a backlog of steady revenue. The ideal proportion of types of revenue, one that should be sought for by the station, is even thirds—one third of its income coming from each of the three main sources.

Local advertising is quite different from the other two types. In the first place, the sales department must sell not only radio, but must sell advertising in general. The average small town merchant is not an advertising man. He is a storekeeper primarily, and regards advertising as only one of the many adjuncts of his business. He must be shown the proper concepts of advertising values, the proper use of advertising methods, and how radio advertising can fit into his merchandising strategy. The national advertisers have already committed themselves to, and appropriated money for, radio advertising when the station enters the picture. In the local field, the station must con-

AUDIT DEPT.		CONTRACT DATA	
ACCOUNT	FIFTH AVENUE DRESS SHOPPE	PRODUCT	Ladies' Wear
AGENCY	C. T. Brown & Sons		
Contract No.	B1876	Dated	May 21, 1947
Terms - usual	x	Cr. approved by	RES
	Programs of		minutes each
	Cut-ins of		30 words each
	26 Announcements of	one	minutes each
To be Broadcast from	May 19, 1947	to	July 23, 1947
Frequency of use	Monday, Wednesday, Friday		
	1:00 PM News (preceding)		
Total Contract \$ 760.50			
Gross Rate, Per Program \$ _____		
" Cut-in \$ _____		
" Announcement \$ 29.25		
Frequency Disc.	% based upon 26 Broadcasts		
Billing Rate \$	29.25	Per	announcement
Bill to	C. T. Brown & Sons		
Address	780 Fifth Avenue New York, New York		
Discounts: Agency	15	%: Cash	%
Rep. Commission	15	%: to	Raymer
Remarks:	_____		
Date	May 22, 1947		
	H L Krueger/smith		

Figure 19. Digest of Local Contract Details as Used by Station Auditing Department.

vince the merchant that he should advertise, and should advertise on the air. The matter of budget is another obstacle.

Someone has said that a little advertising is worse than none at all, yet the average small merchant is reluctant to set aside any sizable amount of his budget for radio advertising unless he can see immediate returns. Nevertheless, skilled and intelligent salesmanship, together with proven success stories of the use of radio by local shopkeepers, have tended to overcome that obstacle, and the ideal radio station is one that is staffed with a local sales force well equipped to meet the local merchants on their own grounds. Occasionally, the commercial manager is directly in charge of the local staff of salesmen, and in many small stations the commercial manager constitutes the local sales staff. In medium sized and larger stations, however, a local sales manager operates directly under the commercial manager and has a staff of trained salesmen working for him. Formerly, local radio salesmen were paid entirely on a commission basis. Recently, however, the tendency has been away from that type of operation. The new trend is toward straight salary salesmen, with perhaps some sort of bonus arrangement provided for at the end of the year. It has been found that any tendency to oversell an account has disappeared with the discontinuance of the commission form of payment. The station that wisely intends to continue doing business with local merchants year after year, will do all in its power to keep merchants from going "overboard" in a pitch of enthusiasm and then becoming completely "soured" on radio when the results are not commensurate with expectations. Assignment of accounts to the salesmen was another obstacle in the way of commission payments. No town's business district can be evenly divided geographically, yet every merchant was a prospect. By eliminating the commission, the sales manager can assign accounts intelligently—assigning one account to a certain man because of personal contact or personality advantages, and keeping competing accounts from having the same sales contact.

To service local accounts, the station must provide some creative efforts. Sometimes the local salesmen co-operate

with the clients, in writing the advertising copy. Often it is left to the announcers. In all but the smallest stations there are usually one or several competent copywriters. They may be employees of the commercial department and write nothing but commercial copy, or they may be employees of the program department and write various kinds of broadcast material. Some stations have competent writers employed in both departments. Where there are a number of script writers, they usually work under the direction of a chief script writer or copy editor. The chief script writer and the sales manager usually assign certain writers to certain accounts, trying to use each writer where his or her particular talents are most appropriate. In such cases, the salesman takes the writer along with him to call on the client, so that the writer can get, first hand, the knowledge necessary to write good selling copy for the advertiser.

If the local client has his own advertising department, or employs the services of a local agency, all the station has to do is sell the time—client and agency submit all copy necessary. Indeed, in many cities, stations need no local sales staff nor local writing staff because there are enough advertising agencies operating to act as time buyers and copywriters for all local accounts. In this type of operation, copy is accepted by the station subject to approval and checking by the program department, and the work of the commercial department is simplified a great deal.

Program Availabilities for Local Advertisers

By far the most difficult part of handling local advertising lies in the problem of what to sell to the local merchant. If the station is a network station its listeners hear a great many network programs of high caliber, with the outstanding talent of the country writing the scripts and taking part in the programs. Cost is frequently no object and production is faultless. To follow this type of program with a locally sponsored program, using local talent and produced within a very limited budget, is indeed unsatisfactory. The advertiser cannot help but suffer by comparison. Not having the resources to work with that large scale operators have, the station must be prepared to supply the local spon-

sor with program material that is worthy of comparison and yet economical enough for a small budget. With this in mind, the station may obtain a wide variety of transcribed programs from transcription companies. These programs are usually produced in the larger centers such as New York, Hollywood or Chicago, and often use "name" talent. Made in series of thirteen, twenty-six, or even fifty-two programs, they are available to the station or directly to a local advertiser. Transcription companies are able to produce these programs at a comparatively low cost because their sales volume is large. The total revenue from selling many of these duplicated shows at a low cost adds up to enough to pay for the expensive talent and still leave a profit for the transcription company. The transcriptions are so cut that time is allowed at the beginning, in the middle, and at the end of the program for the local sponsor's message. Syndicated program scripts, usually involving a small cast of live actors, are also offered for sale to local sponsors.

Networks have recently adopted a novel method of helping their stations in this respect by introducing the "network co-operative" program. This is a live network show produced at one of the key stations of the network with "big name" talent and production. At certain cued points in the program the local station can cut out of the network program, cut in with its local microphone, and deliver an advertising message for a local sponsor. The sponsor pays the station a set "talent" fee which the station in turn pays over to the network. The combined income enables the network to pay the expenses of the show and yet the cost to the local advertiser is comparatively small. If the station carries the program on a sustaining basis, the periods set aside for local commercials are sometimes used for public service courtesy announcements. Another method whereby local advertisers are enabled to use radio talent at reduced rates is in the so-called "participating program." This is a program produced and paid for by the radio station. Because of its expense, it normally cannot be sponsored by any one advertiser. It is then sold to several advertisers on a participating basis—each advertiser will get a portion

of the program as his own, on certain days he will get a long commercial, and on other days he will get a short commercial while one of his participating colleagues will get the long commercial.

A standard vehicle for local sponsorship is the news broadcast. Usually this is not too expensive and it can

PROGRAM INSTRUCTIONS										
LOCAL <input checked="" type="checkbox"/> COMMERCIAL <input checked="" type="checkbox"/> NETWORK <input type="checkbox"/> SUSTAINING <input type="checkbox"/>	Date April 30, 1947..... Salesman Brown.....									
Client ... STONE'S DEPARTMENT STORE..... Agency										
Title ... "Music For You"..... Minutes ... 15... No. of Bdcts. 26										
Starts ... May 5, 1947..... Ends ... October 27, 1947.....										
Days ... Wednesdays..... Time ... 7:00-7:15 PM										
Type Program Musical..... Live <input type="checkbox"/> Transcribed <input type="checkbox"/> Both <input checked="" type="checkbox"/>										
Remarks										
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Broadcasting authorized By ... R. J. Brown/Smith..... Date ... April 30, 1947.....										

Figure 21. Program Instruction Sheet for Local Broadcast. Courtesy of WTAG Worcester.

generally be expected to receive a high audience rating. The station usually charges a nominal fee for the collection and editing of the news, plus a charge for the newscaster.

Very popular with small stations and with local advertisers are the "musical clock" or "disc-jockey" programs. Often during the early morning hours a station will run such a program for an hour or two hours, with one announcer playing records or transcriptions and giving commercial announcements along with news items, weather forecasts, correct time, et cetera. Some stations use the same technique late at night, allowing persons to write or phone in their requests for certain numbers. Many small stations without network affiliation or heavy commercial commitments make up their entire broadcast schedule with this type of program and intersperse news on the hour or half-hour.

The local advertiser often finds it difficult to buy the best broadcast periods of the day. National advertisers, through their agency time buyers, are constantly on the alert for the best availabilities on a certain station in a certain market. When a choice program period in the evening, or a highly rated station-break between two good network programs becomes open, it is almost immediately contracted for by the national advertiser. A station with a network affiliation agrees by contract to set aside some of the choicest periods of the day and evening for "network option time." If the network has a buyer for that time period the station must shift any local program it may have in there, whether it be sustaining or commercially sponsored. Any local advertiser who buys a choice open period finds this "network pre-emption clause" in his contract and must realize that after building an audience for his program over a period of time he may have to move to another time and start building all over again.

Local Political Broadcasts

Aside from dealing with local merchants, the radio station must be in a position to afford adequate time to political candidates and political groups. It must also allow time for discussion of major nonpolitical issues, with the proviso

that on any controversial subject equal time will be allocated to both sides of a question. A careful record must be kept of all persons or groups who apply for political broadcast time, whether or not a final purchase is made. If the applicants are other than actual candidates, such as political committees or similar organizations, a record must also be kept of the officers or boards of directors of the groups paying for the time. All these records must be made available for FCC inspection. Normally, a station will insist upon cash in advance for political time. Several stations insist that all scripts be submitted for approval, and the majority refuse to accept anything but a straight political talk without dramatics, jingles, or circus antics. Most stations will not accept political announcements, but restrict political broadcasts to a minimum of a five-minute program.

Local vs. National Rates

Where it used to be standard practice for a station to have two rate cards—one for local and one for national advertising—increasing numbers of stations have adopted the single rate-card operation. At the present time about three-quarters of the stations use two or three rate cards. The differential varies, but the national rate card is usually enough higher than the local so that the 15-per cent commission to the national representatives and the 15-per cent commission to the advertising agency can be deducted and still leave the station with about the same income it receives from the local sale of the same broadcast time. The justification of the two-card and three-card systems lies in the fact that national advertisers have distribution everywhere within the coverage area of the radio station. A package of cigarettes can be purchased in hundreds of different outlets within the area, sometimes as far as a hundred miles away from the town wherein the station is located. A local merchant with one store on the main street of the station's home town gets the same circulation for his message, yet anyone wanting to buy from him must come to his store, and perhaps travel a hundred miles to reach it. The outside circulation is of little value to him; obviously his sales

will come from people living within or near his town. It is felt, therefore, that he should not be charged for this surplus circulation. Advocates of the single card system say that if time is worth anything on the station it is worth the same price to anyone—that no matter what the results, the advertiser's message is delivered to x number of people, and that is what the advertiser is paying for.

The commercial department's responsibility is twofold: to the station and to its advertisers. It must jealously guard the advertiser's rights for which he pays; it must insure that the production of his programs is well done, that the announcers do their best in delivery of his message, and that the station does all in its power to reach the maximum audience with the advertiser's message. It must also be alert to see that the advertiser is protected from himself in the interest of good broadcasting. Overdone selling copy, raucous delivery, and too-lengthy commercials drive audiences away from the advertiser and from the station. Good broadcasting is an asset for the station and the advertiser.

Relationship with Network Sales and Program Departments

The commercial department's relationships with a network, if the station is a network station, also deserve discussion. Naturally, a network affiliation is not primarily the responsibility of the commercial department, but is a matter for decision by ownership and top management. However, a station with a network schedule is much more valuable from a commercial point of view. If a franchise is obtained from a network, the station is guaranteed exclusive rights to that network's programs within a certain area for a certain period of time. This enables the station to offer its radio audience a vast array of good listening. No one station can serve its public with on-the-spot news coverage around the globe, nor can it bring the finest musical aggregations into its studios, nor the nation's best comedians, singers, scientists, and educators. Network affiliation assures a station's listeners a goodly share of the finest broadcasts possible of every type. It assures the station, there-

fore, a head-start in building and holding an audience. Aside from the popular commercial programs, the station has at its fingertips outstanding sustaining programs from the network. In the interest of good station management, judgment must be used in the selection and proper use of network programs. The proper balance and judicious mixture of network and local programming must be maintained. No station can be a real success if it is merely an outlet for all the programs a network produces. Certain network programs must be refused, whether commercial or sustaining, if they are not appropriate for the community concerned. Some broadcasts should be transcribed and rebroadcast later to make a more intelligent program schedule.

The network's relationship with the station is usually through two channels: the program department for sustaining features and the commercial department for commercial broadcasts. For sustaining broadcasts, the network supplies the program manager with advance information on forthcoming programs, complete with cues, timing, and origination point, and all details as to the type of program.

With commercial programs, the network, upon completion of a sale to an advertiser, advises the commercial manager that the sale has been made, and that his particular station is included in the order. The order specifies the time of program, starting date, and duration of the contract, along with information as to the talent and type of program. The station is asked to clear the time and accept the order. The commercial manager then checks his commercial commitments, checks also with the program department, and if possible clears for the program and so advises the network. If clearance is not possible because of a local program that cannot be moved (for example, the period is outside of the network option time, and even in rare cases if it is in network option time), then the commercial manager offers a substitute time for rebroadcast, indicating that the station will record the program off the network line and rebroadcast the transcribed program at some subsequent period. If this is acceptable, the order is confirmed by the network. Always in dealing with the network, the station

has the privilege of cancelling a commercial program in order to substitute a program of outstanding local public interest. If, for instance, a local war memorial is to be dedicated at eight o'clock on a Wednesday evening, and the local station wants to broadcast the event because of its great local interest, despite the fact that a network commercial series is scheduled for that time, the station may inform the network that it desires to cancel the network's program for that date only, and explain the importance of the local program. The network will in turn notify the sponsoring firm and confirm the cancellation. At other times, a station may cancel the whole or any part of a network commercial in the event of a local emergency. This does not require any notice whatsoever, and the network is advised of the details later.

Even though the station's time is sold by the network, the station has the usual relationship with the advertising agency involved. The agency may request the station to support the program with "courtesy announcements" calling the listener's attention to the program, or it may ask that newspaper publicity be obtained for the program. Local distributors of the product advertised may be allowed "cut-in" announcements during the network program and the local station is required to handle the details.

