APPROVED BY:
EXECUTIVE COMMITTEE

JAN 12 1956

SUMMARY

1956 Advertising

	1956	1955
Paint	$1,211,000*	$1,201,510
Pacific Coast Branch	302,500*	300,500
Schorn Paint	30,000*	39,500
Hawaiian Island	8,500*	----
Metals	124,820	150,552
Baroid	225,004	199,241
Doehler-Jarvis	125,400	73,550
Titanium Pigment	101,350	88,950
Southern Screw	90,700	70,150
Magnus	47,200	59,940
Chemicals	46,115	34,750
Titanium Alloy	51,500	43,764
Chas. Taylor Sons	25,820	22,250
DeLore	7,650	7,800
Texas Mining & Smelting	250	250
American Bearing	----	2,000
St. Louis Smelting & Refining	----	250
	$2,397,809	$2,294,957

* Already approved by Executive Committee

Metal Advertising

	1956	1955
Trade Paper Space	$ 43,500	$ 42,587
Preparation Costs	----	10,800
Booklets & Folders	13,500	19,000
Directories	2,500	----
Trade Shows	----	15,000
Branch Expense	35,820	36,665
Art Work & Plates	5,000	3,000
Salaries	18,000	18,000
General Expense	3,000	2,000
Contingency	3,500	3,500
	$124,820	$150,552

Comment:

Most observers agree that business in the metal working, automotive, electronics, chemical and allied industries will be good during 1956. These are the markets that consume our metal goods. These are the fields covered by metal products salesmen. These are the industries in which our advertising sows the seeds of sales. We feel that we can maintain our competitive position by following about the same program used in 1955, with certain modifications which entail a smaller investment.

Preparation costs are omitted because we plan to reuse the 1955 ads. Since there is no difference in the products to be advertised or in the policy to be followed, there is no good reason to prepare new ads.

In 1956 there is only one major Trade Show of interest to metals - the National Metal Exposition to be held in Cleveland - at which National Lead Company will be represented by other divisions.

Baroid Division

	1956	1955
Trade Paper Space	$ 72,139	$ 53,116
Preparation Costs	43,350	26,800
Radio Program	----	17,000
Classified Directories	5,000	5,000
News Bulletin	30,000	29,000
Product & Service Bulletins	8,500	16,700
Drilling Muds Magazine	12,600	12,600
Distributors Lists	5,000	3,000
Memo Pads	10,125	10,125
Salaries	20,290	18,000
Contingency & Misc.	18,000	7,900
	$225,004	$199,241

Comment:

The budget is based on a campaign which considers the following major factors: (A) the increased sales activity of Baroid's major competition, (B) Baroid's increased sales activity, (C) the rise in costs of magazine space; and (D) Baroid's present sales strategy based on the Brooks Survey.

To enlarge a little on these points as outlined above -

A. COMPETITIVE ACTIVITY

We have every reason to believe, through checking available sources, that Magcobar is considerably expanding its magazine advertising program in 1956 over 1954 and 1955. In both 1954 and 1955 they used 10 to 12% more pages than in the previous year. For example, in the 12 leading oil magazines Magcobar used 84 pages in 1954 and 94 pages in 1955. Baroid, on the other hand, used 140 pages in 1954 but dropped to 117 pages in 1955; this cut being required to absorb magazine rate increases and provide funds for the radio program.

B. BAROID'S INCREASED REGIONAL ACTIVITY

Baroid is greatly expanding operations in Louisiana, Canada, the Rocky Mountains, West Texas and California. Therefore, it is deemed advisable to support this increased activity by the use of regional magazines in those areas. The proposed 1956 schedule includes one Louisiana magazine; two offshore publications keyed to the Louisiana Gulf Coast; two Canadian magazines; one Rocky Mountain magazine, one West Texas magazine and two California magazines. In the case of the West Texas-Rocky Mountain publications there is overlapping area coverage.

C. RISE IN MAGAZINE SPACE COSTS

Three factors exist in oil trade papers which require increased expenditure to maintain the same results from space advertising: (1) the rates for 1956 will be 8% above rates for 1955, (2) the number of all advertisers (not mud advertisers alone) is increasing in these magazines, making it more important to produce outstanding ads since the reader will spread his reading time over more ads, (3) the use of large, colorful ads and inserts is increasing, with the result that an ad which formerly stood out prominently in one or two colors as a run-of-the-book ad may now be commonplace and surpassed by more attractive ads. This is what we have been bucking during 1955 in competition with Magcobar advertising.

D. BAROID SALES STRATEGY

Brook's survey indicated that attention should be directed to improving the customer's attitude toward Baroid engineering service, particularly in regard to its scope and quality.

The increase in the last item above is due to the fact that in 1955, there was actually no contingency. The $7,900 was to cover special issues, oil directories and various miscellaneous expenses. This year they are asking for $10,000 as a straight contingency fund.

