

I am submitting, herewith, the proposed 1959 budget covering all "Dutch Boy" mixed paint advertising.

It is in two parts. One, amounting to \$1,287,367 applies to the Eastern operation. Two, amounting to \$416,150 to the Pacific Coast branch. The total is \$1,703,517.

Comparison of these figures with the 1958 budgets will be found on pages 5 and 7.

T. Howard Sarine
Advertising Manager

December 8, 1958

NL 000039749

N 26007

Page 1

EASTERN

BUDGET

NL 000039750

N 26097.01

Media

Magazines

<u>Publication</u>	<u>Circulation</u>	<u>Total Cost</u>
Readers Digest	11,750,000	\$ 67,335
Look	5,550,000	101,858
Saturday Evening Post	5,800,000	108,513
Better Homes	4,600,000	76,025
American Home	3,200,000	47,478
Ladies Home Journal	5,500,000	57,210
	<u>36,400,000</u>	<u>\$458,419</u>
Preparation Costs		15,000
		<u>\$473,419</u>
Less Pacific Coast Share		<u>71,012</u>
		\$402,407

Television

<u>Trading Area</u>	<u>Total T-V Homes</u>	<u>Total Cost</u>
New York	4,621,200	\$ 52,500
Chicago	2,132,309	24,240
Boston	1,323,300	17,820
Philadelphia	1,760,240	17,100
	<u>9,837,049</u>	<u>\$111,660</u>
Preparation Costs		20,000
		<u>\$131,660</u>

Business Papers and Space Placed Direct

<u>Publication</u>	<u>Total Cost</u>
Paint and Wallpaper Dealer	\$ 5,426
Paint Logic	1,120
American Lumberman	3,686
Building Supply News	3,438
Painter and Decorator	4,541
Spotlights	700
Space Placed Direct	1,000
	<u>\$ 19,911</u>
Preparation Costs	7,500
	<u>\$27,411</u>
Less Pacific Coast Share	<u>4,111</u>
	\$ 23,300
Grand Total	\$557,367

NL 000039751

Dealer Advertising, Promotional and
Point of Sale Material

Cooperative Advertising	\$230,000*	
Classified Phone Advertising	52,000	
Booklets and Folders	70,000	
Color Cards	150,000	
Dealer Magazine	25,000	
Trade Shows	10,000	
Window & Store Displays	35,000	
Store Signs & Decals	<u>45,000</u>	
		\$617,000

* This figure includes \$30,000 formerly spent by Branches, charged to their expense and not included in the general advertising budget. A recent change in accounting procedure puts this item under cooperative advertising and in the advertising budget.

NL 000039752

Contractual Agreements

Factory Sign Maintenance	\$ 4,000	
Disneyland	<u>6,500</u>	
		\$10,500

Administrative

Association Memberships	\$ 2,000	
Personal & Travel Expense	5,000	
Office Expense	3,500	
Rent, Light, Heat	10,000	
Salaries	55,000	
Misc. Production Costs	<u>2,000</u>	
		\$77,500

Contingency

In Reserve	\$25,000
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Recapitulation and Comparison with
1958 Budget

	<u>1959 Request</u>	<u>1958 Budget</u>
Media		
Magazines	\$402,407	\$382,500
Television	131,660	125,500
Business Papers	23,300	18,000
	<u>\$557,367</u>	<u>\$526,000</u>
Dealer Advertising, Promotional and Point of Sale Materials	617,000	621,000
Contractual Agreements	10,500	9,500
Administrative	77,500	77,500
Contingency	<u>25,000</u>	<u>19,000</u>
	\$1,287,367	\$1,253,000 †

Making allowance for the \$30,000, as explained
in the note on page 3, brings the 1959 request
within \$4,000 of the 1958 budget.

