

SUMMARY

1958 Advertising

	1958	1957
Paint	\$1,253,000*	\$1,178,145
Pacific Coast Branch	372,500*	381,400
Schorn	30,000*	29,600
Hawaiian Island	10,500*	14,400
Metals	65,000	86,000
Pigments - M-50	130,000	---
Pigments - 45-X	11,500	10,000
Chemicals	63,000	46,500
Nuclear Metals	8,150	7,500
Baroid	335,275	302,260
Southern Screw	161,700	134,700
Titanium Pigment	135,800	111,750
Doehler-Jarvis	103,600	110,355
Magnus	79,350	48,500
Titanium Alloy	57,000	51,300
Chas. Taylor Sons	33,000	26,500
DeLore Division	6,500	6,500
St. Louis Smelting & Refining	250	250
Texas Mining & Smelting	300	300
	<u>\$2,856,425</u>	<u>\$2,546,020</u>

* Already approved by Executive Committee

1958 Advertising

Metals

	1958	1957
Trade Paper Space	\$34,000	\$43,500
Preparation Costs	---	10,000
Directories	2,500	2,500
Booklets & Folders	7,500	7,500
Misc. Production Costs	4,500	5,000
Personal & Travel Expense	2,000	2,000
Salaries	12,000	12,000
Contingency	2,500	3,500
	<u>\$65,000</u>	<u>\$86,000</u>

Comment:

The 1958 Advertising Budget for the Metal Department has been worked out with two principal ends in view -- first, to pare advertising expenditures to the bone in order to bring metal sales promotion costs into line with reduced profit margins on metal products; second, to get the best possible coverage of our various markets with the sums available.

The latest reduction has been achieved by repeating 1957 advertisements thus saving preparation costs, by dropping some publications, by switching from high-cost, low ad-frequency magazines to others better suited to our needs, and by economies in other directions.

Despite the drastic parings, we still will be able in 1958 to buy about three million sales impressions. This impact will not only serve to supplement the necessarily lean and spotty coverage of prospects and customers by our field men but will also serve to bring our products to the attention of a constantly changing purchasing personnel.

We have the hope that our competitive position will not be seriously jeopardized by our restricted advertising activity since our competitors' promotion efforts will probably be reduced at least as much as ours.

Pigments

M - 50

	1958	No Advertising in 1957
Trade Paper Space	\$ 46,000	
Preparation Costs	62,000	
Direct Mail	4,500	
Color Cards	1,500	
Booklets	4,000	
Trade Show	5,000	
Sales Promotion Material	2,000	
Contingency	5,000	
	<u>\$130,000</u>	

Comment:

This is the introductory campaign for a new pigment with tremendous sales potential. The relatively high preparation costs are due to the proposed use of 4-color inserts. In the case of trade magazines, which are not equipped to print four-color process, they charge only their black and white space rate plus a small amount (\$50 to \$250 per issue) for binding in the insert.

However, we have to furnish the insert including art, engravings, paper and printing. This is all included in the preparation costs.

Extra copies of the insert will be used for direct mail and the cost of these is included in that category.

45 - X

	1958	1957
Trade Paper Space	\$ 4,000	\$10,000
Preparation Costs	7,500	--
	<u>\$11,500</u>	<u>\$10,000</u>

Comment:

It was felt that a partial schedule in two colors would be helpful in featuring tint retention and color stability produced by 45-X. The list has been reduced to American Paint Journal and Official Digest giving us excellent coverage of both management and technical people. Preparation costs are relatively high because of the colors but these ads will probably be repeated in 1959 as we have done before.

1958 Advertising

"Dutch Boy" Chemicals

Stabilizers	Bentones	Ben-A-Gel
	1958	1957
Trade Paper Space	\$40,000	\$37,000
Preparation Costs	15,000	7,500
Trade Show	6,000	--
Salary	1,000	1,000
Contingency	1,000	1,000
	<u>\$63,000</u>	<u>\$46,500</u>

Comment:

Plastics World has been dropped from the schedule but it is felt that we should go back to two colors in the plastics field so there is an increase in space cost and preparation. The show is the Plastics Show which is held every two years.

Nuclear Metals Division

	1958	1957
Printed Matter	\$3,500	---
Trade Shows	2,750	\$6,600
Travel Expense	400	---
Contingency	1,500	900
	<u>\$8,150</u>	<u>\$7,500</u>

Comment:

A new edition of the Nuclear Metals booklet is required. Other promotional activities will be confined to exhibits at trade shows.

NL 000039812

1958 Advertising

Baroid Division

	1958	1957
Trade Paper Space	\$123,494	\$115,804
Preparation Costs	37,375	33,450
Product & Service Bulletins	17,500	15,000
Catalogs	12,000	18,700
Data Book Sections	13,500	10,000
Distributor List	10,000	8,000
Publications (5)	50,950	37,000
Classified Directories	8,250	7,000
Memo Pads	15,056	12,206
Salaries	23,250	23,250
Miscellaneous	1,900	1,850
Contingency	22,000	20,000
	<u>\$335,275</u>	<u>\$302,260</u>

Comment:

The increase is due almost entirely to rate changes, higher production costs and the inclusion of three publications formerly charged in various departments. However, the percentage of sales dollar remains the same as in 1957, 0.58%.

