

November 26, 1926

NEWS-LETTER #160

NATIONAL OUTDOOR ADVERTISING BUREAU

The records show that the outdoor advertising placed by the Bureau has increased enormously in the eight years it has functioned. This is of course very gratifying from the point of view of the Bureau and naturally the agencies who are members of the Bureau. In 1926 the Bureau will bill more than \$15,000,000. in posting and paint. To show the growth in the work of the Bureau since it first began to function we give the following figures for posting and for paint for the years 1919-1926 inclusive.

	<u>Posting</u>	<u>Paint</u>	<u>Total</u>
1919	\$ 574,000.	\$ 505,000.	\$ 1,079,000.
1920	908,000.	1,756,000.	2,664,000.
1921	1,160,000.	1,773,000.	2,933,000.
1922	2,241,000.	2,375,000.	4,616,000.
1923	4,111,000.	3,103,000.	7,214,000.
1924	5,413,000.	3,624,000.	9,037,000.
1925	8,141,000.	3,938,000.	12,079,000.
1926 -- first nine months*	8,482,000.	2,668,000.	11,150,000.

*The total for 1926 will be over fifteen million dollars because the last three months of the year run considerably higher than the first three months of the year particularly for posting.

The outdoor advertising situation is quite different from periodical advertising. It is roughly estimated that there is space for an annual total of approximately seventy-five million dollars worth of recognized standard paint and posting through all methods and agencies for placing. Of this approximately 75% are filled year in and year out by regular customers. This leaves only 25% for new and irregular customers. The problem is of course to fit in the 25% of volume in the cities and towns and months desired. This presents a tremendous difficulty and while the Bureau advertising amounting to fifteen million dollars for 1926 represents a 25% gain over that of 1925 it also indicates that the Bureau is functioning in a highly efficient manner. As a matter of fact, if all the space requested by the Bureau for 1926 had been available in the right cities and months desired by advertisers, we are informed that the total for 1926 would have been close to seventeen million dollars instead of fifteen million dollars. This shows the necessity for placing outdoor advertising orders as early as it is possible to do so in order to insure the getting of the space where and when it is desired.

Because most of us are probably more familiar with the cost of magazine and newspaper advertising it may be well to show the cost of posting and paint in a few of the largest cities of the country. For this purpose we outline on the attached sheet in tabular form the cost of a representative showing of 24 sheet posting in the fifteen largest cities in the country. Below this we show the cost of paint showing in these same cities.

24 Sheet Posting

Representative or Half Showing

<u>City</u>	<u>Pop. by thousands</u>	<u>No. of Posters</u>				<u>Cost per month</u>
		<u>Reg.</u>	<u>Ill.</u>	<u>Spec.</u>	<u>Total</u>	
Greater N.Y. City	6,921.7	278	32	98	408	\$6,828.80
Chicago	2,995.2	108		42	150	2,312.40
Cleveland (H.H. Packer Co.)	936.5	40	30		70	1,362.00
Buffalo	538.0	32	28		60	1,229.60

Paint

Displays designed to approximate the coverage of a representative showing of 24 sheet posting.

<u>City</u>	<u>Ill. Bul.</u>	<u>Non-ill. Bul.</u>	<u>Walls</u>	<u>Total</u>	<u>Cost per month</u>
New York City	8	69.	59	136	\$5,300.00
Chicago	6	17	55	78	3,100.00
Cleveland	6	6	26	38	1,580.00
Buffalo	7	14	8	29	960.00

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SOME INTERESTING P. R. R. STATISTICS

As the greatest carrier of freight and passenger traffic in the United States, the Pennsylvania Railroad's contribution to the public service in 1925 was equivalent to moving one ton of freight a distance of 45 billion miles or approximately 500 times the distance from the earth to the sun, and to moving one passenger a distance of almost $6\frac{1}{2}$ billion miles.

To perform its gigantic task in transportation, hundreds of trains are moving over the Pennsylvania Railroad every hour of the day and night. Cars and locomotives are the instruments by which railroad transportation is actually accomplished and, in view of the service the Company performs, it is not surprising that the Pennsylvania owns more passenger and freight cars and more locomotives than any other railroad in the country.

The company had in its equipment on December 31, 1925, a total of 7,347 locomotives, constituting 11.55 per cent of the aggregate number of locomotives owned by all Class I railroads. It had 271,318 freight cars, or

11.26 per cent of the total, and 8,121 passenger train cars, or 14.87 per cent of the total.

The Pennsylvania was the first to introduce in the United States the use of the steel rails, the first order having been placed in England in 1862 by J. Edgar Thomson, then president of the company. The first sleeping car used in the United States was placed in service on what is now the Cumberland Valley Division, between Chambersburg, and Harrisburg, Pa., in 1837; the first train equipped with air brakes was the Steubenville Accommodation, operated out of the Pennsylvania Station, Pittsburgh, in 1868; the Pennsylvania was first to adopt, in 1906, all-steel construction as standard for all types of passenger equipment cars. The all-steel hopper gondola was introduced in 1898.