Payment by the network to the station is based upon a sliding scale of time units, divided into daytime and nighttime, with an intermediate period called the transition period. Cost per unit to the network goes down as the number of units used increases. Sustaining service over and above a certain specified amount is charged against the amount the network pays to the station. Daily and weekly reports compiled from the station's logs are sent to the networks where billing is figured and monthly payments are made.

Promotion and Publicity

While they may be regarded as a function of another department or may constitute a department unto themselves, the promotional activities of a station merit discussion here. A radio station must advertise itself, both to its customers

or advertisers, and to its listeners. The station may schedule advertisements in trade papers, in order to point out the advertising value of the station and the value of the market within which it operates. It may cite its success stories, emphasize its coverage and its audience, talk about its talent and its modern facilities. These trade paper advertisements will reach a majority of national advertisers and advertising agencies. The station can further this effort with direct mail advertising—promotional folders and mailing pieces—by using survey results to point out the advantages of buying time on this station, et cetera. For local advertisers, a house organ, other direct mail pieces, presentation luncheons, and the like can do an admirable promotional job.

To the listeners, the station can promote itself and its programs in a great many ways. First of all, it may use its own facilities to present "promotion announcements" that call attention to forthcoming programs. It may also use newspaper advertisements, streetcar cards, billboards, window displays, et cetera. Often a station sends letters or postcards to selected lists of listeners, pointing out programs in which they will be interested. Occasionally a station will stage city-wide promotional stunts such as style shows, home-building exhibits, food shows, et cetera, to capture the public interest. Two or three of the station's programs may be originated from the auditorium used, and often one of the station's network shows can be brought to town for the event.

A related function of the promotion department is that of organizing research on listener data and market statistics. Surveys of a minor nature can be conducted by the station itself, inquiring into the listening habits, buying habits, purchasing power, et cetera of the people within the station's area. At other times outside agencies, such as Hooper, Nielsen, Pulse, et cetera, may be engaged to make more comprehensive surveys. These surveys are of the greatest value to the station, first, as a selling tool, and second, as a guide to the station's programming. They provide perhaps the best method by which a station learns how the listeners are accepting certain types of programs. All data

of this sort are collected and correlated by the promotion department for use by the commercial department. A station that can keep these data up to the minute and supply advertisers and their agencies with necessary information has greater acceptance as a selling medium than one which ignores this phase of operation.

Successful operation of a radio station, like successful operation of any type of business, is largely a matter of organization and personnel. From the station manager on down to the filing clerk, a knowledge of and an interest in good broadcasting goes a long way toward assuring a successful, profitable station.

CHAPTER XVIII

Frequency Modulation Broadcasting

FM BROADCASTING is frequency modulation broadcasting. It is the latest engineering development in the field of radio broadcast transmission and reception. There are hundreds of FM broadcasting stations and hundreds of thousands of FM receiving sets in United States homes.

The old-line AM (amplitude modulation) broadcasting leaves much to be desired. Prior to the development of FM, the frequency range was restricted between approximately 50 and 10,000 cycles, which did not permit completely faithful reproduction. This frequency range, however, was considerably wider than millions of the smaller and cheaper radio receivers could handle. As a result, the broadcasts that many listeners heard were so contracted within their frequency range that they hardly resembled the broadcasts as actually produced in the studio. The frequency loss was particularly noticeable in musical programs where the full span of frequencies is so vital to the effective presentation of all the tonal qualities of the selections. For dramatizations, news reports, or other programs in which the speaking voice was the dominant factor, virtually no loss in frequency range occurred and the broadcasts, as received, more closely resembled the studio presentation than in the case of musical programs.

FM broadcasting, by extending the frequency range on the receiving set to an upper limit of 15,000 cycles, produces a vast difference in the fidelity of the program. FM demonstrations have won many supporters for the new process,

because each program sounds as though the listener were actually in the broadcasting studio. It is fuller, more realistic, and more colorful than is an AM broadcast. Some of the sound effects used in dramatic programs are in the high frequency range, and these broadcasts, too, sound more authentic and realistic on FM.

Another disturbing feature of AM broadcasting has been its great susceptibility to static, both natural and man-made. In certain sections of the country, particularly in the South where electrical storms are prevalent in the summer months, AM listening has been an unpleasant succession of scratches, crackles, and hisses. While crackles may be desirable in breakfast cereals, they have cut down summer radio listening radically in many sections of the country. Numerous gadgets have been peddled to unsuspecting purchasers to eliminate static, but they have fallen far short of achieving that goal. FM transmission eliminates static of every type at the receiving end. The difference in effect of static on AM and FM reception has been illustrated by a suburban home owner watering his flower garden with a hose. If only half of the force available is turned on and a summer breeze blows up, the breeze will blow through the thin stream of water at intervals, interrupting its normal flow. That is what static does to the waves from an AM transmitter. If the same home owner turns on the full force of water in the hose, and the same breeze hits this heavier stream of water, the breeze will, at worst, fleck off some of the outer edges, but the main body of water will continue uninterruptedly to the flowers. This is the type of signal produced by an FM transmitter which is impervious to static.

Actually it is this ability of FM to overcome man-made and natural static that enables FM to extend the audio-frequency range of reception. AM is capable of transmitting the upper frequencies, overtones and harmonics that are necessary for full fidelity of reception, but the intensity of these harmonics is much less than that of the fundamental and lower overtones. As a result, any interference to AM reception from static, either man-made or natural, overrides the higher frequencies, and makes the program

unpleasant to hear. The tendency is to cut out the higher frequencies for the purpose of eliminating the static, sometimes by using a "tone" control, which results in more tolerable reception, but at a sacrifice of fidelity. Since FM reduces static as a function of its method of operation, it is inherently capable of greater fidelity without the limitations of AM as described above.

One of the chief disadvantages of FM broadcasting is that in flat areas, where soil conductivity is good, an AM broadcast station can cover a considerably greater geographical area than an FM station because, on the frequencies used for FM broadcasting, it is characteristic of radio transmission that radio waves travel in "line-of-sight" paths, and transmission is independent of soil conductivity. This is why FM transmitters are erected on the tops of high buildings, and on hills or mountains. Actually, FM carrier waves, due to diffraction, reach out beyond actual physical line of vision, and can provide a substantially uniform coverage unless interfered with by pronounced hills and valleys. An efficient 10,000 watt or 50,000 watt transmitter located on a high point can effectively cover an area within a fifty to sixty mile radius of the transmitter location. There is no sky wave transmission associated with FM broadcasting, because transmissions at this high frequency are not reflected from the ionized layers in the upper atmosphere. Because of the absence of interfering sky waves, more stations may be assigned on the same channel at lesser geographical separation than for AM broadcasting—a feature which permits a greater number of FM stations even though there are fewer available channels.

FM broadcasting requires a distinct type of transmitter and antenna system. Since we are dealing with very much shorter waves, the physical size of the radiating elements is reduced considerably. Because it is desirable to locate the FM antenna as high as possible, it may be placed atop a steel tower, but whereas in AM broadcasting the entire tower was radiating, in FM broadcasting the radiation comes only from the small FM antenna. Several different types of antennas have been developed having various shapes—like doughnuts, turnstiles, rockets, square bays,

et cetera—but their primary function is to increase the efficiency of radiation in the horizontal plane (the only useful plane) by suppressing radiation at vertical angles.

The essential technical difference between FM and AM was discussed in Chapter III. Whenever the frequency is varied (Frequency Modulation), the carrier power is maintained constant. The frequency may be varied up to 75 kilocycles (75,000 cycles) above and below the carrier frequency. The variation of carrier frequency occurs at the rate of the modulating (program) frequencies, and the extent of the variation is determined by the intensity of the modulating frequencies. Thus, if an FM transmitter is operating at 10,000 watts on a frequency of 97.1 megacycles, the carrier frequency remains constant when no program is modulating the transmitter. If the note "A" of a piano is struck, the carrier frequency of the transmitter will depart from 97.1 megacycles to an extent in proportion to the loudness of the piano note, say 10 kc (.010 Mc) above and below the carrier frequency. In the example given, the carrier frequency will vary between 97.09 Mc and 97.11 Mc at the *rate* of 440 times a second (pitch of note "A"). As the piano note dies out, the deviation of the frequency from the carrier frequency of 97.1 Mc will be less, although the rate of this variation will not be altered. During this entire process, the power output has remained constant at 10,000 watts.

The principal advantage of FM over AM is its ability to discriminate against static and man-made noise. This is described by Kingdon Tyler in *Modern Radio*:¹

"One of the benefits gained by using frequency modulation to transport audio frequencies is that it eliminates static on the receiving end. The reason static causes distortion is because it varies the intensity of the various carrier waves picked up by the receiving antenna. As AM transmitters rely on the varying power of the carrier wave to transport the various audio frequencies, anything that interferes with the amplitude of the signal will cause distortion. So, if static effects the amplitude of the incoming signal, which it does, it will distort any carrier wave which relies

¹ From *Modern Radio* by Kingdon S. Tyler, pp. 131, 132, 134, 135. Copyright, 1944, by Harcourt, Brace and Company, Inc.

on amplitude variation to carry its message. While static will vary the amplitude of incoming signals, it has little or no effect on the frequency of the carrier wave. FM actually uses the variation in frequency of the carrier wave to carry its message. It does not depend on the variations in amplitude to carry the audio signal. So static has little or no effect on it."

Problems of FM Broadcasters

The FCC licensed a number of FM stations prior to the outbreak of the war, and some of them were able to start actual operations before Pearl Harbor and the freeze on radio equipment. Similarly, thousands of FM receiving sets were manufactured and sold before wartime restrictions were imposed.

The restrictions created a hiatus which was extremely valuable to the AM broadcaster. It gave him an opportunity to study FM broadcasting from its technical, commercial, and social angles. That there was no unanimity in the conclusions reached is not to the discredit of FM.

The AM broadcaster is an entrepreneur. He entered the business when it was in swaddling clothes; he invested a sizable personal fortune in building his station. He has seen radio grow, has seen set ownership increase, programs increase in quantity and improve in variety and quality. He has met the demands of his community for public service broadcasting and, as the result of over-all intelligent management, has seen his station attain a responsible position in the area and earn for him a reasonable return on his investment of capital, time, and initiative.

Then FM was announced, demonstrated, and publicized as the "better mousetrap" and the ultimate successor to AM broadcasting. The AM broadcaster is a progressive individual and realizes that progress cannot be denied. If FM broadcasting is so far superior to AM broadcasting, why not scrap the whole system of AM on a given date—the first of January or the first of October—and shift all broadcasting to FM? But he is told that this cannot be done, and that the transition must come gradually and naturally.

He had realized this subconsciously, for he can well re-

member that it was first the gradual, and then the precipitate increase in AM set ownership in his area that confirmed the place of broadcasting in general, and his station in particular. The increase in set ownership also created the market which interested advertisers. But these people all had AM sets which could not receive FM programs. How long would it take for these listeners to purchase FM receivers?

Or was there another new, vast, and hitherto unsuspected market which could be uncovered? Reference to census figures showed that this could not be true; there were only so many thousand families in the counties which he served, 93 per cent of these families owned radio sets, and 90 per cent of them listened regularly to his station each week. Evidently, FM would have to depend on the same families who had been listening to AM. It was evident, also, that FM could not be self-supporting until there was virtually the same intensity of set ownership. Would it take one year, five, or ten to swing over the listening audience?

This was one question that each AM broadcaster had to answer for himself, but there were others. Assume that he did not apply for an FM license, and his competitor did. If the transition came rapidly, he would literally be out of business overnight. If he applied for a license, he would violate the FCC duopoly rule, which prohibited a single licensee from operating two stations in the same city. The Commission gave rapid reassurance on this point through Charles R. Denny, Chairman, who said: "As we see it today, the AM broadcaster who goes into FM will continue to operate his AM station until FM replaces AM in that area." If the license were granted and operations started, the effect would be to compete with the AM station for the same audience in increasing volume as FM set ownership rose. But it would be far better for the AM broadcaster to compete for his audience with his own FM station than to have this competition stem from some other FM station.

FM applications were not reserved exclusively for current AM broadcasters. Many FM applications were filed by groups who were not awake to radio's potentialities when the first AM stations were licensed, and who did not wish

to be caught napping a second time. This introduced a new element into the picture, and further divided the available audience. In some quarters the new ownership was hailed as bringing fresh, new ideas to broadcasting, and affording the listener a wider variety of program fare. This pretty theory simply would not hold, for listeners' program tastes remain constant whether the programs reach them through one technical channel or another, and whether the programs are produced by old or new ownership. At least the AM broadcaster has a greater experience in showmanship and public service and a closer contact with the program likes and dislikes of his area than some "Johnny-come-lately."

If, by this time, the AM broadcaster had decided to apply for an FM license, the next big question to be answered was what would he use for program material on the FM outlet. The one simple answer was to program his AM station and FM station exactly the same. The AM programs had proved their appeal, and no matter how quickly the complete transition to FM came, neither the station nor its advertisers would lose audience. Nor would the audience suffer any loss in the quality of programs available.

Prior to February 1, 1948, Mr. Petrillo forbade the dual broadcast of any network or local program employing union musicians unless additional fees were paid to the musicians. This resulted in inferior program schedules on FM stations as they were limited to recordings and network and local programs not employing musical talent. Programs of this type were not designed to wean away AM listeners to FM broadcasting despite the technical improvement in its reception, and listener interest in FM lagged.

However, on February 1, 1948, the ban on FM duplication of AM broadcasts was lifted for a two months' trial period and on March 18, 1948 this permission was extended for an additional three-year period. This means that the evolution of FM broadcasting will progress naturally—without any artificial restraints. The same programs heard on AM stations are available to FM listeners and this will undoubtedly stimulate the purchase of FM sets in many parts of the country.

The advertiser is watching from the sidelines. He can afford to, for he has to make no decision involving a large capital investment. He is interested in radio homes to be reached by his commercial announcements, and until FM broadcasting can offer him a potential audience at a cost per thousand actual listeners equal to AM broadcasting, he will continue his present programs. It is the station's responsibility to build and develop this market; when the goal is accomplished, the advertiser can be sold on FM broadcasting.

