

J. WALTER THOMPSON COMPANY

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J. W. T. INCREASES ITS LEAD

Shows steady gain in magazine field

The J. Walter Thompson Company is not only maintaining its lead but is increasing it, judging by the latest report of the Publisher's Information Bureau. A study of figures in this report shows that the J. Walter Thompson Company is not only the oldest and largest, but is also one of the fastest growing of the leading agencies.

This report shows the standing of the fifteen leading advertising agencies in the order of their estimated revenue for the years 1923-1924 and for the first six months of 1925 in monthlies and the first five months in weeklies; based on their expenditure for display advertising in 30 leading magazines.

The figures in the report show that the J. Walter Thompson Company is not only the first agency in this list for 1925 as well as for 1924 and 1923, but that it is steadily increasing its superiority over the second agency. In 1923 it had in this field a lead of 29% over its nearest competitor. In 1924 this lead was increased to 92%. And for the first half of 1925 this lead has grown to over 107%.

On the basis of this report for the first half of 1925 the order of ranking of the fifteen leading agencies is as follows:

1. J. Walter Thompson
2. Lord & Thomas
3. F. Wallis Armstrong
4. George Batten
5. N. W. Ayer
6. Blackman Co.
7. Erickson Co.
8. H. K. Mc Cann
9. Erwin & Wasey
10. Barton, Durstine & Osborn
11. Theodore F. Mc Manus
12. Campbell-Ewald
13. Henri-Hurst & Mc Donald
14. Williams & Gunningham
15. Calkins & Holden

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MR. DUNNE'S ARTICLE IN JULY BULLETIN ATTRACTS ATTENTION

Requests for permission to republish Mr. Dunne's article on "The Trend in the use of Color" which appeared in the July News Bulletin, have been received from Advertising and Selling Fortnightly and from Libby Mc Neill & Libby for their house-organ, "The Pyramid." Several letters expressing interest in this article have also been received by the organization.

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LITERARY DIGEST CIRCULARIZES 18,000 PROSPECTS

Builds lists from telephone books, automobile registration lists and similar compilations indicating high average purchasing power

"Many people think that the solicitation of subscriptions by mail must be comparatively simple and inexpensive, but it is neither," said Mr. Ryan, advertising manager of The Literary Digest, in the course of a conversation with several members of the J. Walter Thompson Company last Thursday. Mr. Ryan was the guest of the Company at lunch in the New York Office.

"How do you build your subscription lists, Mr. Ryan?" asked one J. W. T. member.

"Largely from telephone books, automobile registration lists and similar compilations indicating a high average of purchasing power on the part of the consumer. That this is not a simple matter of copying becomes evident when it is remembered that some telephone books contain addresses from thirty or more post offices none of which are listed after the names. This entails a great deal of cross-checking with other directories etc.

"It is a big task. For example, we had 300 people employed for four months compiling prospect lists from the automobile registration lists.

"Our prospect list when completed contains some eighteen million names. It is revised every year.

Test campaign on list of 40,000

"Before we send circulars to the whole eighteen million we try a test campaign on 40,000 people - a number that we have found from experience to be ample for the purpose of our test. We divide this test list according to the population of the various parts of the country. New York, for instance, having one-twelfth of the population of the United States would be allotted one-twelfth of the names on the test list, and so on.

"We regard the returns from the test list as satisfactory when orders come in at the rate of from six to eight per thousand because the returns from our circularizing are not all direct returns. In fact, we regard the returns from these great circular mailings of ours as coming in various ways - in the form of subscriptions, newsstand sales and advertising for the future.

"In circularizing the eighteen million, we are not content with one circular but always send follow ups. We aim at circularizing each prospect at least twice and if possible three times during the year.

"Do you find that many of your subscribers renew their subscriptions, Mr. Ryan?"

"Yes, and we find that with each added year that subscribers have been on our lists there is an increasing percentage of renewals. Of those who have been on our lists for five years, ninety-one percent renew their subscriptions for the sixth year.

