

NATIONAL LEAD COMPANY



ADVERTISING DEPARTMENT
T. HOWARD SARINE, MANAGER

APPROVED BY:
EXECUTIVE COMMITTEE

111 BROADWAY
NEW YORK 6

December 3, 1953

DEC 23 1953

Mr. J. A. Martino, President
National Lead Company
Building

Dear Mr. Martino:

I am submitting herewith, for approval, proposed advertising budgets for the various company divisions and departments.

With the exception of Baroid Division, all budgets show some increase over 1953 although many of the increases are slight and all, I believe, can be justified.

All submitted budgets have been approved by the responsible heads of the divisions and departments involved.

The total amount requested is \$667,767 which compares with \$590,562* budgeted for 1953, a difference of \$77,205.

The comprehensive company budget, including the amounts already approved for paint advertising, totals \$2,294,949, as compared with the 1953 budget of \$1,931,675, a difference of \$363,274.

Very truly yours.

Enc.

* Includes an adjusted figure to project the Doehler-Jarvis budget to a full year period.

NL 000039909

SUMMARY

1954 ADVERTISING

	<u>1954</u>	<u>1953</u>
Paint	\$1,277,182*	\$1,113,613
Pacific Coast Branch	310,500*	220,000
Schorn Paint	39,500*	34,500
Metals	121,790	84,350
Baroid	185,529	198,750
Titanium Pigment	101,000	83,750
Magnus	84,351	80,225
Doehler-Jarvis	73,550	27,050
Titanium Alloy Mfg.	45,060	44,465
Chas. Taylor Sons	20,000	16,280
Chemical Products	28,200	23,445
De Lore	5,500	4,522
American Bearing	2,000	—
Texas Mining & Smelting	687	625
St. Louis Smelting & Refining	100	100
	<u>\$2,294,949</u>	<u>\$1,931,675</u>

* Already approved by Executive Committee

NL 000039910

METALS

	<u>1954</u>	<u>1953</u>
Trade Paper Space	\$ 32,250	\$ 29,100
Preparation Costs	8,000	4,250
Booklets and Folders	19,000	5,000
Convention Exhibits	11,500	6,000
Branch Expenditures	27,540	27,000
Art Work and Cuts	3,000	3,000
Salaries	17,000	7,500
Contingency Fund	3,500	2,500
	<u>\$121,790</u>	<u>\$ 84,350</u>

Comment:

Trade advertising for the above covers:

Automotive Solders
 Chemical Lead Products
 Honeycomb Base
 Type Metals
 Lead Shielding
 General Metal Products
 Kirksite Dies

All this represents a very important share of National Lead Company's business. Trade advertising done in the scale that competition and National Lead's prestige demands plays a vital role in holding and expanding that business. This year our advertising effort in the various fields has not been adequate in the face of what competition is doing. On this

"Due to the fact that no single competitor matches us item for item, we cannot make direct comparisons with competitors as to over-all yearly expenditures. But, on single lines, Federated (and Gardiner) spends more on automotive products and type metals than we do, Kester spends more on solders and Imperial more on type metals, as cases in point.

"In the chemical lead products field, we must meet the competition not only of Knapp, Kelley and others in the lead industry but also that of other materials - metals, ceramics, glass, plastic, etc. When weighed against total competition, our effort seems impotent.

"The recommended budget is aimed to give our metal products, item by item, the support they need to at least hold their own in the current tough competitive situation."

NL 000039911

The second major increase is under Booklets and Folders. This represents badly needed printed matter on solders, chemical lead products, Kirksite and plumber's goods.

The increase in Convention Exhibits is due to the need for new exhibit backgrounds and entry into a new show, the Basic Materials Exposition.

Also, in connection with our trade show program in the metal field Mr. Olson recommends the following:

"We suggest, for reasons of Company prestige, economy of space and construction and the probability of getting prominent up-front positions, that adequate space be taken in each show to house the exhibits of several divisions or branches interested in the same attendance.

"In the Metals Show, we propose combining, each in its own portion of the booth, general lead products, chemical lead products, Kirksite stamping tools, Titanium Alloy Division and Doehler-Jarvis Division.

"In the Basic Materials Show, we propose bringing together under the National Lead masthead, general lead products, chemical lead products, Kirksite tooling and Titanium Alloy.

"If these recommendations are approved, it would devolve upon the advertising department to bring together the affected branch and division people to agree on space, construction and expense allotments. It is obvious that a combined participation proposition will be in the best interests of the Company as a whole and be more economical for each participant."

The budget increase under Salaries is to provide a full-time assistant to Mr. Olson who definitely needs the help.