It is small wonder, then, that opinion in the AM industry on the new FM system is divided. Perhaps the largest group who have filed applications for FM stations summarize it this way:

1. FM reception is definitely superior to AM reception.
2. There will be a transition period of indeterminate length, during which all listening will shift over to FM.
3. An FM station is insurance against sudden, or eventual, death of AM broadcasting.
4. It is better to have an FM station than to have the license fall to a competitor or to new interests.

Some stations are far more anxious for FM than this larger group. For example, a regional AM station on the Atlantic seaboard is forced to reduce its nighttime power under present licensing arrangements. This means the loss of 125,000 potential radio homes after sunset, homes that regularly listen to the station during the daylight hours. FM transmission for this station, while it would not enlarge its daytime audience, would maintain that audience during the evening hours. The advantage is obvious.

A small group of stations wishes that FM had never been developed. These are stations in generally rural areas of good soil conductivity operating on a good frequency with adequate power. As the chief engineer of one such station expressed it, "Just give us a few more watts and a few less kilocycles, and we won't care about FM. Our hillbilly music will sound just as bad on FM, even though it does have a greater frequency range." For this type of station the transition to FM would be most undesirable. It would mean a lessening of their coverage areas both day and night.

Frequency Assignments for FM Stations

The Federal Communications Commission itself has not found any easy solution to this new development. It was faced with the problem of establishing a completely new system of broadcasting, first in the whole radio spectrum, and second, within the geographic area of the United States.

The first channels for FM set by the FCC ran from 42 to 50 megacycles, in the very high frequencies. Of these channels, the first two megacycles were reserved for educational broadcasting, and the remaining six megacycles were assigned to commercial broadcasting. After experimentation, it was found that more channels would be available, and ultimately required, and FM was shifted to 88 to 108 megacycles. One hundred channels are assigned in this band, at intervals of 0.2 megacycles. Of these channels, the first twenty, from 88 to 92 megacycles, are assigned for educational purposes, and the balance (80 channels) are for commercial broadcasting. With the availability of this range of frequencies, it has been estimated that 5,000 FM stations could be licensed within the United States. It is doubtful whether there will ever be 5,000 FM stations in operation, but at least the limitation in the number of frequencies in AM broadcasting will not be duplicated. An FM frequency will be available for virtually any responsible individual or group who wishes to engage in FM broadcasting.

Multiple Market vs. Single Market Licensing

The Commission then had to decide whether superpower FM transmitters should be licensed to cover multiple markets from high altitude sites, or if each of these markets should have its own FM stations.

If the multiple market plan were adopted it would recreate in the FM field the same disparities in power that occur in the AM field. If the single market licensing plan were adopted, it would create stations of equal power and equal coverage in each of the concentrated population areas of the country. Under those conditions, each station could compete for the listening audience solely on the basis of

the appeal of its programs, with all technical differences eliminated. The single market plan, of course, cannot be pursued *ad absurdum*, for the economics of successful station operation quickly begin to operate if the coverage area is of insufficient size. It has been estimated that a national network of 200 FM stations would cover 90 per cent of the radio homes in the United States.

The application of the single market plan to southern New England is shown in the diagram on the page opposite. On this diagram are plotted the urban (1,000 microvolt) and rural (50 microvolt) service contours of six single market FM stations, and one 50 kilowatt multi-market FM station. On the basis of these computations it is apparent that a larger rural area is served by the composite coverage of the six individual stations, which also provide a stronger signal in each of the important concentrations of population. Most of these concentrated areas fall in the outer fringe of the 1,000 microvolt area of the multi-market, high power, high antenna-site station. The situation is not indigenous to New England alone but illustrates similar conditions in many other parts of the country.

The decision of the Commission parallels most closely the single market plan, with the result that frequencies are assigned within population centers on the basis of a parity in power. Thus it is possible for the 5,000 FM stations previously mentioned to be licensed in the ultra-high frequencies.

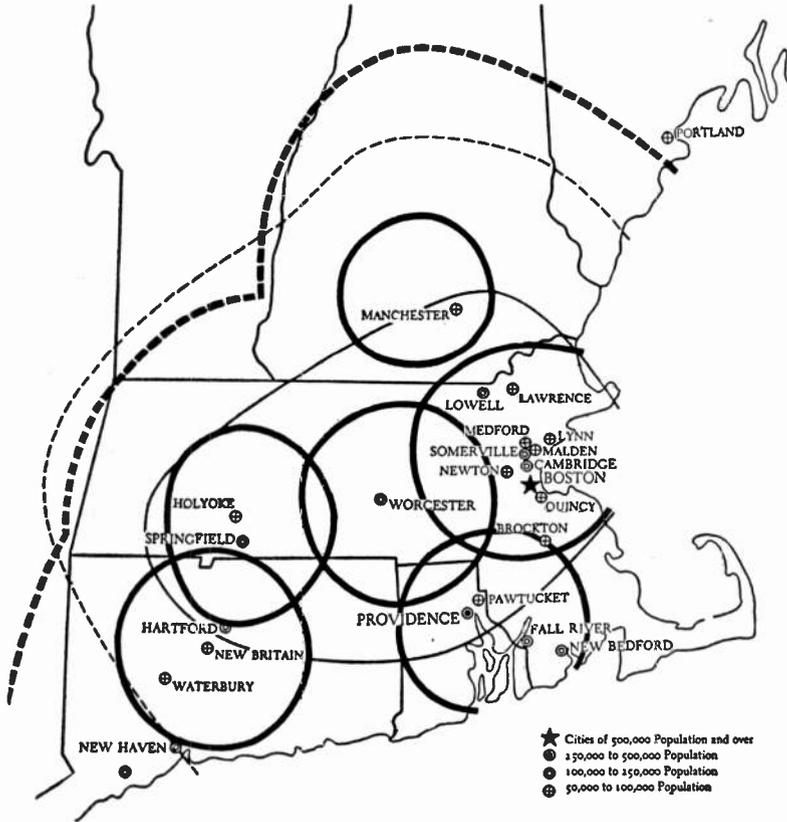
FM broadcasting has been most unfortunate in its timing. Demonstrations of its superiority were concluded just prior to the outbreak of the war, which curtailed development in this field, although certain technical developments in the application of FM to wartime communications will benefit the postwar industry. The diversity of opinion in the presently constituted broadcasting industry also served a retarding purpose in flashing the yellow caution light. Many groups which had been granted licenses rested on their oars, even after V-J Day, and were prodded by the Commission to proceed with construction and operation of their stations. Radio stations were waiting for listeners to purchase FM sets before they started operating. Listeners were waiting

1 MV/M CONTOURS

0.05 MV/M CONTOURS

———— “SM” FM Stations
 ———— “MM” FM Station

----- “SM” FM Stations
 ----- “MM” FM Station



*“Single Market” versus “Multi-Market”
 FM Service Areas in Southern New England*

Figure 22. Illustration of Single Market and Multiple Market FM Coverage. Courtesy of CBS.

for FM stations to offer programs comparable to AM station schedules. Which would outwait the other was difficult to predict.

Perhaps the safest prediction is that FM will supplement AM broadcasting because of its superior technical characteristics. By January 1, 1948, approximately 374 FM stations were in operation in the United States, with an additional 636 stations under construction and about 2,500,000 FM receiving sets in American homes. How much longer it will take FM set ownership to equal AM set ownership cannot be gauged accurately. When this point is reached, FM broadcasting will begin to attract advertisers. Many FM stations have rate cards, but few advertisers have purchased time for FM set ownership is too limited.

Facsimile Broadcasting

No discussion of FM broadcasting would be complete without some mention of its first cousin, facsimile broadcasting. Facsimile transmission is located in the very high frequency bands, and can reproduce any kind of copy that can be put on paper, whether handwritten, set in type, typewritten; drawn or photographed. Special receivers equipped with rolls of paper deliver instantly visible reproductions of the original. The roll of paper is nine and one-half inches wide, and the reproduction is recorded at the rate of three and one-half inches per minute. Each roll contains 400 feet of paper and requires only infrequent attention. The total facsimile receiving equipment requires no more space in the set than the phonograph turntable in the average cabinet model radio.

Facsimile broadcasting methods are quite similar to those of sound broadcasting, and depend upon the same transmitting and receiving facilities employed for FM. Instead of transmitting a sound signal by means of a microphone, a "picture" signal is transmitted by a scanner. At the receiving end a recorder instead of a speaker is used.

The possibilities of this type of transmission are still being developed in the laboratories. There are no home facsimile sets available. When they are available on a mass production basis, at a reasonable price, they will offer the set owner

a tremendously valuable service. The implications of facsimile are arresting. It could well revolutionize the printing, publishing, and newspaper industries. With facsimile, it would be possible for the average listener to find his morning newspaper printed and waiting for him in his receiving set every morning at breakfast time.

Just how practical this whole system will be outside of the laboratories remains to be seen. It gives every promise of ultimate success, and would be still another service snatched from the ether.

CHAPTER XIX

Television

TELEVISION is the ultimate in the field of electronics. AM broadcasting has evolved from a fabulous technical achievement to an accepted household necessity. FM broadcasting offers a perfected version of AM broadcasting after a quarter century of experimentation. Facsimile approaches the incredible by delivering printed or photographic messages through the ether. But it is television which captures the imagination—television is the Fourth Horseman.

For the average citizen to sit in his own living room, almost anywhere in the United States, and watch the opening game of the World Series, the President addressing Congress, a Broadway musical comedy, or the Rose Bowl football game will become an everyday occurrence within the next decade. Much of it can already be realized.

FCC Regulation

Because of the tremendous importance of television, its development has been carefully nurtured by the Federal Communications Commission. Television is assigned frequencies in the radio spectrum the same as other forms of broadcasting and these, too, are assigned by the FCC. After one false start, the Commission has assigned television thirteen channels in the frequency bands from 44 to 88 megacycles and from 174 to 216 megacycles.

Commercial television was licensed to start in August, 1940. RCA had prepared an intensive promotion and pub-

licity campaign and had conducted a sales test in an experimental area. Some weeks prior to the scheduled start, the FCC withdrew its approval and decided that certain different and improved standards should be adopted before television should be exploited commercially. At that time James Lawrence Fly, then chairman of the FCC, broadcast on all four national networks and explained to the country how the FCC, by delaying the general advent of television, was protecting the unwitting purchaser of a television set against his own folly.

What the Commission feared was that early purchasers of television sets (which would have been expensive for they were not in mass production) would have outdated, outmoded, and completely unusable sets within a short space of time. This feeling was engendered by the knowledge that the experimental laboratories were producing a rush of new developments and improvements which would greatly shorten the life of the first television receivers.

By July, 1941, standards had been established and television was again ready to be launched, but, as in the case of FM, any expansion and development was subordinated first to the defense effort and then to the subsequent war effort. While commercial television was properly licensed in 1941, it was never able to progress as it would have done in normal times.

During the war with its urgent requirements for effective communications systems, the whole field of electronics was studied, developed, and subjected to the widest experimentation. As a result, many improvements in television were made in the laboratories and in the field. Postwar television is far superior to the television which was available in 1941.

Color vs. Black and White

In fact, so many improvements were made in the cameras, tubes, and other television equipment that, following the war, the FCC was petitioned to change the standards previously established, shift television to the ultra-high frequencies where there would be room for more channels, and to license commercial television in color.

Color television was the most exciting development. It would, of course, bring to television what Technicolor has brought to the moving picture industry. An effective system of color television had been developed by the Columbia Broadcasting System under experimental license from the FCC. Under exhaustive tests, this system, which employed a mechanical method of injecting color into the images, appeared to have proved itself practical.

CBS, therefore, felt that it was imprudent for the Commission to close its eyes to the possibilities of the vastly improved television and center its consideration solely on black and white. CBS did not claim that its color method was the pinnacle which could be achieved in this field. It held, rather, that color television was already developed to a degree of efficiency which was preferred to black and white by television set purchasers and could be improved rapidly if the whole industry concentrated on its development.

There was a wide cleavage in the industry on this point. CBS found a number of strong endorsers for its color system, and the rival camp was spearheaded by RCA and a group of important adherents. The case against color television was pressed on the basis that postwar black and white greatly surpassed the prewar results and that color was five to ten years away for average home reception.

A fascinating series of demonstrations, field tests, and comparisons with black and white were made in an effort to secure the Commission's approval. However, in the early spring of 1947, the FCC decided against color television and froze all commercial television to black and white only. CBS was commended for its experimentation in this field and urged to continue its development, but the television set purchaser was deprived of a system that would bring color and life and fullness to the televised images.

If color television had been licensed, it would have meant the scrapping of all sets purchased before the war. This was a calculated loss, because there were few of these and it would have been a small sacrifice for the greater good. From the close of the war until the spring of 1947, many television licensees held up construction and operation pending the FCC decision. During this period also, RCA de-

veloped an electronic system of injecting color which it admitted was in the laboratory stage and a number of years removed from home use. Perhaps the eventual method of bringing color to television will be electronic rather than mechanical, but, in either event, the industry should unite on an intensive campaign to add color at the earliest possible moment.

For all practical purposes, then, consideration can be limited to the highly efficient postwar variety of black and white television. The current process serves as the foundation for the whole future structure of commercial television.

Technical Requirements

The transition from broadcasting to television reverses the transition in the moving picture industry. Broadcasting brought sound first and television added sight. The silent pictures brought sight first and, later, sound was added. The impact of sight plus sound is most forceful. Advertising agencies are already quoting psychologists as declaring that the combined impression value of sight and sound will be at least five or six times as great as sound alone.

Television has many of the same basic technical requirements as broadcasting, to which have been added the various special elements necessary to transmit sight. As in straight broadcasting a studio is necessary, as are microphones, control rooms, special lines, transmitters, and antennas.

The television studio is generally larger than a broadcasting studio and rather closely resembles the sound stage on a moving picture lot on which the set (or sets) is built. Sometimes more than one set is used in a television studio to provide the scene changes in the narrative being televised. Efficient lighting systems are required to produce a considerable amount of general lighting in addition to the spotlights.

The microphones used are different from the conventional type as they must not be seen in the televised picture. The movie type of boom microphone is used, suspended above the heads of the actors.

The camera which picks up the picture is the other half

of the studio setup and, here again, many of the mechanics of movie production have been adapted to television. The cameras are mobile to produce the widest possible variety of angles. In the larger productions, more than one camera is used and the same scene is cut back and forth between cameras.

