

MEMORANDUM

TO: Mr. D. A. Merson, Vice President

FROM: T. H. Sarine

DATE: July 31, 1953

I am not prepared at this time to submit our Paint Advertising Budget for your approval. This will be done in early September when you have returned from vacation.

I do wish, however, to point out to you what I consider a very serious situation, advertising-wise and promotion-wise. This is graphically shown on the attached record of expenditures since 1947 when we first went into the mixed paint business.

Note that our position in the industry has gone from 3rd place to 7th and 8th. True, our total paint budget has increased from \$800,000 to about a million but the percentage of this budget devoted to space advertising has dropped from 37% in 1947 to an average of 23% the past four years.

Plus the fact that in 1947 we were paying \$11,600 for a page in Better Homes & Gardens as against \$16,325 now, \$15,000 for a S.E.P. page compared with the present \$23,310. The result: we have dropped from a 22-page schedule with double pages to a straight 15-page deal.

This might not be so serious if competition had stayed where they were in 1947. But look what has happened to competitive expenditures:

Sherwin-Williams has more than doubled
Pittsburgh has tripled
DuPont has expanded from just a Duco
job to a full paint schedule
Glidden is up over 50 per cent
DeVoe and BPS have doubled

What has occurred - and the pace is accelerating - is that more and more competitive impressions are being made ... "Dutch Boy" is getting shoved farther and farther back in the public consciousness. We are well on the way toward losing the very thing we have to sell against competition - "Dutch Boy" acceptance and "Dutch Boy" recognition.

When we started the mixed paint business in 1947 only two paint advertisers were doing more than "Dutch Boy". Now a short six years later there are six or seven ahead of us in line, some not even in the running in 1947. Note that the total spent by the eight companies listed has gone from 1.7 million to 4.6 million in the 6 years.

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The indication seems clear - and I know Sales fully agrees - that our space advertising in 1954 should definitely be stepped up.

TBS

NL 000039905

Dutch Boy Paint
Advertising

<u>Year</u>	<u>Approp.</u>	<u>Mag.</u>	<u>% Total</u>	<u>No. Pages</u>	<u>Compet.</u>
1947	\$ 801,000	\$292,453	37	22	3
1948	923,143	312,545	33	16	4
1949	959,696	298,695	31	20½	4
1950	900,923	197,421	22	16	6
1951	861,010	222,453	23	16	8
1952	1,006,218	230,366	22	15	7
1953	968,313	248,626	25	15	

Competitive Advertising

	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>
S-W	\$ 803,600	\$ 818,700	\$1,530,128	\$1,624,745	\$1,824,337
Pittsburgh	256,000	372,900	360,385	421,741	707,097
Glidden	306,000	339,600	333,458	564,163	508,924
B P S	132,700	145,300	234,565	274,400	280,315
DeVoe	105,800	83,500	138,064	208,670	291,601
DuPont	55,000	48,800	211,861	116,524	353,118
Reardon	-----	-----	135,482	6,200	316,732
U. S. Gypsum	<u>89,100</u>	<u>63,000</u>	<u>144,825</u>	<u>92,960</u>	<u>136,759</u>
Totals	\$1,748,200	\$1,871,800	\$3,088,768	\$3,309,403	\$4,418,883