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A NEW MAGAZINE ANNOUNCED

Beginning with a January issue a new magazine to be called "The Sportsman" will be published in Boston. Its publishers statement of its platform is as follows:

"The editors of 'The Sportsman' dedicate it whole-heartedly to the conviction that sport is something done primarily for fun. That it ceases to be sport when it becomes a business, something done for what there is in it. That amateurism is of the heart and spirit - not a matter of social distinctions or technical qualifications. That the good manners of sport are fundamentally important. That the code must be strictly upheld. That the whole structure is kept from absurdity and undue importance only by a kind of underlying romance and by the positive virtues of courage, patience, good temper and unselfishness, which are demanded by the code - in a word, by the preservation of the spirit of play. That the exploitation of sport for profit kills the spirit and retains only the husk of sport itself. That the qualities of frankness, courage and sincerity which mark the sportsman in private life shall mark all discussions of the sportsman's interests in this paper. And the editors undertake that neither fear nor favor shall temper an absolutely straight-forward policy of discussing all sporting matters on their merits."

Fourteen nationally famous amateur sportsmen are stated to be members of the Advisory Board. The subscription price will be \$6 per year and the circulation to start 10,000.

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FURTHER COMMENT ON "VILLAGE POPULATION"

Mr. Cherington has just received a letter of comment on two articles in the November issue of the "News Bulletin". This letter was written by Graham Stewart, advertising director of "People's Popular Monthly" of Des Moines. It contains some interesting comment on the distribution

of population in this country and also on the magazine analysis made by the American Association of Advertising Agencies. A portion of the letter follows.

My dear Mr. Cherington: I read with unusual interest your article in the November bulletin, "Where Are you Going - My Pretty Market?" I also was much interested in the article, "Nearly Thirteen Million Americans Live in Villages". I assume that this article also was inspired by your own study of Fry's book.

Some weeks ago I went over this carefully, and was very much disturbed to find that even though he had gone through intricate processes to find out just how many Americans did live in villages of less than 2,500 population, yet he had failed to tabulate it in a way to give full credit to the village population.

One would have thought that he would have used the method we used when the farm population figures came out a year or two after the 1920 Census. The very simple method of finding out exactly how many people live in towns under 2,500, whether they be incorporated or unincorporated towns, was to deduct from the 1920 Census rural figures, (towns under 2,500 and on farms), the new actual farm figures, state by state, and thus have left the number of people living in villages.

Of course, the reason I am concerned about Fry's figures is because he shows the village population up as only twelve or thirteen million, when, as a matter of fact, there are almost twenty million people living in villages.

I am sure that you have been studying with unusual interest the Daniel Starch A.A.A.A report. Undoubtedly you have drawn a group of conclusions as will also different men in your organization. But, I am sure that you have concluded that Classes B and C, (about 22,000,000 families), really constitute the great mass market for food products, and other products not in the distinctly high priced luxury class. The two million families in the A and AA classes mean comparatively little in the successful merchandising of popular priced products.

If this premise is correct as to the importance of classes B and C, then a study of the coverage of the six to ten so-called big national magazines, (the six women's publications, plus, we will say, Saturday Evening Post, Literary Digest and American), shows that these magazines would give a good coverage of classes A and AA, but very poor coverage (only a little more than half), of classes B and C.

Another significant thing to us was that magazines such as ours have as high a proportion of our circulation in classes B and C as those we sometimes term as the "high-brow" magazines. For instance, we have a total of practically 90% of our circulation in classes B and C to Ladies Home Journals 81%. Not having as large circulation, however, we do not give as large proportional coverage.

But what we are hoping is that advertisers in their desire for greater coverage for B and C, will supplement their big magazine schedules with magazines such as ours, so as to round out this B and C coverage, or, in the case of products which might be aimed particularly at classes B and C, they might select our kind of a magazine instead of those that have the higher percentages in classes A and AA. At that, we have about half as large a proportion of our circulation in A and AA, as Ladies Home Journal.

It really was very interesting to me to know how nearly the same all the mass magazines were in their proportion of circulation in the B group. And how nearly they all came to the number of people in the nation actually classified as class B people.

I cannot but believe that this study will increase the respect of all advertising men in the value of village magazines to reach the group of Class B and C people, who fill the villages of the nation.

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C O R R E S P O N D E N C E

HARVARD UNIVERSITY

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION

J. Walter Thompson Company
244 Madison Avenue
New York, N. Y.

Gentlemen:

For some time I have been receiving the J. Walter Thompson News Bulletin and have found it helpful in my course in Advertising.

I am wondering how extensive your distribution of this book to collegiate schools of business has been. As chairman of the Committee on Teaching Materials of the National Association of Teachers of Marketing and Advertising I know that its members are very desirous of receiving material of this kind. The Association would feel grateful indeed if you sent this material

J. WALTER THOMPSON COMPANY

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to its active members. If you are in a position to cooperate in this way I shall be glad to send you a list of our members. You could then check off those institutions which are now on your mailing list.

Yours very truly,

Neil H. Borden

Assistant Professor of Advertising

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