The following page details the advertising expenditure related to the sales dollar for the various products and departments for both 1957 and 1958.

1958 Advertising

DEPARTMENTAL BREAKDOWN

Department	Estimated Sales		Advertising Expenditure		% of Sales Dollar	
	1958	1957	1958	1957	1958	1957
Drilling Mud	\$52,000,000	\$46,000,000	\$171,049.50	\$148,873.20	0.33	0.32
Well Logging	3,200,000	3,200,000	37,922.52	43,132.20	1.19	1.34
Bentone-Baragel	1,000,000	1,000,000	21,552.89	24,520.70	2.16	2.45
National Western Bentonite-Petro Bond	1,000,000	600,000	34,642.89	16,567.70	3.46	2.76
Testing Equipment	350,000	500,000	17,053.38	34,845.70	4.87	6.97
Louisiana Baroid Sales	---	---	11,695.89	11,070.50*	---	---
Export	4,100,000**	---	18,107.93	---	---	---
Total	\$57,550,000	\$51,300,000	\$312,025.00	\$279,010.00		

* This was for entire Mud Products, Inc. in 1957.

** Estimated \$4,100,000 included in Drilling Mud.

TOTAL ALL PRODUCTS AND SERVICES

Estimated Sales	Advertising Expenditure	% of Sales Dollar
1957 - \$51,300,000.00	\$279,010.00	0.54
1958 - \$57,550,000.00	\$312,025.00	0.54
<u>Salaries</u>		
1957	23,250.00	
1958	23,250.00	
Grand Total (Including Salaries)		
1957	\$302,260.00	0.58
1958	\$335,275.00	0.58

NL 000039814

1958 Advertising

Southern Screw Division

	1958	1957
Trade Paper Space	\$132,000	\$105,000
Misc. Local Advertising	1,200	1,200
Hardware Shows	5,000	5,000
Printed Matter	10,000	10,000
Novelties	3,500	3,500
Christmas Gifts to Customers	10,000	10,000
	<u>\$161,700</u>	<u>\$134,700</u>

(300,000,000)
20 7 10
1-127

Comment:

The increase in cost of trade paper space is due partially to rate increases which average 10% over 1957. Also it was felt necessary to increase space because of new lines.

NL 000039815

Titanium Pigment Division

Trade Paper Space	\$78,750	\$59,000
Preparation Costs	25,000	20,000
Convention Souvenirs	9,000	9,000
Sales Promotional Literature	22,300	23,000
Miscellaneous	750	750
	<u>\$135,800</u>	<u>\$111,750</u>

Comment:

The only change over 1957 is in magazine space and preparation costs. This increase is due in part to general rate increases amounting to about \$8,000. Another major change is the addition of four 4-color spreads in Chemical Week. Regarding this Mr. W. B. Anderson says:

"We are planning to use full color in four spreads during 1958 in Chemical Week not only for maximum attention getting value but for effective functional illustration of TITANOX white pigments at work.

"Because these pigments are employed extensively in colored coatings and compositions it is planned to show interesting and novel examples of colored products in colorful settings ... such as roofing granules, plastic floor coverings, colored glass. At the same time each example will be related to the many different products that need TITANOX pigments while preference for this brand will be stimulated through appropriate copy.

"This program directed primarily to management and purchasing people in all of the industries that can use titanium dioxide will reach them, we feel, through Chemical Week as indicated in our recent survey. We expect these ads to reinforce our regular campaign in black and white in helping to combat competition, particularly DuPont, expected to be keener in 1958."

NL 000039816

1958 Advertising

Doehler-Jarvis Division

	1958	1957
Trade Paper Space	\$45,500	\$44,500
Preparation Costs	6,600	9,000
Trade Directories	3,000	3,355
Classified Directories	1,000	1,000
Motion Picture Service	1,000	500
New 72-page Booklet	12,500	10,000
Other Printed Matter	3,000	3,500
Trade Shows	24,000	16,000
University Machine & Service	---	9,500
Salaries	2,000	8,000
Contingency	5,000	5,000
	<u>\$103,600</u>	<u>\$110,355</u>

Comment:

The magazine schedule is substantially the same as in 1957 except for the addition of Steel and the dropping of ten area purchasing magazines. The 72-page booklet was not produced in 1957 and has been continued over into 1958. The trade show increase is due to adding three area shows and a new backdrop. The salary item has been reduced because the balance has been allocated to other departments.

