

\$ 1,925,850

MEMORANDUM

APPROVED BY:
EXECUTIVE COMMITTEE

TO: Mr. D. A. Merson

RE: Paint Advertising Budget for 1962

JAN 31 1962

I am pleased to submit the Paint Budget for 1962, both for the Eastern Group and for the Pacific Coast.

The proposed magazine and newspaper schedule represents a reduction of about \$116,000 from the amount approved and budgeted in 1961 for the same media. This helps compensate for the cost of the special direct mailing going out in April which runs \$185,000.

The above reduction in publication space coupled with the fact that space rates and production charges have increased 8 to 10 per cent since this time last year meant that, in order to maintain a comparable number of insertions to what we had in 1961, we had to go to half pages on about one third of the schedule.

However, this gives us a schedule flexible enough to support regular house paint, latex house paint and Nalplex. Also there is one full page advertisement to appear in 28 Sunday papers featuring the new Decorator's Color Harmonizer book which we plan to sell to our dealers at cost. Most of these papers will carry name listings of dealers in the locality who have bought a supply of the book.

As the figures show, the 1961 expenditure is below the budgeted amount. This is due in part to decreased dealer activity brought about by unfavorable business conditions during the first half of the year. Also in July, as is our annual practice, we took a look at our sales position, both actual and projected to the end of the year, to limit media expenditures to a reasonable percentage of sales. The result was that two scheduled pages of advertising were cancelled. In addition, plans for a fall promotion using newspapers were dropped.

Submitted January 11, 1962

by T. Howard Sarine

Advertising Manager *TAS*

NL 000040034

1962

**PAINT BUDGET
EASTERN GROUP**

NL 000040035

N 26159.01

MEDIA

Magazines, Newspaper, Direct Mail, Business Papers

	<u>Circulation</u>	<u>Insertions</u>	<u>Net Cost</u>
McCalls	8,000,000	3	\$ 85,462
American Home	3,750,000	4	67,483
Better Homes	5,700,000	5	127,417
Popular Mechanics	1,300,000	3	14,495
Popular Science	1,250,000	3	10,690
Mechanix Illustrated	1,100,000	3	8,759
Readers Digest	13,300,000	1	28,016
Look	7,000,000	2	94,702
Look (regional)	3,000,000	3	61,092
Post	7,000,000	1	43,498
Post (regional)	3,000,000	2	47,285
Extension	400,000	3	4,000
Sunday (magazine)	19,500,000	1	61,000
Newspapers	Not Yet Scheduled		15,000
	<u>74,300,000</u>	<u>34</u>	<u>\$668,899</u>
		Preparation Costs	32,000
			<u>\$700,899</u>
		Less Pacific Coast Share	94,000
			<u>\$606,899</u>
Painter and Dealer Magazines			\$ 20,000
Space Placed Direct			1,000
Preparation Costs			5,000
			<u>\$ 26,000</u>
		Less Pacific Coast Share	3,750
			<u>\$ 22,250</u>
Direct Mail			\$185,000
		Less Pacific Coast Share	50,000
			<u>\$135,000</u>

Dealer Advertising, Promotional and
Point-of-Sale Material

Cooperative Advertising	\$250,000	
Classified Directories	60,000	
Booklets & Printed Matter	75,000	
Color Cards	150,000	
Trade Shows	7,500	
Window & Store Displays	50,000	
Store Signs & Decals	<u>40,000</u>	
		\$632,500

Contractural Agreements

Factory Sign Maintenance	<u>\$ 7,500</u>	\$ 7,500
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Administrative Expense

Association Memberships	\$ 2,500	
Personal and Travel Expense	4,000	
Office Expense	2,500	
Rent, Light, Heat	10,000	
Salaries	31,500	
Misc. Production Costs	<u>2,000</u>	\$52,500

Recapitulation and Comparison with 1961
(Eastern Group only)

	<u>1962 Request</u>	<u>1961 Approved Budget</u>	<u>1961 Expenditures (Estimated)</u>
Media			
Magazine Space	\$ 565,000	\$ 589,415	\$ 523,710
Magazine Prep. Costs	27,000	42,376	34,943
Newspapers	15,000	60,000	10,671
Trade Paper Space	17,000	17,000	13,230
Trade Paper Prep. Costs	4,250	4,250	3,674
Direct Mail	135,000✓	---	---
Space Placed Direct	1,000	1,000	400
Advertising Through Dealers			
Cooperative Advertising	250,000	266,500	248,018
Classified Directories	60,000	60,000	61,594
Booklets & Printed Matter	75,000	45,000	46,770 ✓
Color Cards	150,000	175,000	157,968 ↓
Trade Shows	7,500	10,000	7,390
Window & Store Displays	50,000	50,000	37,078
Store Signs & Decals	40,000	54,000	36,473
Contractual Agreements	7,500	10,800	11,219
Administrative	52,500	52,500	47,799
Promotional Materials	---	---	22,942
	<u>\$1,456,750</u>	<u>\$1,437,841</u>	<u>\$1,263,879</u>

NL 000040039

1962
PAINT BUDGET
PACIFIC COAST

NL 000040040

	<u>1962 Request</u>	<u>1961 Budget</u>	<u>1961 Expenditures</u>
Cooperative Advertising	\$ 52,500	\$ 69,000	\$ 59,400
Direct Mail	45,000	---	---
General Advertising	133,200	X 133,000	X 129,300
Dealer Presentation	6,000	6,000	13,000
Classified Directory Listings	16,000	15,500	16,000
Displays & Exhibits	14,500	12,500	19,000
Booklets & Folders	6,000	10,000	20,500
Promotional Material	4,000	5,000	5,000
Dealer Signs	18,000	16,000	18,000
Company Store Signs	3,700	7,500	5,200
Company Store Displays	6,800	5,500	6,800
Company Store Advertising	9,100	8,000	15,000
Color Cards	70,000	90,000	70,000
Administrative	39,800	37,500	34,500
	<u>\$424,600</u>	<u>\$415,500</u>	<u>\$411,700</u>
Schorn Division	30,500	30,000	26,750
National Lead Co. of Hawaii	14,000	10,000	9,700
	<u>\$469,100</u>	<u>\$455,500</u>	<u>\$448,150</u>

NL 000040041

COMBINATION

RECAP

TOTAL PAINT BUDGET

	<u>1962 Request</u>	<u>1961 Budget</u>
Eastern Group	\$1,456,750	\$1,437,841
Pacific Coast	<u>469,100</u>	<u>455,500</u>
Totals	<u>\$1,925,850</u>	\$1,893,341

NL 000040042