

1,201,510
300,500
39,500
1,541,510

SUMMARY

1955 Advertising

	1955	1954
Paint	\$1,201,510*	\$1,277,182
Pacific Coast Branch	300,500*	310,000
Schorn Paint	39,500*	39,500
Metals	150,552	131,810
Baroid	199,241	185,529
Titanium Pigment	88,950	101,000
Doehler-Jarvis	73,550	73,550
Magnus	59,940	84,351
Titanium Alloy Mfg.	50,000	45,060
Chas. Taylor Sons	22,250	20,000
Chemicals	34,750	28,200
De Lore	7,800	5,500
American Bearing	2,000	2,000
Texas Mining & Smelting	250	687
St. Louis Smelting & Refining	250	100
	<u>\$2,231,543</u>	<u>\$2,304,969</u>

* Already approved by Executive Committee

1043

1,541,510
683,297
2,224,807

2,231,543

NL 000039875

689,533
6236
7,83,297

1955 Advertising

Metal Products

	1955	1954
Trade Paper Space	\$ 42,587 ✓	\$ 32,250 ✓
Preparation Costs	10,800 ✓	8,000 ✓
Booklets & Folders	19,000 ✓	19,000 ✓
Trade Shows	15,000 ✓	11,500 ✓
Blatchford Division	5,500	5,000
Branch Expense	31,165	32,560
Art Work & Plates	3,000	3,000
Salaries	18,000	17,000 ✓
Travel Expense	2,000	----
Contingency Fund	3,500	3,500
	<u>\$150,552</u>	<u>\$131,810</u>

Comment:

Advertising for metal products includes:

- Automotive Solders ✓
- Industrial Solders ✓
- Chemical Lead Products ✓
- Cinch Anchors ✓
- Honeycomb Base ✓
- Type Metals ✓
- Lead Shielding ✓
- General Metal Products ✓

It is well recognized that the above products are sold in highly competitive markets. It is therefore important that we maintain our position promotion-wise in relation to our chief competitors. This proposal is aimed at doing just that.

The chief differences over this year's expenditures are due to increases in space rates and preparation costs as well as some extra advertising effort on automotive products, honeycomb base, industrial solders, cinch anchors and lead shielding. Also involved is participation in additional trade shows which provide excellent opportunities to contact prospects in a most effective way.

Baroid Division

	<u>1955</u>	<u>1954</u>
Trade Paper Space	\$ 53,116	\$ 63,204
Preparation Costs	26,800	31,925
Radio Program	✓ 17,000	----
Classified Directories	5,000	5,000
News Bulletin	29,000	28,000
Product & Service Bulletins	16,700	12,000
Drilling Muds Magazine	12,600	6,500
Distributors Lists	3,000	3,000
Memo Pads	10,125	8,000
Salaries	18,000	19,000
Contingency & Misc.	7,900	8,900
	<u>\$199,241</u>	<u>\$185,529</u>

Comment:

The proposed program covers trade advertising for all of Baroid's products including Bentone for greases and Bentonite.

In relation to the trade paper space Mr. Don Fowler, advertising manager, states:

"Even though we have added five publications to the advertising schedule for mud sales we are able to show a reduced overall budget despite an average 13% space rate increase because:

1. Four publications were dropped from the Bentone schedule.
2. Total number of pages was reduced in eight publications.

"Although we will use less pages we will gain 42% more reader impressions by use of a wider variety of ads in a greater number of issues of a longer list of magazines. The publications added to the list are regional magazines. Studies within our market indicated a need for specialized messages to specific geographical areas. By using regional publications we can tailor our ads for specific areas and have greater flexibility in the advertising campaign."

An important item of the proposed budget is the \$17,000 for a special radio program. In explanation of this Mr. Fowler has this to say:

"This is a new budget entry and at first consideration may appear incongruous with Baroid's selling activities and market. The following paragraphs outline briefly some of the factors influencing the decision to use radio as a medium of customer relations.