NL 000039817

1958 Advertising

Magnus Metal Division

	1958	1957
Trade Paper Space	\$38,000	\$23,000
Preparation Costs	9,850	6,000
Railroad Magazines	3,500	3,500
Direct Mail	7,000	7,000
Journal Stop Movie	15,000	--
Salaries	3,000	7,000
Contingency	3,000	2,000
	<u>\$79,350</u>	<u>\$48,500</u>

Comment:

Preparation costs and space rates have both increased approximately \$6,000 over 1957. The same list of magazines as used in 1957 are again proposed for 1958. However, to hold our own with other advertisers, particularly our competition, it is felt that a return to black and one color and alternate double page spreads is highly desirable. The \$15,000 for a new movie may not be spent since it is contingent on getting the cooperation of the Santa Fe Railroad.

NL 000039818

1958 Advertising

Titanium Alloy Mfg. Division

	1958	1957
Trade Paper Space	\$32,000	\$28,300
Catalog Space	4,900	4,200
Production Costs	5,600	4,300
Monthly Reminder	10,000	10,000
Trade Shows	2,000	2,000
Printed Matter	1,500	1,500
Contingency	1,000	1,000
	<u>\$57,000</u>	<u>\$51,300</u>

Comment:

Increase is due to advanced rates and higher production costs.

Chas. Taylor Sons Co.

	1958	1957
Trade Paper Space	\$11,200	\$11,780
Directories	2,100	1,780
Preparation Costs	3,500	3,500
Direct Mail	5,200	2,000
Sales Literature	6,000	5,000
Agency Service Fee	1,800	--
Contingency	3,200	2,500
	<u>\$33,000</u>	<u>\$26,560</u>

Comment:

Most of the increase can be accounted for by a stepped up direct mail effort to combat increased competition and the adding of a service fee for the agency to bring their compensation in line with effort expended.

NL 000039819

1958 Advertising

De Lore Division

	1958	1957
Trade Paper Space	\$3,600	\$3,000
Directories	700	520
Calendars	1,200	1,350
Printed Matter	1,000	1,000
Contingency	--	130
	<u>\$6,500</u>	<u>\$6,500</u>

St. Louis Smelting & Refining Div.

	1958	1957
Local Goodwill Advertising	\$ <u>250</u>	\$ <u>250</u>

Texas Mining & Smelting Div.

	1958	1957
Local Goodwill Advertising	\$ <u>300</u>	\$ <u>300</u>

American Bearing
Master Metals
Evans Lead Division

These units report they intend to do no advertising
in 1958.

NL 000039820

SUMMARY

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Hawaiian Island	10,500*	14,400
Metals	65,000	86,000
Pigments - M-50	130,000	---
Pigments - 45-X	11,500	10,000
Chemicals	63,000	46,500
Nuclear Metals	8,150	7,500
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* Already approved by Executive Committee

NL 000039821

N 26110.01

1958 Advertising

Pigments

M - 50

	1958	No Advertising in 1957
Trade Paper Space	\$ 46,000	
Preparation Costs	62,000	
Direct Mail	4,500	
Color Cards	1,500	
Booklets	4,000	
Trade Show	5,000	
Sales Promotion Material	2,000	
Contingency	5,000	
	<u>\$130,000</u>	

Comment:

This is the introductory campaign for a new pigment with tremendous sales potential. The relatively high preparation costs are due to the proposed use of 4-color inserts. In the case of trade magazines, which are not equipped to print four-color process, they charge only their black and white space rate plus a small amount (\$50 to \$250 per issue) for binding in the insert.

However, we have to furnish the insert including art, engravings, paper and printing. This is all included in the preparation costs.

Extra copies of the insert will be used for direct mail and the cost of these is included in that category.

45 - X

	1958	1957
Trade Paper Space	\$ 4,000	\$10,000
Preparation Costs	7,500	--
	<u>\$11,500</u>	<u>\$10,000</u>

Comment:

It was felt that a partial schedule in two colors would be helpful in featuring tint retention and color stability produced by 45-X. The list has been reduced to American Paint Journal and Official Digest giving us excellent coverage of both management and technical people. Preparation costs are relatively high because of the colors but these ads will probably be repeated in 1959 as we have done before.

1958 Advertising

Pigments

M - 50

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Trade Paper Space	\$57,000	
Preparation Costs	95,000	
Direct Mail	1,500	
Color Cards	1,500	
Booklets	4,000	
Trade Show	5,000	
Sales Promotion Material	2,000	
Contingency	5,000	
	<u>\$171,000</u>	

← (?)

Comment:

This is the introductory campaign for a new pigment with tremendous potential. The apparently disproportionate relation of preparation cost to space cost is due to the use of 4-color inserts (about \$50 per page over black and white rates) which we print and furnish to the publications. The extra space cost is very little but we have to meet the printing, art and engraving costs. Also included in production costs are about 20,000 extra copies of each advertisement to be used for direct mail and other distribution.

45 - X

	1958	1957
Trade Paper Space	\$ 4,000	\$10,000
Preparation Costs	7,500	--
	<u>\$11,500</u>	<u>\$10,000</u>

Comment:

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41

2,897,425

* Already approved by Executive Committee

X 1,253,000
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30,000
10,500
65,000
171,000
11,500
63,000
8,150
335,275
161,700
135,800
103,600
79,350
57,000
33,000
6,500
250
300

NL 000039824