Campaign for Boy-Sales unsatisfactory in Big Cities

"How did your campaign for boy-sales progress, Mr. Ryan?"

"The results were by no means up to our expectations in the large cities. It was satisfactory only in the smaller towns where the boys know their neighbors. We expected to make a boy sale of from 300,000 to 400,000 copies a week and spent a million dollars on the campaign to do this. The boy sales, however, amount only to from 75,000 to 80,000 a week,"

Mr. Ryan then told some of the results of The Digest's "telephone investigation." In this The Digest asked the opinion of 40,000 telephone subscribers as to which one of ten leading magazines they preferred. The vote when totaled showed the ten magazines preferred and it was interesting to note that there were four women's magazines in the first ten.

"The investigation showed that the American Magazine, the Saturday Evening Post and The Literary Digest each had a larger family vote than all four of the women's magazines combined and it is reasonable to think that a general magazine has more members of a family reading it than a magazine edited for one branch of the family.

A comment was made by a member of the J. Walter Thompson Company to the effect that most women still had a prejudice against acknowledging that they read women's magazines, and that it was therefore doubtful if such returns as Mr. Ryan quoted could be accepted at any thing approximating their face value.

One interesting result of an investigation made among Digest subscribers was that it showed that there are slightly more women than men reading The Literary Digest. At intervals of several years beginning 1911, The Digest has sent a letter to its subscribers asking them the direct question, how many women in your family read The Digest?

The percentage of 1.44 was the result of the first investigation and each investigation since has shown that the percentage has risen a few points, the last figure being 1.66.

This is not an extraordinary figure and is of interest chiefly because it shows us that the number of women reading The Digest is steadily increasing.

Front Cover in color helps sales

Mr. Ryan later spoke of the good results which The Digest had noticed in its circulation increase since it had commenced using on its front cover reproductions in color of attractive paintings in place of mere odd designs. The Digest has received more letters from subscribers during the last twelve months commenting on the cover designs than were received in all the preceding years during which color printing has been used. The Digest has definitely found out that front cover illustrations printed in four colors had a far greater attention value than the old covers printed in two colors.

"The fact that the front cover in four colors pleased the subscriber makes the outside back cover a better advertising purchase and in my opinion it

has always been the best advertising purchase in The Digest," said Mr. Ryan. "Next to the back cover the best place for color advertising is in the four color text pages bound in the center of the magazine.

A note regarding The Digest's requirements for these four-color pages will be found elsewhere in this issue.

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RAILROAD ADVERTISING CREATES GOOD -WILL PUBLICITY

For Pacific Northwest Campaign

We have just sent to the Burlington railroad seven large volumes of press articles relating to the Pacific Northwest Advertising Campaign published in the newspapers of the Northwest, writes the Chicago Office. Approximately 50,000 column inches of news articles and editorials bearing on this campaign since it started two years ago, are included in these volumes. Since none of the advertising was placed in publications of the Northwest, where these articles appeared, this is an especially strong testimonial to the good-will created in that community by this advertising campaign. The names of the three railroads sponsoring the campaign - Burlington, Great Northwest and Northern Pacific - are carried in most of the articles and in nearly every case they are mentioned in a way to praise the work they are doing in behalf of the Pacific northwest.

In transmitting this remarkable exhibit of good-will publicity, Mr. McQuinn wrote:

"This seems to us a very impressive exhibit and we believe you will wish to preserve it as a record of an extremely important phase of the Pacific Northwest campaign. In our opinion it represents an outstanding achievement of an American system of railroads in cultivating the good-will of the people in their territory.

The clippings in these volumes amount to approximately 50,000 column inches of space. At display rates this space, estimating conservatively, would cost \$50,000. At reading notice rates, with which it more nearly compares, that amount of space would cost between \$100,000 and \$200,000. It should be borne in mind that these articles were secured by only one clipping bureau and it may be fairly concluded that a great many more which appeared are not included in this record."