"Studies within Baroid's market have indicated a need for improving customer relations. The oil industry has long recognized the need for selling the petroleum industry to the general public and they are spending millions of dollars annually in this effort. This is particularly true at the present time in view of possible legislative action affecting depletion allowances as well as certain anti-trust suits brought against some of the oil companies. The primary objective of Baroid's radio program is, naturally, to sell Baroid to the oil companies. However, this program as planned involves a somewhat subtle approach. Rather than trying to commercialize Baroid on the radio show we, too, are joining forces with the petroleum industry in its efforts of selling the industry to the general public. We hope to create the impression in the oil industry that Baroid, a supplier, recognizes the need for a strong and prosperous petroleum industry and has voluntarily lent support to the industry's public relations efforts. Briefly, here is the story.

"As a service to oil men and laymen of the Houston area, Baroid, a division of National Lead Company, has inaugurated a series of programs on KXYZ Radio to be known as "Oiltown, U.S.A."

"These programs will be heard each evening at 5:45 - 5:55 P.M. - Monday through Friday. They will entail three distinct parts:

1. The latest news of the oil industry.
2. Commercials that will be institutional in type. Salutes to the firms of the oil industry, the contributions of oil and the problems of the oil industry in today's competitive market. And, of course, an explanation of Baroid's purposes in bringing this program to the air.

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3. A salute - 'A Portrait in Oil' - of one of the men who has contributed much to the greatness of the industry. This will be a biographical sketch lasting about four minutes.

"After each show the biographical sketch will be put on a record and presented to the man who was saluted. It will be put in an attractive folder and be delivered to the man in person by someone from Baroid. This follow-up is where the program has a good chance of paying off for Baroid. Conversational feelers sent out by Baroid and KXYZ personnel indicates that this program will be well received by the industry. "

For the second consecutive year advertising matter put out by Baroid received a national award in the Direct Mail Advertising Association's annual contest.

1955 Advertising

Titanium Pigment Division

	<u>1955</u>	<u>1954</u>
Trade Paper Space	\$43,700	\$ 51,875
Preparation Costs	20,000	23,525
Convention Souvenirs	9,000	9,000
Sales Promotional Literature	15,500	15,850
Miscellaneous	750	750
	<u>\$88,950</u>	<u>\$101,000</u>

Comment:

The reason for the approximate \$12,000 reduction is the dropping of advertising in Chemical and Engineering News. This magazine was used this year to introduce several new products, a program which is now felt to be successfully completed. Otherwise, the fields to be covered remain the same as this year.

Once again I want to comment on the unusually effective advertisements turned out by this division.

Doehler-Jarvis Division

	1955	1954
Trade Magazine Space	\$45,400	\$43,250
Preparation Costs	6,700	7,500
Booklets	5,000	5,500
Direct Mail	3,500	3,500
Trade Shows	11,200	12,300
Motion Picture Service	1,000	1,500
Miscellaneous	750	---
	<u>\$73,550</u>	<u>\$73,550</u>

Comment:

The trade advertising program is essentially a continuation of the one proposed for 1954, except for the addition of one magazine to the list to reach 25,000 more prospects in the engineering and design field. Of course, the 1954 program was curtailed during the Fall by about \$19,000.

However, it is our considered opinion that in spite of Doehler-Jarvis's leading position in the die casting field it is most important that they continue to set forth their advantages in service, production facilities and general know-how. Not only is there a job to be done in retaining and expanding present markets but the even more important objective of developing new ones.

Magnus Metal Division
Magnus Brass Division

	1955	1954
Trade Paper Space	\$29,100 /	\$36,989
Preparation Costs	6,000 /	12,400
Railroad Magazines	4,290 /	4,662
Direct Mail	7,000 /	16,250
Department Expense & Salary	11,550	11,550
Contingency Fund	2,000	2,500
	<u>\$59,940</u>	<u>\$84,351</u>

Comment:

In submitting this proposed budget, Mr. R. G. Altizer, advertising manager, makes the following comments:

"Reduced carloadings and revenues have caused railroads generally to defer or curtail all but the most necessary expenditures for new equipment and maintenance. For this reason, persistent efforts have been made during the current year to minimize advertising costs in every reasonable way. Actual expenditures for Magnus advertising during 1954 will reach approximately \$65,000 - or about \$20,000 less than authorized by the approved budget.