NL 000039754

PACIFIC COAST

BRANCH

BUDGET

NL 000039755

	<u>1959 Request</u>	<u>1958 Budget</u>
Dealer Presentation	\$ 8,725	\$ 6,000
Painter Advertising	5,775	4,500
General Advertising	115,500	116,000
Export Advertising	4,500	4,500
Cooperative Advertising	50,000	50,000
Cooperative Advertising Production	5,000	4,000
Color Gallery Distribution	9,000	6,500
Dealer Signs	8,750	9,000
Dealer Electric Signs	7,000	6,000
Telephone Book Listings	14,500	13,500
Window Displays	12,950	15,000
Cooperative Color Books	3,500	3,500
Stuffers and Mailers	5,000	5,000
Company Store Advertising	6,350	1,000
Company Store Displays	5,300	6,000
Company Store Signs	6,800	4,500
General Office Expenses	<u>112,500</u>	<u>117,500</u>
	<u>\$381,150</u>	<u>\$372,500</u>

Summary of Three Budgets

	<u>1959 Request</u>	<u>1958 Budget</u>
Pacific Coast Branch	<u>\$381,150</u>	<u>\$372,500</u>
Schorn Division	25,000	30,000
National Lead Co. of Hawaii	<u>10,000</u>	<u>10,500</u>
	<u>\$416,150</u>	<u>\$413,000</u>

NL 000039756

COMMENT

The same need for continuing "Dutch Boy" paint advertising on a reasonably substantial scale exists in 1959 as it has for past years. In fact, with constantly increasing competition for the sales dollar and a rapidly expanding market due to the phenomenal population growth the need for keeping the "Dutch Boy" name before the consumer assumes even greater importance.

Media Advertising

Magazines

The selection of our magazine list for 1959 was made with the same two objectives in mind that we have followed in recent years. One is to expose "Dutch Boy" to as many qualified prospects as possible within the limitations of the budget. Two is a continuation of our policy of introducing "Dutch Boy" to additional new people each year.

These reasons lie behind the choice of Reader's Digest as one of the list. Here is a magazine with the greatest circulation in the world, nearly 12,000,000. It also has great reader loyalty which tends to pass along to those who advertise in it. The two advertisements we are planning, one exterior and the other interior, are to be of the editorial type. In other words, although plainly marked as an advertisement, they will be similar in treatment to some of the articles in the Digest. The agency, through some of their other accounts who use this magazine, have found this treatment an effective aid in building up readership and response.

We have also added Ladies Home Journal to intensify coverage of the women's market. You will remember that in 1958 we were in McCall's for the same reason.

The Saturday Evening Post which we dropped in 1958 has been restored to the schedule and with Look gives us good coverage in the weekly field.

Better Homes and American Home represent the two "tops" in the home service area.

Altogether this list represents the impressive circulation figure of 36,400,000 which is double what we had in 1958 and the largest in "Dutch Boy's" advertising history. In the matter of total impressions the figure goes up to well over one hundred million.

NL 000039757

There is a total of 16 pages, one less than in 1958 but enough to keep "Dutch Boy" represented during all of the active paint-buying months.

Television

In the Spring of 1958 we conducted a spot T-V program for six weeks in our four major paint markets, New York, Boston, Chicago and Philadelphia.

This was done to put extra "Dutch Boy" impressions in these markets where we get nearly half our volume and where we have 36% of our dealers. This basic thinking, I believe, is sound and since television offers a proven medium for effectively reaching large numbers of people, a similar program is being proposed for 1959.

We are suggesting the addition of one-minute spots to the 20-second spots we used exclusively in 1958. This will allow opportunity to tell a more detailed sales story including demonstration. In fact, the major part of the program would be these one-minute spots, at least 7 out of the 10 each week.

Nalplex will again be featured although it is recognized that being essentially "Dutch Boy" advertising it will react to the benefit of the whole line.

Business Papers

This represents a minimum schedule to reach dealers and painters. We have added two papers in the lumber and building supply fields because of the increasing importance of this type of outlet in paint distribution.

NL 000039758