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Household Guest, which ceased publication with the May 1925 issue, has been purchased by Mother's Home Life Publishing Company of Chicago and will resume publication commencing with the October 1925 issue. This is one of the small town mail order publications. Its publishers guarantee for it a net circulation of 400,000.

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CUT OUT AND KEEP THIS MEMORANDUM

It shows color rates and requirements of three leading publications

Since there is occasionally some misunderstanding as to the color rates and color requirements of the Literary Digest and the Saturday Evening Post, the Media Department of the New York Office has prepared the following memorandum giving details regarding them, together with a note on the Ladies' Home Journal requirements for color pages.

Literary Digest

The Literary Digest has a four page four-color section bound in the centre of each issue. It sells these four-color text pages at \$6,000 per page in units of 13, one page to be used every four weeks. It gives as position to buyers of these pages, the first and last pages in alternation of this four page section, and limits the advertisers to the use of two such pages per issue. It sells the four color center spread in this issue for \$12,000. It sells these center spreads in units of 6 or 13, one every eight weeks or one every four weeks.

Its price for back covers in four colors is \$8,000.

For two-color text (non-cover) pages, the Digest charges \$5,000 per page. It sells these in units of 13, 26, or 52 insertions.

It sells inside covers in units of 6 or more at the rate of \$6,000 for each insertion in four colors and \$5,000 for each insertion in two colors.

Saturday Evening Post

The following is compiled from a letter from the Curtis Publishing Co. in response to our request for an official statement of their requirements:

All two and four color single pages are sold in units of thirteen, to be inserted at regular four week intervals. In the case of two-color, if a basic schedule of thirteen color pages is used, additional two-color pages over and above the original thirteen can be purchased in any number and on any dates desired.

In the case of four-color pages only units of thirteen are sold.

Two pages facing in two-color work can be bought singly or in as many units as may be desired, and with or without a supporting color schedule. These units were designed to be used both by the continuous advertiser who wants dominating space, and by the advertiser who has serious seasonal requirements which make it advisable for him to put on unusual advertising pressure at certain times of the year.

The rate per page for two-color is \$8500, for four-color, \$10,500 per page.

Ladies' Home Journal

The Ladies' Home Journal accepts only color pages in four colors. It does not carry two color advertising. If any advertiser should insist upon two colors he would have to pay the regular rate for four colors.

This publication requires, as a minimum, that a total of six four-color pages be used within a year, that is, within any twelve month's period. For example, if a schedule is contracted for March, April, May, September, October and November of one year, an order for three pages to run the following spring will be accepted. Then when the following autumn comes if the advertiser does not wish to use more space he is, of course, under no obligation to do so.

In conclusion it should be said that in most magazines other than those we have just considered, and particularly in those in the women's groups, two and four color advertisements can be bought in any number desired.

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COLLIER'S WILL HAVE FOUR-COLOR PRINTING

Effective with the September 19, 1925, issue Collier's will have four-color printing.

These four-color pages will appear every fourth week and will be limited to four pages per issue. The paper used will be coated stock, the same grade as is used in the Woman's Home Companion. These four color pages will be printed in the Crowell plant on new Cottrell Multi-color Rotary Presses.

The closing date will be two months prior to the date of issue. The rate for the present will be \$5200. per page, subject to change without notice.

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FARM PRODUCTS SHOW INCREASE IN PRICE

In view of the importance of the price of agricultural commodities as an index of future business conditions, the following item, which was given a display position in a recent issue of the Breeders' Gazette, has more than passing interest:

"Best Cattle at Chicago yards last week, \$14.50; same week last year, \$11; bulk of fed cattle last week, \$10.50 @ 13.50; last year \$9. @ 10.50! Best Hogs last week, \$14.60; last year, \$7.65! Best lambs last week, \$15.75; last year \$14.15! That's all."

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