"During 1955, a further curtailment in advertising expenditures is being scheduled - despite a 20% increase in rates by Modern Railroads and a 10% increase in rates by Railway Locomotives and Cars, two of the major publications that Magnus uses. Principally this will be done by elimination of a second color in all space advertising, resulting in savings of about \$3,300 in actual space costs as well as comparable savings in production costs - art work, engravings, electrotypes, etc. Also, during 1955 a single campaign will include all diesel locomotive products and specialties. In effect, this move will combine our traction motor bearing campaign with the Magnus Brass campaign, and will eliminate the need for a separate 1955 budget request for the Magnus Brass Division. Savings should be approximately \$1,500.

"Our screen plate advertising budget request for 1955 is also reduced to some extent. It is contemplated to use 1/4 page advertisements for this

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product throughout 1955 rather than 1/2 page advertisements as during the current year. This will result in savings of about \$1,000.

"It should be pointed out that the sizeable reductions in advertising expenditures, both during the current year and for 1955, are not expected to hurt our competitive position with respect to freight car roller bearings. Because of the higher cost of roller bearing freight cars, present conditions will not work to the advantage of the roller bearing. In the meantime, Magnus will continue all vital elements of the current campaign for solid-type bearings with the view of further solidifying our competitive position in this important market. "

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1955 Advertising

Titanium Alloy Mfg. Division

	1955	1954
Trade Paper Advertising	\$34,500	\$29,560
Monthly Reminders	10,000	10,000
Trade Shows	3,000	4,000
Printing	1,500	1,500
Contingency Fund	1,000	---
	<u>\$50,000</u>	<u>\$45,060</u>

Comment: *43768*

This is practically the same program as this year except for increased insertions in Scientific American. Part of the increase is also due to rate increases.

Advertising is done in the ceramic, chemical, metallurgical and welding fields. Also, to technical people primarily interested in research and development.

Chas. Taylor Sons Co.

	1955	1954
Trade Paper and Directories	\$18,000	\$14,500
Direct Mail	1,750	1,500
Sales Literature	2,500	4,000
	<u>\$22,250</u>	<u>\$20,000</u>

Comment:

Advertising in the glass, ceramic, steel and metallurgical markets is on practically the same basis as this year. Increased insertions in three magazines are recommended.

NL 000039884

1955 Advertising

"Dutch Boy" Chemicals

	1955	1954
Trade Paper Advertising	\$23,500	\$20,500
Preparation Costs	7,500	5,000
Directories	2,750	1,200
Foreign Advertising	1,000	----
Contingency Fund	----	1,500
	\$34,750	\$28,200

Comment:

This program includes advertising of stabilizers, plasticizers and the Bentones in the various fields to which they are adapted. Substantially it is the same program as this year except for adding one publication to advertise BEN-A-GEL.

The increase in directory advertising is actually a decrease over this year since the amount budgeted (\$1,200) was less than actually proved to be necessary.

De Lore Division

	1955	1954
Trade Paper Advertising	\$4,500	\$3,000
Trade Directories	300	500
Calendar Cards	2,000	1,000
Advertising Pencils	1,000	----
Handbook	----	1,000
	\$7,800	\$5,500

Comment:

Actual 1954 expenditures by DeLore will be about \$7,400 due to unanticipated items. This budget, therefore, represents a continuation of this year's program.

1955 Advertising

American Bearing Corp.

	<u>1955</u>	<u>1954</u>
Trade Paper Advertising	\$2,000	\$2,000

Texas Mining & Smelting Division

	<u>1955</u>	<u>1954</u>
Local Advertising	\$ 250	\$ 687

St. Louis Smelting & Refining Division

	<u>1955</u>	<u>1954</u>
Local Advertising	\$ 250	\$ 100

Master Metals Inc.

Evans Lead Division

Both these units reports they did no advertising in 1954 and plan none for 1955.