Doehler-Jarvis Division

	1956	1955
Trade Paper Space	$ 36,400	$ 45,400
Preparation Costs	8,000	6,700
Booklets	5,000	5,000
Direct Mail	1,500	3,500
Trade Shows	13,000	11,200
Special Machine for Show Use	8,000	----
Classified Directories	1,000	----
University Machines & Service	17,500	----
Motion Picture & Service	31,500	1,000
Contingency & Misc.	3,500	750
	$125,400	$ 73,550

Comment:

The chief variances from 1955 are (1) the inclusion of $31,000 for a new motion picture in color and (2) the donation of machines to two universities. While the old picture is still usable there have been so many new developments since it was made that it should be brought up to date. The value of the university machines to the future of our industry is obvious.

The item for $8,000 is for construction of an actually operating machine to be used at trade shows to demonstrate the die casting operation. It would be used over a period of several years.

Titanium Pigment Division

	1956	1955
Trade Paper Space	$ 48,100	$ 43,700
Preparation Costs	20,000	20,000
Convention Souvenirs	9,000	9,000
Sales Promotional Literature	23,500	15,500
Miscellaneous	750	750
	$101,350	$ 88,950

Comment:

While this represents an increase over 1955 it is the same as expended in 1954. The chief change in Trade Paper Advertising is the addition of Chemical Week to the schedule. This will reach the management group in industries that use chemicals and pigments.

Increase in literature is requested for a new edition of Titanox Pigments, Properties and Uses.

NL 000039851

Southern Screw Division

	1956	1954-55
Trade Paper Space	$65,000	$52,000
Local Advertising	1,200	1,200
Trade Shows	2,500	650
Printed Matter	10,000	7,500
Novelties	2,000	1,800
Gifts to Customers	10,000	7,000
	$90,700	$70,150

Comment:

This is the first year this budget has been included in the National Lead Company's comprehensive budget. They explain that heretofore they operated on a July to June fiscal year and the comparative figures are on that basis.

They use a long list of trade magazines in the furniture, hardware, boating, building construction, and industrial fields.

Also included is an item of $10,000 for Christmas gifts which normally is classified as sales expense.

Magnus Metal Division

	1956	1955
Trade Paper Space	$22,500	$29,100
Preparation Costs	6,000	6,000
Railroad Magazines	3,500	4,290
Direct Mail	7,000	7,000
Department Expense	6,200	11,550
Contingency	2,000	2,000
	$47,200	$59,940

Comment:

Essentially this is the same effort as in 1955. The decrease in trade paper expenditures is in going to single pages.

"Dutch Boy" Chemicals

	1956	1955
Trade Paper Space	$31,615	$23,500
Preparation Costs	10,000	7,500
Chemical Materials Catalog	----	2,750
Trade Show	3,500	----
Foreign Advertising	1,000	1,000
	$46,115	$34,750

Comment:

The increase in trade paper advertising is due to rate increases but mostly to a new schedule in Chemical & Engineering News. This is desirable from the standpoint of promoting the various chemicals - stabilizers, plasticizers and gelling agents - to the broad chemical field on the technical level.

Extra preparation costs are involved for the extra schedule as well as new ads for Chemical Week which this year were a repeat of 1954.

The trade show is that of the plastics industry in which it is felt we should be represented.

Titanium Alloy Mfg. Division

	1956	1955
Trade Paper Advertising	$37, 000	$28, 264
Monthly Reminders	10, 000	10, 000
Trade Shows	2, 000	3, 000
Printing	1, 500	1, 500
Contingency	1, 000	1, 000
	$51, 500	$43, 764

Comment:

No essential change in program. Rate increases and some additions to the list account for small increase.

Chas. Taylor Sons Co.

	1956	1955
Trade Paper Space	$11, 100	$13, 500
Directories	1, 720	1, 500
Preparation Costs	3, 500	3, 000
Direct Mail	2, 000	1, 750
Sales Literature	5, 000	2, 500
Contingency	2, 500	---
	$25, 820	$22, 250

Comment:

With one exception, the publications recommended have been regularly used in previous years to carry Chas. Taylor advertising. To intensify advertising to the foundry industry, which is a mass production market comprising nearly 6, 000 plants spending over a million dollars an hour for materials and supplies, a schedule of six pages of advertising in Foundry is recommended.

De Lore Division

	1956	1955
Trade Paper Advertising	$3,000	$4,500
Trade Directories	650	300
Calendar Cards	1,300	2,000
Advertising Pencils	---	1,000
Printed Matter	2,700	---
	$7,650	$7,800

Comment:

Virtually the same program as in 1955.

Texas Mining & Smelting Division

	1956	1955
Local Advertising	$ 250	$ 250

American Bearing
St. Louis Smelting & Refining Division
Master Metals
Evans Lead Division

These units report they expect to do no advertising in 1956.