The actual operation of the television camera is interestingly described by Kingdon Tyler in *Modern Radio*.¹

“The lens system in a television camera projects the picture on a mosaic screen or plate. The side that the picture is projected on consists of thousands of small particles of a photo-sensitive material which have been applied to a mica or insulating plate. The back side of this insulating plate is covered with metal. The photosensitive material forms thousands of small condensers. These condensers become positively charged when light falls upon them. The amount of the charge depends upon the intensity of the light that falls upon them. So you now have a picture made up of thousands of electrically charged particles and if you could see them they would form a picture. Now we want to change this from a picture into a series of electrical impulses so that the picture can be transmitted to another location. The iconoscope tube does this by playing a stream of electrons on the photo-sensitive surface of the plate that contains the picture in the form of electrical particles. This fine stream of electrons is played back and forth across the plate in the form of straight lines gradually traveling from top to bottom until the surface is covered. This operation is known as scanning. Two scanning operations, referred to as a frame, are accomplished in approximately 1/30th of a second. The first time the picture is scanned, every other line is scanned and this is called a field. The second scanning covers the lines which were not scanned the first time. This type of scanning is called interlacing. Today, five hundred and twenty-five lines are used to produce the picture. This is almost double the number of lines used in the earlier days of television and is the reason why the pictures today are sharper and have more definition.

“As the stream of electrons strikes each electrically charged particle forming the picture, it causes it to discharge, producing a rush of current through the wire which is attached to the back of the metal plate. This creates a series of small electrical im-

¹ From *Modern Radio* by Kingdon S. Tyler, pp. 176-181. Copyright, 1944, by Harcourt, Brace and Company, Inc.

pulses as each particle on the screen is discharged by the stream of electrons. These impulses can be amplified and transmitted to another location. There is really a long line of electrical impulses passing along a wire and each one of the impulses is a part of a picture.

“Leave out for the moment, all intermediate steps between the camera tube and the television picture tube, and imagine that these impulses from the camera tube are fed directly into the receiver tube. The tube that produces the picture in the receiver is really a cathode-ray tube. This tube shoots a stream of electrons at a fluorescent screen which covers the large end of a funnel-shaped tube. This stream of electrons scans the screen in the end of the tube, in much the same fashion as the camera tube. The scanning is done, line by line, from top to bottom. The electron strikes the screen and produces a bright spot and as the spot is moved rapidly across the screen it appears to be a white line. As scanning the entire screen only takes a fraction of a second, it would appear to the eye as a white screen if the intensity of the dot did not vary. The intensity of the dot is varied, however, by the impulses supplied by the camera tube. The varying intensity or brightness of the spot as each line is scanned produces the picture. In other words, the camera really breaks the picture up into little parts and sends these parts out as electrical impulses. The receiver tube changes the impulses back into light and dark areas in the proper sequences, thus producing a picture.”

The control room in a television studio serves a dual purpose. It monitors both microphones and cameras before passing the program along to the transmitter. Television cannot use the special telephone lines employed for carrying broadcasts from the control room to the transmitter or, for that matter, from city to city on a network. Coaxial cable is required and A.T.&T. has been able to supply and install this only in limited quantities and in restricted areas. Television has been able to function in only a few areas, notably, New York, Chicago, Philadelphia, Hollywood, Schenectady, Washington, D. C., Baltimore, Detroit, St. Louis, Richmond, and Boston. Television set ownership, of course, has followed this same general geographic pattern. NBC and CBS have been able to televise on a “network” basis from New York to Philadelphia to Baltimore to Washington, and in reverse. Television will de-

velop as AM broadcasting did, from "spot" to network, as A.T.&T. is rapidly pushing the extension of its coaxial cable across country. In the meantime, television will be an individual station operation in most parts of the country.

Considerable experimental work is being done to develop radio relay equipment that will transmit television programs between cities for network purposes. This radio relay equipment will operate on extremely short wave lengths called microwaves. The frequency of this equipment will be so high as to confound one's imagination—of the order of thousands of megacycles per second (4,000,000,000 cycles per second!). The relay equipment will use parabolic reflectors, like a flashlight or searchlight, that will confine the radiation to a pencil-like beam. By installing microwave relay equipment at intervals of approximately fifty miles, the television program can be carried on invisible beams of radio waves to distant points in the same manner as is now done with cables or wires.

The television transmitter has a double job to do—video transmission and audio transmission. Actually two transmitters are required, one to transmit the picture and one to transmit the sound. The sound transmitter uses the frequency modulation system, thereby gaining the advantages of this new technical development. The carrier frequencies of these two transmitters are slightly different but are sufficiently close to enable them to be received simultaneously with only one receiver. Within the receiver the two signals are separated and treated separately. Formerly, separate antennas were used for the video transmitter and the sound transmitter, but methods of "dipoling" have now been developed so that one antenna may be used for both transmissions. Television transmission, like FM, is limited by the horizon. Because the carrier waves travel essentially in straight lines, high elevation antenna sites are sought for television.

Television transmitting antennas are similar to the FM transmitting antennas discussed in Chapter XVIII. Because the frequencies used for television (and FM) are very high, with very short wave lengths, the antennas are only

a few feet long in comparison with the antennas generally used in AM broadcasting which are several hundred feet long. But despite the fact that the antenna itself can be less than ten feet long, it should operate from a high vantage point to secure the maximum coverage.

As far back as 1941, some advertisers and advertising agencies became interested in television and began experimenting with it for commercial purposes. The production routine differs radically from straight broadcasting. Stage and lighting effects must be used, costumes employed, and actors, actresses and announcers, if any, must discard their scripts and memorize their parts. The technical personnel in the studio, each charged with a specialized responsibility, is five or six times as large as that required for a normal broadcast.

Television and the Movies

So far we have considered only live television productions "on stage" in the studio, but there are two other types of television program material which are equally important. These are films and remote pickups of sporting events, national political events, et cetera. One of the reasons advanced for the selection of Philadelphia as the site for both the Democratic and Republican National Conventions in 1948 was that more homes could be reached by television than in the Chicago area, as a television network between Philadelphia, Washington, Baltimore, New York, and Boston could be arranged.

Films in television are like, yet unlike, transcriptions in AM and FM broadcasting. They are like transcriptions in that they are "canned" broadcasts, yet they offer to television scenes and program material not available in the studio. Transcriptions do not offer straight broadcasting anything which cannot be produced equally well on a live basis in the studio.

A smaller, less extensively equipped studio and a different type of camera are used for television film. In the growth of television, film will play an important role. As a result, the movie-producing companies are watching television

with keen interest. Paramount Pictures, for example, is actively engaged in this new field as evidenced by its 1946 Annual Report to stockholders:

"The Company has continued its study of television as an educational, news, entertainment, and advertising medium. Balaban & Katz Corporation, a consolidated subsidiary, operates commercial television broadcasting station WBKB from the top of the State Lake Theatre Building in Chicago. Another consolidated subsidiary operates a commercial television broadcasting station, KTLA in Los Angeles, which transmits signals from the six thousand foot summit of Mt. Wilson over Southern California, making it the highest broadcasting station in the world.

"The Company is also interested to the extent of some twenty-nine percent in the operations of Allen B. DuMont Laboratories, Inc., which manufactures television transmitters and receivers, operates commercial stations WABD in New York City and WTTG in Washington, D. C., and holds a construction permit for a commercial station in Pittsburgh, Pa. The sale of television receivers is expanding rapidly as postwar models become available and problems of transmission standards are resolved."²

There is another feature of television which appeals strongly to the moving picture industry. Through this means it would be possible to flash on the screens of movie houses a Presidential speech, the Kentucky Derby, a prizefight, or a baseball game. This, of course, would have a stimulating effect at the box office, if the patrons were assured of seeing such news events along with their double feature.

Remote Pickups

The remote pickup is one of the most exciting facets of television. The "viewing" audience for these events will far outnumber the eye witness spectators and they will have a better picture of the action than many of the on-the-scene witnesses. Even if the television camera cannot be located in the front row center, telescopic lenses can pick up distant action with greater clarity and detail than the human eye. It is in this field that we will get the answer to one

² *Annual Report*, Paramount Pictures, Inc., and Subsidiary Companies, for fiscal year ended January 4, 1947.

WABD NEW YORK KEY STATION	
DU MONT TELEVISION NETWORK	
TIME RATES FOR STUDIO OR REMOTE PROGRAMS	
	60 mins. 30 mins. 20 mins. 15 mins. 10 mins. 5 mins. 1 min. 30 sec.
Class A 7-11 PM.-Mon.- Sat. 6-11 Sun.	800 480 360 320 240 160 120 100
Class B 6-7 PM.-Mon.- Sat. 12 noon- 6 PM Sun.	650 390 292 260 195 130 97.50 80
Class C 12 noon-6 PM 11 PM-Sign-off Mon. thru Sat.	500 300 225 200 150 100 75 62.50
20% less when film only is used on periods of five minutes or more.	
(These rates are effective on all new business ordered after March-14, 1948)	
REHEARSAL CHARGES	
\$75 for first hour.	
\$37.50 for each succeeding consecutive half hour or any portion thereof for live studio shows. Minimum rehearsal fee for live commercial spot announcements—\$37.50.	
Six-to-one ratio in studio rehearsal time is required except where the nature of the program is such that, in our opinion, a lesser rehearsal period will suffice.	
Use of any available studio and existing camera facilities.	
Film show rehearsal at 10% of daytime rates.	
AGENCY COMMISSION	
Commissions of 15% on time and rehearsal charges will be allowed to recognized advertising agencies.	
No other discounts. Bills due and payable when rendered.	
SPECIAL FACILITIES	
Rates for network stations, remote pickups, package programs, participations, and for production services such as talent, sets, costumes, film cutting and editing, are available upon request. Additional charges will be made for the production of the commercial message. They will be determined by the type of commercial treatment agreed upon and the amount of preparation involved.	
SERVICE FACILITIES	
In arranging and presenting programs, the services of the station's program department, a staff director, and the complete studio and technical staffs necessary to the presentation of a program will be supplied without charge. Additional charges for programs requiring special production or originating outside of station studios.	
Charges for the services of staff announcers upon request.	

Figure 23. Typical Television Rate Card.
Courtesy of WABD, New York.

of broadcasting's most famous questions, "Was you dere, Sharlie?" And the television set owner can answer in the affirmative.

Television and the Advertiser

Television stations, generally, have set up rates for time comparable to the broadcasting rate structure. Television set ownership is rapidly increasing, with estimates indicating 100,000 sets in use in the New York area alone as of January 1, 1948. The World Series of 1947 and the televised football games immediately following gave a great stimulus to the sale of sets. The political conventions of 1948 added great interest. The decision of the American

Federation of Musicians on March 18, 1948 to permit the use of live music on telecasts contributed the last needed element to this new form of entertainment—and advertising.

The development of suitable program techniques can best be served by the joint efforts of the stations, agencies, and advertisers. As NBC expresses it, "We do not believe that rigid formulas can be applied to an art as new and as fluid as television in its present stage of development." By combining the creative talents of all parties directly concerned, the types of program presentation with the strongest appeal to listeners will be more quickly determined. Experimentation and co-operation will also determine the most effective means of presenting the commercial announcements, for it is an accepted fact that television will be dependent upon revenue from advertisers, just as broadcasting has been. Only in this way can it produce the greatest benefit to the listener and serve the largest public interest.

The operation of a television station is an expensive endeavor. Initial construction costs in a metropolitan market run between \$300,000 and \$500,000 and a well-rounded operating schedule of only twenty-eight hours weekly would represent an annual operating expenditure of about \$750,000. Obviously, no such business could long exist if revenue were not forthcoming from some source reasonably promptly. Advertising dollars are the source of revenue but these cannot be justified, in any larger amounts than the present charges, until the advertisers know a great deal more about the television audience than they do at present.

As program techniques are developed, television stations increase in number, and set ownership grows, the television industry will have to supply all the information necessary to justify its use as a major advertising medium. It can be sold at the start on its appeal to the imagination but the industry must develop the facts that practical advertisers and their agencies will require.

Advertisers, when convinced of the well-founded belief that the combination of sight and sound, invited into the homes of the nation, should produce the most effective selling medium ever devised, will want facts: Just how many "homes of the nation" have television sets? Just how

many of these sets are covered by each individual station? Indications are that television stations within the same area will operate on the same power and that the horizon of one station will be no farther away than that of another. This should eliminate coverage comparisons in sales presentations, but advertisers will still want to know how coverage is figured and its relationship to their particular marketing areas.

Audience research in television has already been started on a microscopic scale but will have to be intensified to yield important facts on audience listening habits, sets in use, program preferences, ownership by income levels, et cetera. In fact, advertisers will require the same factual information that radio research has developed. It should not be too difficult to adapt radio research methods to the new medium.

With television program production costs running considerably higher than straight broadcasts, what will be the effect on the cost per thousand actual listeners? It may be that television can be scheduled on a less frequent time basis than present-day radio programs. Perhaps a full-dress "Lux Radio Theatre" televised once a month will be more effective than the present weekly broadcasts.

There are many questions to be answered by the television industry but answers are not presently available because the field is so limited. It is hoped that television research will increase with every upward curve in set ownership. Advertisers are eager to employ the new medium as evidenced by the large number who have experimented with it during these early stages. Perhaps they see television as the "Fuller Brush Man of the Air Waves," offering them an opportunity to demonstrate their products as well as to extol their virtues in the consumer's home. And, when color television finally is released, a whole new group of advertisers will embrace it. What better way would there be for Mallinson Fabrics, for example, to show their newest materials and designs to women than by color television in their homes?

A tremendous future awaits television but, as in the case of FM broadcasting, the timetable is uncertain. By Janu-

ary 1, 1948, there were 19 television stations in actual operation, 56 additional stations under construction, and 285,000 television sets in United States homes. Progress from that point should be rapid if the cost of the sets to the consumer can be steadily reduced by introduction of mass-production economies.

CHAPTER XX

Broadcasting's Critics and Its Future

"What big ears you have, grandmother," said Little Red Riding Hood.

"All the better to hear you with, my dear," replied the wicked old wolf, which was waiting its chance to pounce upon Little Red Riding Hood and devour her.