BAROID

	<u>1954</u>	<u>1953</u>
Trade Paper Space	\$ 63,204	\$ 58,406
Production Costs	31,925	29,200
Classified Directories	5,000	5,000
News Bulletin	28,000	27,000
Product and Service Bulletins	12,000	13,000
Drilling Muds Magazine	6,500	6,500
Distributors List	3,000	4,000
Memo Pads	8,000	8,000
Signs	750	2,500
Dues	150	150
Salaries	19,000	19,000
Data Book	—	10,000
Calendars	—	4,000
Internal Sales House Organ	—	2,000
Geological Posters	—	2,000
Contingency	8,000	8,000
	<u>\$185,529</u>	<u>\$198,750</u>

Comment:

This budget is \$13,227 less than the 1953 figure, although Mr. Fowler, Baroid's advertising manager, states that they will actually spend some \$4,000 less than the budgeted amount.

Substantially it represents about the same trade magazine schedule as this year plus their two house organs and other direct mail activities. Some of the 1953 material received a national award this year in the Direct Mail Advertising Association's annual contest as "Best of Industry". Also the Baroid News Bulletin was judged the best external house organ in the country at the Industrial Editors Convention this year.

On estimated 1954 sales of \$36,149,000 this budget represents .0051 cents per sales dollar.

NL 000039913

TITANIUM PIGMENT

	<u>1954</u>	<u>1953</u>
Trade Paper Space	\$ 51,875 ✓	\$ 35,500 ✓
Production Costs	23,525	19,500
Reciprocity Advertising	750	750
Sales Promotional Literature	15,850	17,500
Convention Souvenirs	9,000	7,000
Wall Calendar		3,500
	<u>\$101,000</u>	<u>\$ 83,750</u>

Comment:

A substantial part of the above increase is represented by the restoration of Chemical and Engineering News to their trade magazine list. This was dropped in 1953 because the introduction of Titanox-TG had been completed. Now, Mr. Corddry indicates that other new products are ready for exploitation by research and development people of the process industries. This publication is fine for this purpose.

There is also added promotion in the paper and ceramics fields. On this subject Mr. Corddry states:

"Additional appeal to the paper industry through the medium of the packages segment of this industry, Fibre Containers and Paperboard Mills. The trend to greater sales appeal in all kinds of packages made from paperboard warrants publicizing to the paperboard people the value of titanium pigments in this field. The publication selected is read almost exclusively by the paperboard and packaging people.

"To the paper trade in general we propose to add some color to our advertising for the first time in order to gain greater attention getting value and to help it contribute to strengthening our position in this field.

"Another increase is in ceramics. The American Ceramic Society's Ceramic Bulletin is added as a means of supporting a campaign on a new use for Titanox-TG - ceramic glazes for clayware, tile, sanitaryware, etc., especially inasmuch as this publication reaches the people in the clayware industry who are interested in new things."

This division has done a particularly fine job this year in their trade paper advertising. Its attractiveness and quality are outstanding.

NL 000039914

MAGNUS

	<u>1954</u>	<u>1953</u>
Trade Paper Space	\$36,989	\$34,198
Preparation Costs	12,400	12,300
Railroad Magazines	4,662	3,562
Direct Mail	16,250	14,000 ✓
Departmental Expense	3,750	3,965
Salaries	7,800	7,200 ✓
Contingency	<u>2,500</u>	<u>5,000</u> ✓
	<u>\$84,351</u>	<u>\$80,225</u> ✓

Comment:

The major part of the requested budget is for car journal bearing advertising although promotion for diesel motor support bearings, screen plates and paper mill products is also included.

Magnus definitely has a big, continuing job to do in offsetting the roller bearing promotion. On this point, Mr. Altizer, advertising manager of the Magnus Division reports as follows:

"During 1954 it will continue to be necessary to make available to all railroad personnel concerned factual details which establish the inherent economic and operating advantages of solid-type bearings. The pages of roller bearing advertising in trade papers still outnumber the pages of solid bearing advertising. Timken, Hyatt, and SKF have been joined by the Franklin-Belmont Corporation, thus increasing the imbalance in favor of roller bearings as far as total pages are concerned.

"On the other hand, there is growing evidence that Magnus advertising is having its telling effect, and while railroads generally remain interested in freight car roller bearings as a possible solution for hot boxes, there are no indications that any definite trend to roller bearings has been established or that it will be established. But for consistent, factual Magnus advertising during the past four years it is believed that the case for solid bearings would not be so clear to railroad management and that the promoters of roller bearings might have made considerably more headway.

"With increasing frequency Magnus sales and service representatives have reported that railroad officials are noticing and commenting favorably on the Magnus campaign. Occasionally, during the past year such comments have been made in writing. The operating vice-president of a large system railway, in acknowledging receipt of a mailing piece, wrote: 'I wish to commend your people for the very effective and informative advertisements you have been running'."

NL 000039915

DOEHLER-JARVIS

	<u>1954</u>	<u>1953</u> 6 months only
Trade Magazine Space	✓ \$43,250 ✓	\$17,800
Preparation Costs	7,500	3,750
Booklets	5,500	2,000
Direct Mail	3,500	—
Trade Shows	✓ 12,300 ✓	1,200
Motion Picture Service	1,500	2,300
	<u>\$73,550</u>	<u>\$27,050</u>

Comment:

1953 advertising for Doehler-Jarvis did not start until July so there is no full year comparison. Essentially the trade magazine campaign proposed for 1954 is an extension of that done in 1953. However, it has been slightly amplified to cover fields we believe important to the continued growth of this division.

