SALES UPSURGE

AN UPSURGE of new business on the four major radio networks in recent weeks has accounted for sales of 15 hours and 35 minutes per week of regular schedules as well as 10 1/4 hours of short-term “saturation” campaigns in January and early February.

These figures do not reflect the addition of three sponsors to NBC’s “Operation Tandem,” the array of five programs per week in which a number of advertisers buy participation.

Nor do they include the numerous renewals of existing schedules that have been recorded in the past few weeks.

The spurt in new business created a new air of optimism among the radio networks, which toward the end of 1950 were not in a particularly rosy frame of mind. Except for CBS, which increased its gross radio billings, the major networks suffered declines in 1950 below the levels of 1949.

It also seemed to contradict a belief existing in some quarters a month ago that advertisers intended to ignore network radio as long as present rates prevailed.

Proof of Radio Power

In announcing nine new sales, John K. Herbert, vice president and general sales manager of NBC’s radio network, said the increase in business was “concrete proof that alert advertisers are cognizant of radio’s unequalled circulation during changing conditions as well as normal times.

“The importance of staking out a franchise on radio time is clear to them,” Mr. Herbert said, “and I’m sure that radio’s effectiveness today will draw even more advertisers than ever before.”

A survey of spot radio business activity by Broadcasting • Telecasting last week showed that advertisers were active in that element of the industry, too. Station representatives reported spring spot campaigns were emerging from the planning stage and sales were at a high level.

It generally was agreed that unless an unforeseen slackening of sales in both network and spot radio developed, the question of radio rate cuts was destined to lie dormant.

Seven news programs were included in the recent network sales, including a record-setting schedule of five five-minute newscasts, five days a week bought by B. T. Babbitt Inc. on Mutual.

The sponsor interest in news programs was considered a natural consequence of the growing public interest in such shows since the outbreak of the Korean War. As long as the international crisis continues unabated, network executives believe new programs are bound to hold large audiences.

By networks the new time sales within the past month were:

**ABC**
- MARS Inc., three weekly half-hours; Buick Div. of General Motors, six half-hours in January; U. S. Army and Air Force, weekly half-hour.
- Bystart Inc. (Tintair), weekly half-hour; Campeza Sales Corp., weekly five-minute newscast; Chamberlain Lotion, weekly five-minute newscast; Ferry-Morse Seed Co., weekly quarter-hour; General Foods, weekly 45-minute and five-a-week five minutes; Sterling Drug, weekly quarter-hour; Colgate-Palmolive-Peet, five-a-week quarter-hour; Sonotone Corp., weekly quarter-hour; Wildroot, weekly half-hour; Plymouth Div. of Chrysler Corp., three half-hours in January; Chrysler Div. of Chrysler Corp., three half-hours in January.

**CBS**
- P. Lorillard (Old Gold), five-a-week quarter hour; Kraft Foods, twice-a-week quarter-hour and twice-a-week five-minute; U. S. Army, weekly half-hour; Brewing Corp. of America, weekly quarter-hour; Kellogg Co., three-a-week five minutes and three-a-week 25-minutes; Pearson Pharmacal Co., weekly quarter-hour; B. T. Babbitt, five-minutes, five times a day, five times a week; Hadacol, half-hour one-shot; Benjamin Moore Paint Co., weekly quarter-hour; Dicograph Products Inc., 3 1/4 hours in January-February.

**NBC**
- Pepsi-Cola, weekly 25-minutes; Liggett & Myers, Operation Tandem (spot sponsorship of five-a-week programs); U. S. Army and Air Force, Operation Tandem; Buick Div. of General Motors, Operation Tandem for one week; American Tracking Assn., weekly half-hour; Mutual Benefit Health and Accident Assn., weekly quarter-hour; Dubbley & Co., weekly quarter-hour; Norwich Pharmacal, 15 minutes; TWA-Trans-World Airlines, weekly half-hour; E. R. Squibb, weekly hour.

The HIGH cost of living and of government has affected even the so-called Washington “five percenter,” who is upping his ante to 7 1/2 percent.

On unimpeachable authority, Broadcasting • Telecasting has learned of a “seven and a half percenters” who has been doing some side-stepping in the electronics equipment field. Obviously, identities cannot be revealed. But the story, as reported by those immediately involved, is of paramount importance to electronics and other manufacturers who seek government contracts.

It started in a northeastern section of the U. S., where an electronics equipment manufacturer, who has been doing business for nearly 30 years, submitted a bid for a U. S. Navy contract. Within the past fortnight, the firm sent a representative to Washington to be present at the opening of bids submitted.

At that time, he learned his company’s bid was the lowest submitted. However, a “Mr. X,” as we shall refer to him, informed the representative that another firm, located in a large city, had a bid, appropriately sealed, in the mails. “Mr. X” claimed it was lower than that of the electronics equipment firm.

‘Deal’ Outlined

But, “Mr. X” declared, the large city firm’s contract could be “retracted” if the original low bidder would acquiesce to give him “seven and one-half percent of the contract price” and appoint him and his associate, located in New York, as “agents” for the firm. “Mr. X’s” brief included offers of (1) arranging the contract so that a higher price could be asked from six half-hour network programs in January; U. S. Army and Air Force, through Grant Adv.—Ralph Flannagan’s Band, Monday, 10:10-10:30 p.m. and (2) advancing information on contracts to be offered in the future to the government and (2) obtaining advance information on contracts to be offered in the future.

The manufacturer’s representative lifted eyebrows at the mention of “retracting” a bid to be submitted to the government, for a contract. He contacted his office and got an indignant reaction with the order that all the firm wanted was to keep the contract, not play with it or any self-styled agent.

Meanwhile, the firm did some checking of its own. It found (1) the “percenter,” who showed credentials placing him as an agent for certain other firms both now and during World War II, actually did have some apparent “contacts,” and (2) the firm alleged to have a lower bid, and whose bid would be withdrawn, actually was asking a figure three times that of the man.

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