THE preceding chapters have outlined the business side of broadcasting. They have shown how manufacturers buy radio time as an advertising medium to move the mountains of widely varied, mass-produced goods which are the bedrock of American economy—the same economy which is the essence of democracy and which, humbly stated, saved the world from totalitarianism.

Radio is a mammoth business but it is quite unlike other private enterprises such as building automobiles, baking bread, or weaving fabrics. It is a business dedicated to serving the public interest and, because of its singular characteristics, functions as a national institution as well. There is a delicate balance between radio, the business, and radio, the national institution. When this balance is maintained, radio is successful. When it goes awry, radio is unsuccessful.

It was inevitable that over the years broadcasting should receive criticism. Criticism is a democratic prerogative in the first place and, second, each individual listener feels a certain proprietary right in radio, for the air waves really belong to him. The quality and scope of radio criticism have been acutely assessed by William S. Paley, Chairman of the Board of the Columbia Broadcasting System, in an

address delivered before the 1946 convention of the National Association of Broadcasters:¹

"As an industry, we have always had, and presumably shall continue to have, differences of opinion both as to routine and as to principle with the seven men who interpret and administer the vague and over-elastic provisions of the Communications Act. We can live with a good deal of such differences of opinion, until they strike at the fundamental freedom of the American people to hear the programs they want and at the necessary freedom of the broadcasters to give them what they want.

"Do any of you here, for instance, think it was a mere accident that the tide of criticism of radio with which I am concerned coincided with the Blue Book—the most direct threat yet made by government to interfere with programming? I, for one, do not. I do not believe that a government document of that sort could possibly have grown out of soil that wasn't well fertilized by the stream of propaganda that preceded it and has followed it. Much of that propaganda was aimed at the Commission. Some of it asked directly, 'Why doesn't the Government do something about radio?'

"Nevertheless, I firmly believe that government program-censorship can never occur, without the consent of the American people. Therein lies our real court of appeal as well as our ultimate source of confidence. However, it is equally true that a *free* radio cannot survive without public consent and approval. Such consent and approval can be seriously endangered—in my opinion are being endangered today—both by valid criticism which goes unheeded and by malicious criticism which goes unanswered.

"I am not, you see, speaking against critics and criticism as such. In a democracy we not only expect but encourage the citizens to express dissenting views, and Americans need little encouragement. Essentially that is healthy. So I am not complaining against complaint. As for professional by-lined criticism in newspapers and magazines, I believe all broadcasters should welcome it. It is desirable that radio should receive the same sort of intelligent reviewing which books, plays, movies, concerts and so on receive. Formal published criticism of individual radio programs promotes better artistic standards all around. I have

¹ Address by William S. Paley, Chairman of the Board of the Columbia Broadcasting System, delivered before the 24th annual convention of the National Association of Broadcasters, Chicago, Ill., October 22, 1946.

noted with genuine satisfaction the recent introduction of departments of radio program criticism in a number of periodicals.

"The kind of criticism of all radio which serves no constructive purpose is something else entirely. It is marked by the superficial generality, the endlessly repeated cliché, the snap judgment. It is too often the technique of those who listen to one or two programs and then set themselves up as radio experts. It goes with the tightly closed mind. We all know certain individuals of more or less prominence who hold fast to their original impressions of radio as if they were cherished family heirlooms.

"But we cannot dismiss all our critics as cranks. Some are honest and objective according to their lights. We cannot say that all critics are snobs preaching to fellow snobs. Nor can we say that all attacks on radio are due to personal prejudice against advertising and against a free business economy. There is no doubt a good deal of that sort of pot-shotting at radio. But even that is only one part of a complex picture."

The FCC "Blue Book"

The "Blue Book" referred to by Mr. Paley is a report issued by the Federal Communications Commission on March 7, 1946, entitled *Public Service Responsibility of Broadcast Licensees*. It was a most comprehensive report and a source of great interest to the industry.

The apparent purpose of the report was to impress upon broadcasters (1) that they had been extremely negligent in the public-service phase of their operations, and (2) that the Commission would hold them to a strict accounting for such lapses in the hearings on their license renewals.

The preamble to the report traced the discrepancies between the promises of public service and the performances of several minor stations. In an effort to stay solvent in a highly competitive field, these stations had scheduled more commercial broadcasts than their original representations to the Commission had indicated. No opinion was expressed that the applicants did not believe their own representations made at the time the applications were filed, or that the FCC doubted them.

The second portion of the report is devoted to a detailed recital of quotations from court records and Com-

mission hearings which *imply* that the FCC, all along, has had the power to and should pass on program acceptability. "Public interest, convenience and necessity" is the keynote of each of these quotations.

The report then proceeds into the area of "public interest in program service." With slight lip service to the excellence and popularity of commercial programs, the Commission extols the virtues of sustaining programs. It conceives that sustaining programs have five distinct and outstanding functions:²

1. To secure for the station or network a means by which, in the over-all structure of its program service, it can achieve a balanced interpretation of public needs.
2. To provide programs which by their very nature may not be sponsored with propriety.
3. To provide programs for significant minority tastes and interests.
4. To provide programs devoted to the needs and purposes of nonprofit organizations.
5. To provide a field for experiment in new types of programs, secure from the restrictions that obtain with reference to programs in which the advertiser's interest in selling goods predominates.

Charts are then introduced to indicate the paucity of sustaining programs on four representative stations and on the basic outlets on the four major networks. Stations are urged to produce more local, live talent programs and to encourage local broadcasting of the discussion of public issues.

The next section is devoted to a condemnation of advertising excesses under the following general headings:

1. Amount of time devoted to commercials.
2. Length of commercials.
3. Number of commercials.
4. Piling up of commercials.
5. Time between commercials.
6. Middle commercials in news broadcasts.

² FCC Report, *Public Service Responsibility of Broadcast Licensees*, March 7, 1946.

7. Patriotic appeal as part of commercials.
8. The physiological commercial.
9. Propaganda in commercials.
10. Intermixture of program and advertising.

After introducing a series of charts indicating that broadcasting stations have reaped substantial profits from their operations, the report is summarized by an outline of the future procedure of the Commission in granting licenses and renewals:³

"In issuing and renewing the licenses of broadcast stations the Commission proposes to give particular consideration to four program service factors relevant to the public interest. These are (1) the carrying of sustaining programs, including network sustaining programs, with particular reference to the retention by licensees of a proper distinction and responsibility for maintaining a well-balanced program structure; (2) the carrying of local live programs; (3) the carrying of programs devoted to the discussion of public issues, and (4) the elimination of advertising excesses.

"(1) Sustaining programs. The carrying of sustaining programs has always been deemed one aspect of broadcast operation in the public interest. Accordingly, the Commission concludes that one standard of operation in the public interest is a reasonable proportion of time devoted to sustaining programs.

"Moreover if sustaining programs are to perform their traditional functions in the American system of broadcasting, they must be broadcast at hours when the public is awake and listening. The time devoted to sustaining programs, accordingly, should be reasonably distributed among the various segments of the broadcast day. The Commission . . . will also take note of network sustaining programs available to, but not carried by, a station, and of the programs which the station substitutes therefor.

"(2) Local live programs. The Commission has always placed a marked emphasis, and, in some cases perhaps, an undue emphasis, on the carrying of local live programs as a standard of public interest. The development of network, transcription, and wire news services is such that no sound public interest appears to be served by continuing to stress local live programs exclusively at the expense of these other categories. Nevertheless, reasonable provision for local self-expression still remains an essential func-

³ FCC Report, *Public Service Responsibilities of Broadcast Licensees*, March 7, 1946.

tion of a station's operation and will continue to be so regarded by the Commission. In particular, public interest requires that such programs should not be crowded out of the best listening hours.

"(3) Programs devoted to the discussion of public issues. The crucial need for discussion programs at the local, national and international levels alike is universally realized. . . . Accordingly, the carrying of such programs in reasonable sufficiency, and during good listening hours, is a factor to be considered in any finding of public interest.

"(4) Advertising excesses. The evidence set forth . . . warrants the conclusion that some stations during some or many portions of the broadcast day have engaged in advertising excesses which are incompatible with their public responsibilities and which threaten the good name of broadcasting itself. As the broadcasting industry itself has insisted, the public interest clearly requires that the amount of time devoted to advertising matter shall bear a reasonable relationship to the amount of time devoted to programs. Accordingly in its application forms the Commission will request the applicant to state how much time he proposes to devote to advertising in any one hour. This, by itself, will not, of course, result in the elimination of some of the particular excesses described. This is a matter in which self regulation by the industry may properly be sought and indeed expected. The Commission has no desire to concern itself with the particular length, content or irritation qualities of particular commercial plugs."

The affection of the Commission for sustaining programs cannot quite be understood. Commercially sponsored programs very frequently perform a wider public service than programs devoid of advertising. Such broadcasts as the "World Series Baseball Games," the "Lux Radio Theatre," the "Telephone Hour," "Lowell Thomas," "Elmer Davis," and "Fulton Lewis, Jr.," serve the public interest, convenience, and necessity to a far greater degree than a series of nonsponsored recordings on each individual station. An increase in local live programs is a difficult thing to achieve. As pointed out in Chapter XIII, the availability of local live talent is definitely limited and quite often temporary. Because listeners are driven away by uninteresting sustaining and inferior local live talent broadcasts, stations are loathe to schedule them. They prefer to

sell the time to an advertiser who can afford a program of higher listener appeal. If poor sustaining programs are broadcast at a time when other stations are broadcasting interesting commercial programs, listeners will tune out by the thousands. With sequence listening existing as it does, it might be an hour, or hours, before the listeners tune back to the first station.

The carrying of programs devoted to public discussion is even more deadly to the majority of the listening audience than sustaining programs or local live talent broadcasts. Such programs have a place on individual stations and networks but should not be scheduled, as the Commission suggests, in the evening hours. It is the sale of these hours that makes it possible to carry the public discussions at all. Any of the extreme minority interested in this type of program as a regular diet could arrange to listen during the marginal time periods.

Many stations serve local public interest by broadcasting sustaining, local live talent, and, on occasions when there is genuine interest, public discussion programs which actually attract a large audience. Such things as basketball tournaments, inauguration of Governors, and dramatizations of local historical highlights are frequently scheduled. And the stations cancel network commercial programs to do it! There is also a growing tendency on the part of local and regional advertisers to sponsor programs of this type. Listener interest will not be lessened one whit due to such sponsorship.

The strongest section of the Blue Book is the portion that deals with advertising excesses. There is no one—who isn't both deaf and blind—who does not agree that some stations and some advertisers have abused the privileges of the air waves. There are chisellers, cheats, and stunted intellects in all businesses. There was no reason to suppose that broadcasting alone could escape that type of individual.

Some station operators entered the business with the intention of making a quick financial killing. Some advertisers abuse radio's effectiveness as a selling medium, caring little if they kill the goose that lays the golden egg. It is when these two types of individuals get together—and they

are bound to—that the excesses occur. It is then that public service is thrown into the ash heap. It is because of these few that the whole industry stands condemned.

The average station operator realizes his responsibilities to his audience. He has set his standards high. He has prospered because he has been able to strike a balance between his commercial and public interest activities. The same is true of the networks. Neither the individual operator nor the national network needs to be reminded by the FCC, under thinly veiled threats, how far these responsibilities extend.

It is interesting to note that each of the schedules introduced into the Blue Book to indicate overcommercialization of programs was for a date in 1944 or 1945, prior to the conclusion of the war. Yet, virtually every one of these commercial programs was performing, at that very time, an invaluable public service on behalf of the war effort which would defy calculation either in dollars and cents or in its effect on the listening audience.

Radio and the OWI

In Chapter I, brief mention was made of the contribution of the broadcasting and advertising industries to the war effort. It would be well to examine this in more detail in connection with the charges contained in the Blue Book.

When the war broke out, the tempo of government activities stepped up sharply. Although, prior to Pearl Harbor, there had been government-bureau broadcasting activities for the Armed Services, Treasury Department, and Department of Agriculture, an acceleration started in the late winter and early spring of 1942.

There were innumerable government bureaus which looked to the penetration, coverage, and influencing ability of United States radio to deliver each particular drive's special message to the American public. The War Production Board, the OPA, Army and Navy Nursing, Army, Navy, and Marine Recruiting, Red Cross Blood Donors, the Salvage Operations under the WPB, V-Mail, Security, and Treasury War Bond drives are typical of the activities which radio was asked to promote.

Most of these bureaus were only partially organized. They did not know how to get the support which the radio industry, both broadcasters and sponsors, were ready, willing, and anxious to give. On the other hand, old-line bureaus such as Treasury and Agriculture already had public-relations setups which included people familiar with radio practices. As a result, the most aggressive bureaus, and those which were best organized, got the most time from broadcasters and sponsors regardless of the urgency of their requirements. Other activities, because of their lack of a working mechanism, failed to get anywhere. This was part of the problem—the problem of seeing that broadcast time was distributed in keeping with the urgency of the need rather than dependent upon the pressure of well-equipped personnel.

Another aspect of the problem was that broadcasters and sponsors were being swamped with requests for announcements and program time from all directions. They yielded to the most persuasive voices. They were, furthermore, being unduly harassed and pressured.

The third aspect of the problem was the public itself. They were hearing the same message, or variations of the same message, perhaps ten or fifteen times within a span of two hours on the same night. While it is certain that repetition is desirable, repetition of such a nature could only serve to set up a mental resistance on the part of the listeners.

A central clearing house was obviously needed for all government requests for time, since, except for Presidential speeches, the entire operation had to be handled on a request basis. In establishing the central clearing house, there were two considerations. First, all the government bureaus had to agree to clear requests through the central bureau. Second, the broadcasters and sponsors had to agree to accept the requests only from this central bureau and not from individual government bureaus or agencies.

The first problem was the more difficult of the two. The Treasury and the Army and Navy had received tremendous representation in programs and mentions on programs. Their well-organized staffs, speaking with the authority of

the Secretary of the Treasury and of Generals of the United States Army, were securing excellent results in their efforts to get their stories on the air. They did not want their activities to be channeled, even though they gave lip service to the plan which would operate to the general benefit of the entire war effort. Finally, Archibald MacLeish, who was head of the Office of Facts and Figures (predecessor to OWI), secured what amounted to a Presidential directive to all bureaus to clear requests for time through the Radio Bureau of OFF. This accomplished, the advertisers and broadcasters agreed to carry out their part of the bargain by scheduling broadcasts as requested through the Radio Bureau and only through the Radio Bureau.