The direct mail activity suggested provides the best and most economical means of contacting present and potential customers between personal calls. It also will turn up leads for follow-up by salesmen.

The increase in trade show expenditure is explained as follows by Mr. Olson:

"While Doehler-Jarvis has not heretofore been an exhibitor at large trade shows, we believe that these exhibitions in certain cases, and especially, help the Doehler-Jarvis business. In the two shows in which we suggest D-J participation will be found molding methods and metal parts materials directly competitive to ours. The people drawn to these expositions are there to learn the advantages of one process over another, of one material over another. In other words, the audience is composed of the same engineers, designers, production men and principals that Doehler-Jarvis salesmen want to call upon. A properly conceived trade show exhibit brings these people to us, in large numbers, where the advantages of "dealing with Doehler" can be demonstrated in a manner not possible by any other means."

It might be added that this amount can probably be reduced if we adopt the cooperative type of exhibit proposed under Metal Advertising.

NL 000039916

TITANIUM ALLOY MFG.

	<u>1954</u>	<u>1953</u>
Trade Paper Advertising	\$29,560 ✓	\$23,965
Monthly Reminders	10,000	10,000
Convention Exhibits	4,000	3,500
Printing	1,500	1,500
Diaries	-----	4,000
Miscellaneous	-----	1,500
	<u>\$45,060</u>	<u>\$44,465</u>

Comment:

The total amount requested is practically the same as budgeted for 1953. The increase in space costs is due to adding one magazine plus rate increases.

Titanium Alloy, due to the versatility of its products, finds it necessary to advertise in six main fields plus appealing to technical people interested in research and development.

CHAS. TAYLOR SONS

	<u>1954</u>	<u>1953</u>
Trade Paper and Directories	\$14,200	\$12,280
Direct Mail	1,500	-----
Sales Literature	<u>4,000</u>	<u>4,000</u>
	<u>\$20,000</u>	<u>\$16,280</u>

Comment:

This is practically the same program followed in 1953. Advertising is done in magazines reaching the glass, steel, metallurgical and ceramic markets.

NL 000039917

CHEMICAL PRODUCTS

	<u>1954</u>	<u>1953</u>
Trade Paper Space	\$20,500 ✓	\$15,276
Preparation Costs	5,000	5,900
Directories	1,200	269
Contingency Fund	<u>1,500</u>	<u>2,000</u>
	\$28,200	\$23,445

Comment:

This budget covers advertising of vinyl stabilizers to the plastics field, both here and in Canada, and the Bentones to paint manufacturers. The increase in space costs is due (1) to a slightly increased schedule in the plastics magazine, (2) the addition of two magazines in the paint field to reach chemists and production managers and (3) a campaign in Chemical Week to reach top industrial executives who could logically be interested in the various chemicals made by National Lead Company.

This latter effort is suggested to acquaint industry with the fact that we are in the chemical business and have products that will fit into their particular processes.

The slight increase in directory advertising is to provide space in Chemical Materials Catalog, an accepted medium for reaching those involved in the industry.

NL 000039918

1954 Advertising

DE LORE

	<u>1954</u>	<u>1953</u>
Trade Paper Advertising	\$3,000	\$2,852
Trade Directories	500	420
Calendar Card	1,000	1,000
Handbook	1,000	—
Miscellaneous	—	250
	<u>\$5,500</u>	<u>\$4,522</u>

Comment:

De Lore advertises only in the American Paint Journal and in various trade directories. The Handbook is to be a revised edition of a previous publication. 1953 sales are estimated at \$1,250,000 which means the requested budget is about 0.4% of sales.

NL 000039919

AMERICAN BEARING

	<u>1954</u>	<u>1953</u>
Trade Advertising	\$1,500	---
Sales Booklet	<u>500</u>	<u>---</u>
	\$2,000	---

Comment:

This company had no budget in 1953 but for 1954 Mr. Lambertus has requested the above amount. He states:

"The anticipated expenditure is being planned to be used for advertising in National Diesel Publications and for the preparation of a Sales Brochure. At this writing we do not have a specific program set up but have been, for some time, considering both items and are, therefore, asking to be included in the 1954 budget so that we may advertise when the appropriate time comes."

NL 000039920

TEXAS MINING & SMELTING

	<u>1954</u>	<u>1953</u>
Local Advertising	\$ 687	\$ 625

Comment:

Advertising expenses of this Division are for good will support of the local community. They do no promotional advertising.

ST. LOUIS SMELTING & REFINING

	<u>1954</u>	<u>1953</u>
Local Advertising	\$ 100	\$ 100

MASTER METALS INC.EVANS LEAD DIVISION

Both these units report they did no advertising in 1953 and plan none for 1954.

NL 000039921