The terms of the agreement, briefly, were these: A broadcaster who sponsored a once-a-week program obligated himself to devote the equivalent of one full program's commercial to a government message each month. Sponsors or broadcasters with five-a-week programs gave the equivalent of two programs' commercials a month. Network and spot broadcasters made similar contributions.

These arrangements having been agreed upon, the next question to be decided was how to process the messages. Were they to be written as continuity and read? Were they to be produced as spot announcements and played? Or were they to be told as objectives to producers and writers of programs, who in turn would rephrase them in keeping with their program content?

The last of the three was decided on for several good reasons. By giving producers and writers all the facts about the program—whether it was a War Bond drive or a "conserve gasoline" drive or an explanation of rationing—the writers and producers themselves could make the statement in keeping with their own program's format. For example, on a scrap-salvage message, an entire program of "The Aldrich Family" was written around the theme of Henry Aldrich's and Homer's organizing a scrap drive; on the "Prudential" program a whole five-minute sketch was devoted each week to one of the United Nations; on a musical program the need for conserving fuel was written as a song and sung by one of the stars of the show. In this

way, the radio bureau utilized all the inventiveness and talents of all the writers and producers of America's top radio programs.

The procedure for assigning subjects was worked out on a reasonably precise, mathematical, audience basis. For example, it might be decided that 20,000,000 impressions were needed for fat salvage, and the fat-salvage story would be assigned to programs whose audience, according to Rating Bureau Service information, totalled some 20,000,000. Drives were scheduled as far in advance as possible and complete information giving the background material for the message, the need for the drive, the objective, and various supplementary material, was put together in what were known as fact sheets, which were mailed to the producers and writers concerned.

One of the chief virtues of this plan was that radio was used at its maximum peak of effectiveness. It was, in essence, a better plan than putting on special programs for the Army or for the Red Cross or for the OPA. These special programs would have had to build audiences, and, of necessity, would have drawn listeners from limited circles. However, by putting the story on the "Lux Radio Theatres," the "Jack Bennys," the "Philharmonics," and the "Bob Hopes," the messages reached all kinds of people. And the messages carried added impact because, in many instances, they were delivered by the stars themselves.

Radio and the Advertising Council

When the Office of War Information was terminated by President Truman in October of 1945, government agencies, headed by the Treasury Department, asked the Advertising Council to take over and administer the Radio Allocation Plans. The Advertising Council is an organization of national advertisers, advertising agencies, and media groups, including the National Association of Broadcasters, whose objective is to promote the use of advertising in the public interest and to demonstrate the active concern of American business with public problems and public welfare.

This activity picked up where the war activity ceased and makes a continuing contribution to the public interest, con-

SUMMARY OF RADIO CIRCULATION FOR SCHEDULED CAMPAIGNS (Thirty-four weeks of 1946)

Rank	Campaign	Estimated No. of Listener Impressions*	Rank	Campaign	Estimated No. of Listener Impressions*
1	Famine Emergency	1,276,640,000	20	Group Prejudice	84,095,000
2	Savings Bonds	1,144,905,000	21	Income Taxes	74,625,000
3	Stop Accidents	923,833,000	22	Marine Corps Recruiting	73,475,000
4	Homes for Veterans	912,903,000	23	Atomic Energy	69,800,000
5	Economic Stabilization	715,120,000	24	Brotherhood Week	61,700,000
6	Red Cross	616,660,000	25	Pan American Week	35,300,000
7	Fat Salvage	581,870,000	26	I Am An American Day	34,500,000
8	Housing Shortage	520,265,000	27	Army Day	20,000,000
9	Veterans Assets	515,750,000	28	Victory Gardens	18,990,000
10	Our New Army	455,860,000	29	Boys Club	18,000,000
11	Food Collection	424,975,000	30	Salvation Army	16,700,000
12	Student Nurses	374,065,000	31	Register Automatic Weapons	11,800,000
13	Clothing Collection	324,445,000	32	Police Traffic Check	5,350,000
14	Merchant Marine	295,875,000	33	Miscellaneous**	28,450,000
15	Hospitals Need Help	251,980,000			
16	Home Canning	160,500,000			
17	Farm Labor	150,410,000			
18	Veterans Information	145,665,000			
19	Prevent Forest Fires	128,575,000			

* A Listener-Impression is one message heard once by one listener.
 ** Easter Seals, Public Health Nurse Week, Campfire Girls, Foreign Trade Week, Maritime Day, Air Force Day, Soil Conservation, Safeguard Wartime Savings.

Figure 24. Summary of Advertising Council Program Placements. Courtesy of Advertising Council.

venience, and necessity. The value of this work can be estimated from the summary of the circulation given to the leading projects during the first eight months of 1946, as shown on the opposite page. The plan operates on a reduced version of the wartime schedule and is participated in by 166 national radio advertisers.

Admittedly, the only concern the FCC has with the broadcasting industry is to see that the public interest, convenience, and necessity are served. That was the excuse for issuing the Blue Book. But what of the listening public itself? Is it dissatisfied with radio? Is a listener's strike brewing? Does the public, whose servant the FCC is, demand radical program changes?

Listeners' Opinions on Broadcasting

In November, 1945, the National Association of Broadcasters commissioned the National Opinion Research Center of the University of Denver to make a nation-wide survey to determine the public attitude toward radio. This was conducted during the same period that the Blue Book was in preparation.

The following series of questions was asked:⁴

"In every community the schools, the newspapers, the local government, each has a different job to do. Around here would you say that the schools are doing an excellent, good, fair or poor job? How about the newspapers? The radio stations? The local government? The churches?"

The results were:

OVER-ALL APPRAISAL OF FIVE INSTITUTIONS

	<u>Radio</u>	<u>Churches</u>	<u>News- papers</u>	<u>Schools</u>	<u>Local Government</u>
Excellent.....	28%	25%	12%	17%	7%
Good.....	54	51	56	45	38
Fair.....	10	12	21	18	29
Poor.....	1	2	4	5	9
Don't know....	7	10	7	15	17

⁴ Survey, National Opinion Research Center, University of Denver, 1946.

Then the question was asked: "If your radio programs could be produced without advertising would you prefer it that way?" The results were:

PROPORTION WHO PREFER RADIO WITH OR
WITHOUT ADVERTISING

<u>Would prefer programs produced:</u>	<u>Per Cent</u>
With advertising	62%
Without advertising	35
No opinion	3

This survey presented the views of listeners on a national basis. The findings have been confirmed time and again by surveys and experience at the local-station level. Two pertinent reports appeared quite by coincidence in a single issue of *Broadcasting Magazine*. The first concerned the experience of a new station licensee in determining the program preferences of his listening audience:⁵

"Once an ardent advocate of the philosophy enunciated in the March 7 Blue Book, Bernard K. Johnpoll now thinks it should be rewritten.

"Holder of a construction permit for a local station in Liberty, N. Y., Mr. Johnpoll, a war veteran, had ideas about programming a station. When the Blue Book was issued he applauded it, said the Commission was dead right; radio needed to do more 'public service' broadcasting.

"Now Mr. Johnpoll has done an about face because he learned that the 69,000 people his new station, WLBC, will serve don't agree with the Blue Book's policy. Mr. Johnpoll, who has had a lot of experience in conducting surveys, studied the Blue Book.

"Then he set out to conduct his own survey. After his construction permit was granted he wanted to know what type of programs the people he was to serve liked best. His station is scheduled to go on the air in early spring with 250 w. power on 1240 kc.

"Mr. Johnpoll sent out 1,000 questionnaires. As of last week 670 had been returned. Since 52,000 of the 69,000 population in his area live in the rural sections, he wanted to program primarily

⁵ "Johnpoll Would Alter FCC Blue Book," *Broadcasting Magazine*, p. 20, January 6, 1947.

for the farmers. After tabulating the results personally and reading every reply, Mr. Johnpoll declared:

"At one time I defended the Blue Book. Now I'm convinced it should be rewritten to reflect the views of the people served by radio and not those of the Federal Communications Commission."

The second report is in the form of a letter from G. F. Bauer, Sales Manager of Station WINN, Louisville, Kentucky, which states:⁶

"Here, at our little station, we've about concluded that the *average listener* doesn't give a damn what comes out of his radio receiving set.

"We've got some pretty sound evidence upon which to base our conclusion. For 13 weeks we tried, sincerely, to find out from our listeners, just what they like, and don't like, about radio programs—and why. We asked for suggestions for improving our service and for the kind of programs they'd like to hear.

"Once each week, on a floating schedule (in a good listening period) we presented a simple, well-produced, transcribed quarter-hour program called *Bouquets and Brickbats*. The 'commercials' on these programs were clearly and logically presented appeals to the listeners to tell us just exactly what's wrong—or right—with all types of radio programs—music, news, drama, variety shows, etc. No prizes were offered for the best letters—the listeners were not urged to send us 'bouquets' (the contrary, in fact)—we wanted no accusations of attempting to 'lead the witness' leveled at us.

"Yet, the *total response* from these 13 programs was exactly 14 letters and post cards. We searched in vain through this avalanche of mail, for a constructive suggestion, or an intelligent criticism. One of the respondents was an illiterate crank, griping about beer ads on the air. One of them liked everything. A couple objected to singing commercials. One didn't like soap operas and children's programs. One liked programs that offered prizes. Just one told us what kind of programs she liked, specifically.

"That's the reason we say *average listeners* are just *average people*, with simple tastes, afflicted with a huge mental and physical inertia.

"That's also the reason we say, if anybody thinks that radio is

⁶ "Most Listeners Apathetic About Radio Program Quality Sales Manager Finds," *Broadcasting Magazine*, p. 78, January 6, 1947.

not doing a job that is satisfactory to its listeners, just let him ask the listeners.

"However, we can tell you how you can get a deluge of mail. Just set aside one full broadcasting day—and feed the listeners 18 solid hours of 'public service' and 'uplift' programs. You'll get mail, phone calls, telegrams, personal insults—thousands of 'em!

"One more observation. Could it be that my first conclusion was reached too hastily? Maybe Mr. and Mrs. John Q. Public do give a damn. Maybe they're just tickled pink with the *status quo*."

Lurking not too far in the background of many criticisms of broadcasting has been the ogre of government control and operation of the air waves, patterned after the British Broadcasting Corporation in England. There would be little popular support for such a change among the millions of radio listeners in this country.

Elmo Roper, reporting in the *New York Herald Tribune* on May 22, 1947, states:

"There is even less demand for either [government] ownership or control of the . . . radio business. Here is the way people voted on two dates:

	<i>1938</i> <i>Per cent</i>	<i>1946</i> <i>Per cent</i>
Own and operate	4.6	3.2
More regulations	14.2	7.5
Less or same	68.8	69.1
Don't know	12.4	20.2

This same reflection of public opinion was obtained by the NORC survey previously cited. The question was asked:⁷ "Which do you think would be better for the people in this country—if [each industry below] were run by the government, or by private business?" The replies showed:

⁷ Survey, National Opinion Research Center, University of Denver, 1946.

PUBLIC OPINION ON GOVERNMENT VS. PRIVATE CONTROL OF
FIVE INDUSTRIES

	<u>Coal Mines</u>	<u>Banks</u>	<u>Gas and Electric</u>	<u>Radio Stations</u>	<u>News- papers</u>
Government.....	40%	33%	30%	16%	10%
Private business.....	47	54	58	70	83
No opinion.....	13	13	12	14	7
Total.....	100	100	100	100	100

It has been interesting to discuss the BBC with returning servicemen who had occasion to listen to many English broadcasts during the war. The vast majority of these men feel that most of the BBC broadcasts were far below United States standards of quality, listener interest, and variety. Since the war, there have been indications that the BBC program schedules are changing. One evidence of this was reported by John Crosby in his column "Radio in Review" in the *New York Herald Tribune* on March 5, 1947:

"A recent debate in the British House of Commons was devoted to British listening habits, and the center of controversy among this august body was—of all people—Bing Crosby.

"Brushing aside for the moment Britain's struggle to balance imports and exports, a Scottish Conservative named Walter Elliott rose to complain that Bing Crosby was forced, willy nilly, down his throat because Britons left their radios on all day with the windows open. Radio addicts who continually tuned to Bing Crosby could be more dangerous than alcohol addicts, he trumpeted.

"Assistant Postmaster General Burke rose to inquire whether Mr. Elliott meant three or four hours of Bing Crosby. 'No, I mean three or four hundred hours,' thundered the angry Scotsman, the R's rolling like thunder. 'For forty days and forty nights the B.B.C. rains it on the heads of the people.'

"Crosby addiction is as common in this country as in Great Britain, but the point of view differs considerably. Three hundred hours of Crosby is twelve straight days of Crosby, which sounds like a reasonable estimate of the Crosby ration a person in the United States. Besides his own program and countless appearances on disc jockey shows, the Crosby voice also pours

forth, hour after hour, from the national trove of juke-boxes, a device almost unknown in Great Britain.

"Crosby addiction, multiple and in some cases even tertiary, is one of the more common diseases over here, but no Congressman has yet pointed with alarm to this menace. To my knowledge, no one has yet started a Crosby Anonymous society."

If this report is true and if it is followed by others of a similar nature, there is some relief in sight for the British listener. It should be discouraging to the advocates of the British system in this country who have heretofore glorified the dignity, dullness, and high intellectual level of BBC broadcasts.

Radio Should Answer Its Critics

There are certain inescapable conclusions which can be drawn from the welter of criticism leveled at broadcasting. Some of this criticism is humorous, such as H. T. Webster's cartoon series "The Unseen Audience," which underlines the fact that radio is part and parcel of the American scene. Some of it is uninformed and stems from publicity seekers or sensationalists. Some of it is constructive and more than welcomed by the entire industry. Some of it is vicious and difficult to diagnose as to its source or ultimate purpose.

Radio has not done a perfect job. It has made errors of omission and commission. The industry was only fairly launched when the nation was plunged into the 1929 depression. Conditions had not improved by 1933 when the New Deal with its new philosophies was superimposed on the government and economics of the country. Then the pre-war "defense" years, the war years and postwar years followed in rapid sequence. It has been a difficult and changing quarter-century for a new industry—for a vital, new, national institution.

That radio has developed to its present stature is a tribute to the individuals, companies, and corporations engaged in it. From the earliest declaration of purpose of the National Broadcasting Company, the responsible elements in the industry have set a high standard of public service. They have adopted many tenets of self-regulation to protect the

listening audience. To be sure, they have profited financially, but to the entrepreneur have always gone the greatest gains. And it is not yet illegal for a privately owned business to show a profit.

It is unfortunate that the Blue Book was ever drafted. It is unfortunate that the FCC, protector of the public interest, did not first determine how the public itself felt about radio. Such a miscalculation of the "consumer market" by a private business would result in utter failure. Private industry could not easily withstand the sales loss resulting from such an inaccurate interpretation of sales possibilities.

Any Radio Communications Act which permits the threats of censorship and loss of freedom of speech implied by the Blue Book requires a radical overhauling. Despite protestations by members of the Commission that the Blue Book is a code and not a regulation, there can be no surety on the part of any station that its operation will meet with governmental favor. The station knows from long experience and daily contact with the listener that it is giving him what he wants. But how to convince these seven men?

As long as the American broadcasting system remains the greatest system of mass communication ever known, there will be certain injustices to minority groups. Stations and networks try to serve these minorities to the best of their abilities, but they cannot ignore the masses.

With the increased licensing of FM stations, many of the minority groups will be able to operate their own radio stations and program them to meet their limited requirements. The "scarcity" in frequencies that worried the Commission for so many years is now eliminated. However, these groups will discover that the economics of broadcasting are such that revenue from commercial programs is necessary to perpetuate the entire operation.

Broadcasting has been loathe to strike back at its unjust critics. But it must do so, for privately operated radio has the overwhelming endorsement of the listening public. Criticism dispelled with concrete facts is the most effective rebuttal. In addition to answering this type of criticism, an aggressive campaign should be waged to rewrite national

legislation on broadcasting. Only in that way will stations, networks, the FCC, and the listening public know exactly where they stand. Given new legislation on which a certain and firm future can be built, radio will write an even more brilliant chapter in the next twenty-five years.

Students' Library
Saint Mary's University
Halifax

*Glossary of Terms*¹

- AAAA**—American Association of Advertising Agencies; also, Associated Actors and Artists of America.
- ACCOUNT**—Sales term for a buyer of radio time.
- ACCOUNT EXECUTIVE**—The individual in an advertising agency who administers the advertiser's account.
- ACETATE**—The term often erroneously used to describe cellulose-nitrate recording discs.
- ACROSS THE BOARD**—The manner of scheduling a radio program at the same time on at least five consecutive weekdays, usually starting Monday.
- ADJACENCIES**—The programs, on the same station, immediately preceding and following the one under consideration.
- ADVERTISER**—(a) National advertiser, whose radio advertising is nationwide; (b) Regional advertiser, whose radio advertising is confined to a regional area; (c) Local advertiser, whose radio advertising is confined to his local marketing area or retail outlets.
- ADVERTISING AGENCY**—An independent business organization recognized by advertising media as qualified to give strategic counsel to advertisers, and to plan, prepare, and place their advertising.
- AFFIDAVIT**—A notarized form used in both network and spot broadcasting attesting to the actual performance of broadcasting service as ordered. It accompanies invoices to advertising agencies.
- AFFILIATE**—An independently owned radio station which carries, usually through contractual agreement, programs provided by a network.
- AFM**—American Federation of Musicians.

¹ Adapted from *Radio Alphabet* by courtesy of the Columbia Broadcasting System, Inc. New York: Hastings House, 1946.

- AFRA—American Federation of Radio Artists.
- AGENCY—An advertising agency whose function is to assist the advertiser in the promotion of his goods or services. (Do not confuse with AGENT.)
- AGENCY COMMISSION—The fee paid to recognized advertising agencies by broadcasters; the standard is 15 per cent of the net billing for broadcasting placed by the agency.
- AGENT—A representative of performing artists who negotiates performances for his clients for a fee.
- AMPLITUDE MODULATION—The “standard” method of transmitting a radio signal through the air, employed since the advent of broadcasting. It is also called AM.
- ANA—Association of National Advertisers.
- ANNOUNCEMENT—A short advertising message. STRAIGHT ANNOUNCEMENT—usually about 100 words running about one minute; SPOT ANNOUNCEMENT—fifty to seventy-five words; STATION-BREAK—ten to thirty word statements inserted into the pause between programs; CUT-IN—usually a local announcement inserted into a network program; PARTICIPATING ANNOUNCEMENT—usually 100 to 150 words incorporated into a local entertainment or informative program containing announcements of other participating advertisers.
- ANNOUNCER—(a) The host on a radio program; (b) The person who represents the advertiser and reads the commercial; (c) News announcer—the person who reads the news report but doesn’t necessarily write it.
- ASCAP—The American Society of Composers, Authors, and Publishers.
- AUDIENCE BUILDER—A good program; one which attracts a large audience.
- AUDIENCE COMPOSITION—The number and kinds of people listening to a given program, as to their age, sex, income, etc.
- AUDIENCE FLOW—The statistical composition of the total audience of a specific program, showing the fractions of the whole (a) “inherited” from the same station’s previous program, (b) transferred from another station, (c) tuned in for the first time. The sources of listeners during the program and the destination of the various fractions at the end of the program.

- AUDIENCE TURNOVER**—The total number of different listeners to a given program over a specific number of consecutive broadcasts; or, the rate at which a program increases its audience of different listeners over a given span of performances.
- AUDIMETER**—An electro-mechanical device attached to home radio receivers which accurately records set operation and station tuning. Its records supply the data for the Nielsen Radio Index.
- AUDITION**—A tryout of artists or musicians or programs under broadcasting conditions.
- AVAILABILITIES**—Quotations to advertising agencies or advertisers of open time periods available for purchase.
- AVAILABLE AUDIENCE**—The number of radio homes in which one or more members of the family are found to be at home and awake at a given period.
- AVERAGE AUDIENCE**—The percentage of radio homes tuned to a specific program during the average minute of the broadcast.
- BASIC NETWORK**—That part of nation-wide radio network embracing the more heavily populated northeastern area of the United States and thus covering the more important markets in that area.
- BASIC STATION**—A station on the basic network, the use of which is generally a requirement on sponsored programs.
- BBC**—British Broadcasting Corporation.
- BBM**—Bureau of Broadcast Measurement (Canada).
- BIG ANNIE**—Nickname for a mass Program Analyzer which totals the reactions of approval, disapproval, or indifference of as many as 100 listeners, second by second as the program material is heard.
- BILLBOARD**—The announcement at the beginning of a broadcast which lists the people starred or featured.
- BILLING**—Charges to advertising agencies from networks or stations for broadcasting time or services.
- BLANKET CONTRACT**—A contract with a sponsor covering a group of individual advertising campaigns.
- BLOCK**—A set of consecutive time periods; or, a strip of the same time on several days.
- BLOCKED-OUT TIME**—Time which is withheld from sale vol-

- untarily by the station or network for noncommercial programs.
- BLUE**—A slang term for the American Broadcasting Company, formerly known as the Blue Network.
- BMB**—Broadcast Measurement Bureau.
- BMI**—Broadcast Music, Inc.
- BONUS STATION**—A station furnished to the advertiser free of charge by the network with the purchase of another station or group of stations.
- BOOSTER**—An amplifier used to compensate for the loss of program volume which occurs in transmission.
- BROADCASTER**—The owner or operator of a radio station or a network.
- BUILD-UP**—Technique used to increase the popularity of a program, a personality, or a product.
- BUILD-UP ANNOUNCEMENTS**—Radio announcements used prior to the first broadcast of a new program, designed to start it off with a large “first-night” audience.
- CAB**—Cooperative Analysis of Broadcasting; also Canadian Association of Broadcasters.
- CALL LETTERS**—Initials assigned by the Federal Communications Commission to identify a station, like WCBS, or KNX.
- CAMPAIGN**—A series of related programs or announcements planned to achieve a given objective.
- CANNED MUSIC**—Recorded music.
- CAST**—The performers in a radio program; to select the performers for a radio program.
- CBC**—Canadian Broadcasting Corporation.
- CBS**—Columbia Broadcasting System.
- CHANNEL**—A band of frequencies in the spectrum assigned to a given radio station or stations. **CLEAR CHANNEL**—one reserved for nighttime operation of a single high-powered station; **REGIONAL CHANNEL**—a channel shared by five to fifteen stations so located geographically as to minimize interference with each other; **LOCAL CHANNEL**—a channel occupied by fifty or more low-powered stations separated, in some cases, by as little as 100 miles.
- CIRCULATION**—Generally assumed in radio to be the number of radio families who listen to a station or network of stations during some definite span of time, usually one or more times during the broadcast cycle of one week.

- CLEAR A NUMBER**—To obtain legal permission from responsible sources to use a certain musical selection.
- CLEAR TIME**—To arrange with a station to provide time, usually for a commercial program.
- CLIENT**—An actual or potential advertiser.
- CNYT**—Current New York Time.
- COAXIAL CABLE**—A complex electrical cable suitable for conveying television pictures from cameras to transmitters or from city to city.
- COINCIDENTAL**—A method of measurement of the size of a program's audience by telephone calls to listeners and non-listeners during the progress of the program's actual broadcast, i.e., coincidentally.
- COMMERCIAL**—(a) A program sponsored by an advertiser; (b) The advertising message on a given program or announcement.
- COMMERCIAL CREDIT**—Specific mention of the sponsor or his product on the program; also, specific acknowledgment of those to whom he may be indebted for elements in his program.
- COMMISSION**—A percentage or fixed sum payable on a radio contract. On a talent contract it may be paid for engagements or rights provided. A form of compensation for services rendered which is figured on the total cost of the services.
- COMPETITION**—The programs broadcast over other stations parallel to one's own program.
- CONTINUITY**—The written form of a radio program.
- CONTROL ROOM**—A soundproof, windowed booth adjacent to the broadcasting studio wherefrom the directors and technicians may control the program.
- CO-OPERATIVE PROGRAM**—A network program sponsored in each station area by a local advertiser who usually pays for the time at local rates and shares the cost of talent *pro rata*.
- CO-SPONSOR**—An advertiser who shares the cost of a program with other advertisers.
- COST PER THOUSAND**—The cost in radio time and talent of a given radio program in reaching an average 1,000 of its listeners.
- COURTESY ANNOUNCEMENT**—An announcement crediting the advertiser whose time is "recaptured" by the broadcaster for use for a special program.

- COVERAGE**—The area in which a station or network of stations can be heard according to engineering standards.
- COW-CATCHER**—An isolated commercial announcement at the beginning of a program, which advertises a "secondary" product of the sponsor not mentioned in the program itself.
- CREDIT**—Commercial passages in the playing script which mention the advertiser or his product, or acknowledge sources and ownership of program material.
- CRI**—Columbia Records Incorporated.
- CROSSLEY**—A program's audience measurement rating; a generic term derived from Archibald M. Crossley, one of the early researchers in measuring radio audience.
- CROSS-TALK**—Interfering conversation on the broadcasting circuit originating at a point other than that of the program.
- CST**—Central Standard Time.
- CUE**—A signal to start or stop any element of a broadcast.
- CUT**—To stop abruptly the transmission of a program.
- CUT A RECORD, DISC OR PLATTER**—To make a recording.
- CYCLE**—A measure of audio or radio frequency.
- DAYTIME STATION**—One which leaves the air at sundown.
- DEAD AIR**—Silence, either deliberate or accidental.
- DEAD SPOT**—A location within the normal service area of a radio station where its signal is weaker than at other points in the same general location.
- DELAYED BROADCAST**—Postponed airing of a program by means of an instantaneous recording made from the network lines during the original broadcast.
- DIALINGS**—The number of telephone interviews attempted during a coincidental measurement of audience.
- DIARY METHOD**—A technique of radio audience measurement in which the radio family or individual listener keeps a diary-record of stations and programs listened to, and keeps it while the listening is going on.
- DIRECTIONAL ANTENNA**—An antenna designed to concentrate a station's signal in certain directions, reduce it in others.
- DIRECTOR**—The person who writes or rewrites, then casts and rehearses, a radio program, and directs the actual air performance.
- DISCOUNT**—A percentage reduction in the cost of radio time which may be granted from such economies as total of time,

size of network, frequency of broadcasts, prompt payment, et cetera.

DUPLICATED AUDIENCE—The audience common to two or more programs.

"802"—The New York local of the AFM.

ELECTRICAL TRANSCRIPTION—A form of high-fidelity recording made especially for broadcasting and allied purposes; its surface noise is very low.

EST—Eastern Standard Time.

EXTENSION—(a) The telephone wires or radio circuit which connect a remote originating-point with a tributary originating-point on the same premises, e.g., the program originates from the headquarters of Hoover Dam; the extension connects this point with a point at the centre of the dam-apron from which the scene is described. (b) The wires and other facilities which link an established terminating-station to a new terminating-station, either temporary or permanent.

FACILITIES—A general term describing the technical equipment of a radio station or a network; also, the stations of a network.

FACSIMILE BROADCASTING—A process of transmitting and receiving, by radio, graphic material such as pictures and printed matter.

FADING—The diminishing in volume of a broadcast signal.

FCC—Federal Communications Commission.

FEED—To transmit a program to stations or groups of stations.

FIELD STRENGTH—The measured intensity of the radio wave of a station at various points in its coverage area.

FILL—A program used to fill out a period of otherwise planned time.

FREE LANCE—Personnel not regularly employed but working on special assignments.

FREQUENCY—The number of vibrations or cycles per second in a given unit; also loosely used as a synonym for CHANNEL.

FREQUENCY MODULATION—A method of broadcasting to provide reception comparatively free of interference day and night to a service area now believed to be limited to about twice the radius to the horizon from the transmitter; usually called FM.

FULL NET—A program fed to all stations of a network.

FULL-TIME STATION—One licensed to operate twenty-four hours a day.

- GROUND WAVE**—The signal from an AM transmitter which follows the contour of the earth's surface.
- HIATUS**—A summer period, usually eight weeks, during which a sponsor may discontinue his program but thereafter resume his time period on the air.
- HILLBILLY**—A quasi-musical interpreter of regional folklore.
- HIT**—A light, momentary crash on a wire line caused by an outside disturbance—lightning, birds, slingshots, et cetera.
- HITCH-HIKE**—An isolated commercial for a secondary product (not advertised in the main body of the program) which is given a free ride by the sponsor after the end of the program proper.
- HOOK**—A program device used to attract tangible response from the audience; e.g., an offer, a contest, et cetera.
- HOOK-UP**—Two or more stations or two or more control points connected by wires.
- HOOPERATING**—A generic term for a program's audience-rating as determined by the C. E. Hooper, Inc., quantitative audience-measurement service.
- IDENTIFICATION**—The periodic announcement of the station or network to which the listener is tuned, such as: "This is Station WCBS, New York," or, "This is CBS . . . the Columbia Broadcasting System."
- INDEPENDENT STATION**—Of the 1962 licensed stations operating or building on January 1, 1948, only 18 are owned by networks. The balance of 1944 are independently owned stations, of which 1094 are affiliated with networks.
- INHERITED AUDIENCE**—The portion of a program's audience which listened to the preceding program on the same station.
- INSTANTANEOUS RECORDING**—A recording which may be played without further processing, usually made for reference purposes only.
- INSTITUTIONAL**—A program designed primarily to build good will, and confidence in the sponsor; secondarily, to build sales.
- INTERFERENCE**—Anything which interferes with proper reception of a station's signal, e.g., static from near or far storms, local electrical disturbances such as elevators, power lines, household appliances, et cetera, other stations' signals.
- KEY STATION**—The point at which a network's principal programs originate. There may be several.

- KICK BACK**—Any form of secret rebate on rates or talent.
- KILL**—To omit a part or all of a broadcast.
- KILOCYCLE**—1,000 cycles.
- KILOWATT**—A measure of power equal to 1,000 watts.
- LACQUER DISC(K)**—A disc, usually of metal, glass, or paper, coated with a lacquer compound (often containing cellulose nitrate) and used either for “instantaneous” recordings or lacquer original.
- LATERAL RECORDING**—One in which the sound groove causes the reproducing needle to move sideways.
- LEG**—A wire circuit which branches off the main line.
- LINES**—The special land wires or circuits linking as many as 150 or more stations to form a network. These lines distribute a program to the individual stations who broadcast it to their areas by radio.
- LISTENING AREA**—The area in which a station or network of stations is listened to by a measured number of families.
- LIVE**—A program actually performed by people, in contrast to a recording of a previous live performance.
- LIVE CAMPAIGN**—A series of programs or announcements by living performers as contrasted to recordings.
- LOCAL**—A program originating in a local station—as more than half of most stations’ programs do originate—or in the town in which the station is located, as contrasted to a network program.
- LOG**—A record kept by stations and networks of every minute of broadcasting, including errors; it is furnished to the FCC.
- LOOP**—A local telephone circuit between any two points.
- MAGNETIC RECORDER**—A machine, portable or fixed, which records sound on a reel of wire or tape.
- MAKE-GOOD**—An offer to an advertiser of comparable facilities as a substitute for a program or announcement cancelled because of an emergency; also, the credit extended in case comparable facilities are not available.
- MAKE LOCAL**—To identify the local station by broadcasting its call letters.
- MAKE SYSTEM**—To announce the network by name as a warning cue to the wire-line company to prepare the next hookup of lines, and as a reminder to the radio audience.
- MASTER**—The negative impression taken from an original sound

- recording which serves as the die from which further positives may be taken.
- MASTER CONTROL**—The focal point joining all studios in a station whence programs are relayed for transmission.
- MBS**—Mutual Broadcasting System.
- MEDIAN**—The middle item in a numerical list, of program ratings, for example, than which half the items are larger successively and half successively smaller.
- MEDIUM**—A communication channel through which messages may reach the public in substantial proportions at one time from a single point.
- MIDDLE BREAKS**—Station identification by an announcer in or near the middle of a program.
- MIKE**—Short for microphone.
- MOBILE UNIT**—A truck or trailer equipped with transmitting apparatus used to relay programs from remote points to the studio.
- MONEY-GIVE-AWAY**—A program which offers money or other premiums to persons who report listening to it at the moment of proof-of-listening.
- MONITOR**—A loudspeaker and its associated amplifier used in the control room to listen to the program being transmitted; also to stand vigil on a program as it is broadcast to see what it says, does, or sounds like.
- MOVING AVERAGE**—A statistical method used to highlight the trend in a chronological series and to lessen chance fluctuations. This often refers to the averaging of a current program rating with its next earlier rating.
- MST**—Mountain Standard Time.
- MUSICAL CLOCK**—A type of musical program, live or recorded, interspersed with time signals and commercials.
- NAB**—National Association of Broadcasters.
- NBC**—National Broadcasting Company.
- NEMO**—A broadcast picked up from a point remote from the studio.
- NETWORK**—Multiple radio stations linked by land (wire) lines.
- COAST-TO-COAST NETWORK**—a group of stations covering the whole or greater part of the United States; **REGIONAL NETWORK**—one covering a definite segment of the country; **SPLIT NETWORK**—selected stations of a network used to meet specific distribution problems.

- NETWORK TIME**—Broadcasting time on an affiliated station available for network programs.
- NIELSEN RADIO INDEX**—A reporting service for broadcasters and advertisers based on the use of the audimeter. Operated by the A. C. Nielsen Co., this service regularly reports program ratings, trends, and the amount and distribution of radio listening by periods of the day.
- ONE SHOT**—A single program which is not one of a series.
- ON THE AIR**—The actual period during which a broadcast is being transmitted; also of a program or performer actually broadcasting.
- ON THE LOG**—An entry in the studio record.
- OPEN-END TRANSCRIPTION**—A syndicated recording with time allowance at the beginning and the end to permit local commercial announcements.
- ORIGINATE**—To emanate a broadcast from a specific location.
- OUTLET**—A radio station which puts the program on the air.
- P.A.**—"Public address," an intramural loudspeaker wire system, used in studios, halls, battleships, parks, airports, and industrial plants.
- PACKAGE**—A special program or series of programs bought by an advertiser, usually for a lump sum, which includes all components, ready to broadcast.
- PARTICIPATING PROGRAM**—A single program sponsored by more than one advertiser.
- PART-TIME STATION**—One which is licensed to broadcast only at certain hours.
- PICKUP**—The origination point of a broadcast.
- PIPE**—To send a program from one point to another over a wire.
- PLATTER**—A phonograph record or transcription.
- PLAYBACK**—The playing of a recording for audition or reference purposes immediately after it is made.
- PLUG**—The mention of a name or program or advertised product; also, loosely, the commercial announcement.
- PRE-EMPTION**—Recapture by the broadcaster of an advertiser's time in order to substitute a special program of local importance.
- PRODUCER**—The individual—impresario, sponsor, or broadcaster—who originates and presents a program.
- PRODUCTION**—The building, organizing, and presenting of a radio program.

- PRODUCTION DIRECTOR**—The individual in the studio in charge of a program.
- PROFILE OF LISTENER REACTIONS**—A chart showing the average percentage of the listeners expressing approval, disapproval, or indifference, as recorded, second by second, by a program analyzer during the progress of a program.
- PROGRAM**—**COMMERCIAL PROGRAM**—one paid for by the advertiser; **SUSTAINING PROGRAM**—one supported wholly by the network or station and offered gratuitously in the public service by the station or network.
- PROGRAM ANALYZER**—A device with which listeners indicate by means of a pair of push buttons, their second-by-second reactions of approval, disapproval, or indifference to program material as they listen to it. Known as the Lazarsfeld-Stanton Program Analyzer, this device registers the reactions of the individual listener on a moving tape synchronized with the program.
- PST**—Pacific Standard Time.
- QST**—A teletype message sent to a group of radio stations; derived from the amateur term "query station time."
- RADIO FAMILY**—One of the 35,900,000 families, representing 93 per cent of all families in the United States, who own one or more of the 60,000,000 United States receiving sets. The term is used interchangeably with **RADIO HOME**, and is applied to the average family known to consist of 2.2 adults and 1.3 children under 18, and to be listeners to their radio(s) for more than 4 hours on the average day.
- RATES**—The time costs set up by a station or network, in terms of quarter-hour, half-hour, hour, and other periods, nighttime and daytime periods, and number of stations used. **GROSS RATE**—the prediscount rate; **NET RATE**—the postdiscount rate.
- RATING**—The percentage of statistical sample of radio families interviewed who report hearing a specific program.
- RCA**—Radio Corporation of America, parent company of NBC.
- RECALL**—A method of measurement of the number of people who remember listening to a program after the broadcast.
- RECORDING**—Making a permanent sound track of a program on a disc, film, or wire, for historical or critical purposes.
- REFERENCE RECORDING**—A recording made primarily for reference and verification.

- REMOTE PICKUP**—A broadcast originating outside the studio, viz., hotel ballroom, football field, et cetera.
- REPEAT**—The second presentation of a regular studio program for those stations not served by the original broadcast, usually due to time differences.
- RETURNS**—The amount of mail received as a result of a premium offer or other stimulus on a program.
- REVERSAL**—Changing the direction of flow of transmission in a program transmission channel, reversing the flow Los Angeles-New York to New York-Los Angeles.
- ROSTER STUDY**—A radio audience survey which helps the interviewed listener's recollection by showing him a list of programs he could have heard at a particular time.
- ROUND ROBIN**—A radio program circuit on the wires, forming a complete electrical loop, which permits instantaneous switching between major points of origination without using extra facilities.
- SAMPLE**—Usually used in radio to denote a segment of radio families or listeners, whose opinions, habits, and tastes are taken as representative of all such families or listeners in the area selected for examination.
- SCHEDULE**—(a) A program time table. (b) A plan for broadcasting. (c) A radio campaign.
- SCRIPT**—The pages of paper, usually typewritten, held by each performer, director, and technician producing a program; on the pages is the sequence of the talk, music, and sound.
- SCRIPT SHOW**—A program, essentially a dramatic broadcast, chiefly containing talk.
- SECTIONAL ANNOUNCEMENTS**—Splitting the network during a broadcast so that one section receives one announcement and the balance receives another announcement. Usually requires special line facilities and employs two announcers, simultaneously.
- SERIAL**—Any series of radio programs telling a continued story.
- SERVICE FEATURES**—The use of the station's facilities to offer the public regular human-routine services such as news, weather reports, time signals, et cetera.
- SETS-IN-USE**—The percentage of all radio families whose radios are turned on at a specific time.
- SHARE-OF-AUDIENCE**—The percentage of listeners tuned to a given station or program, based on the total of sets-in-use.

- SHOW**—A radio program, or broadcast.
- SIGNAL**—Any sound issuing from a station transmitter, irrespective of what is being broadcast.
- SIGNAL STRENGTH**—The measured strength of a radio signal at a given distance from the transmitter.
- SIGNATURE**—The musical number or sound effect which regularly identifies a program.
- SKY WAVE**—The signal from an AM transmitter that radiates skyward, in contrast to the ground wave.
- SOAP OPERA**—A patronizing term loosely applied to popular daytime dramatic serial programs because the early sponsors of these programs were soap manufacturers.
- SOUND EFFECTS**—Various ingenious and highly credible devices or recordings used to produce realistic sound.
- SOUND MAN**—The studio technician who produces, either manually or by recordings, the desired sound effects.
- SOUND TABLE**—A movable table for sound effect devices.
- SPLIT CHANNEL**—Two or more sections of a network transmitting different programs at the same time.
- SPLIT NETWORK**—A network divided into two or more practical market sections.
- SPONSOR**—One of the 50,000 or more advertisers in America who use radio to sell their products and services.
- SPOT BROADCASTING**—Programs or announcements broadcast independently by individual radio stations.
- SPOTS**—The time locations selected for spot broadcasting.
- STAND BY**—A substitute program ready "in the wings" to go on the air in any emergency; or, a command to performers to get ready to take the air.
- STATION**—A complete radio broadcasting unit. One of more than 1962 independent transmitting and producing organizations in the United States equipped to produce and broadcast programs serving their sectional areas of population.
- STATION-BREAK**—The interval between programs used for station identification, usually at the quarter-hour, half-hour, three-quarter-hour, or hour; also, the announcement broadcast during such an interval.
- STATION REPRESENTATIVE**—An organization or individual employed on a fee or percentage basis to sell a station's time to national advertisers.

- STRIP SHOW**—A serial program, after "strip" or serial cartoons.
- STUDIO**—A room especially constructed for the production of radio programs, which embodies acoustical elements in its construction, and is suitably equipped with microphones and an associated control room.
- STUDIO PROGRAM**—One which originates in a studio of a radio station, not outside or "remote."
- SUPPLEMENTARY STATION**—One not included in the network's basic group.
- SURFACE NOISE**—Noise, not usually agreeable, caused by the needle passing in the groove of a record.
- SWITCH**—To transfer a station or line from one source of program service to another; the switch is made either in a station's master control room, or on the telephone company's test board.
- TALENT COST**—The production cost of a program for music, actors, et cetera in addition to the time charge.
- TALK BACK**—(a) A loudspeaking device between the studio control room and the studio, enabling the producer to give directions to the cast of a production during rehearsals; (b) A telephone facility used to permit a remote originating point to hear predetermined cues and thus enable switches to be performed.
- TELETYPE**—To communicate from one point to another by teletypewriter circuit.
- TIME**—The period on the air available for a given program.
- TIME BUYER**—(a) The officer of an advertising agency responsible for making the proper selection of radio coverage to meet the requirements of the advertiser; (b) A buyer of radio time.
- TIME HOLDER**—A program sometimes substituted during the vacations of regular performers.
- TIME SIGNAL**—A service feature of local stations giving the correct time.
- TOTAL AUDIENCE**—The percentage of radio homes tuned to a specific program at some time during the broadcast.
- TRANSCRIPTION**—A recording of the highest quality especially made for broadcast purposes.
- TRANSMISSION**—(a) A program; (b) Emissions from audio or radio transmitting equipment.

TRANSMITTER—The electrical apparatus which transforms the audio frequencies to radio frequencies and then radiates them into the air for everybody to hear.

TURNTABLE—The rotating platform on which records are spun to play.

VERTICAL RECORDING—One wherein the sound groove causes the reproducing needle to move up and down or vertically.

WEB—A slang headline term for network, like “net.”

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