SUMMARY

1957 Advertising

	1957	1956
Paint	$1,194,000*	$1,211,000
Pacific Coast Branch	372,500*	302,500
Schorn Paint	34,000*	30,000
Hawaiian Island	14,500*	8,500
Metals	85,883	89,000**
Baroid	302,260	225,004
Doehler-Jarvis	110,355	125,400
Southern Screw	134,700	90,700
Titanium Pigment	111,750	101,350
Magnus	54,000	47,200
Chemicals	46,500	46,115
Titanium Alloy	51,300	51,500
Chas. Taylor Sons	26,560	25,820
DeLore	6,500	7,650
St. Louis Smelting & Refining	250	250
Texas Mining & Smelting	300	430
	$2,544,358	$2,362,419

* Already submitted to Executive Committee

** This figure does not include the $35,820 approved in 1956 for Branch Expense. See budget for explanation.

NL 000039794

Metal Advertising

	1957	1956
Trade Paper Space	$43,349	$43,500
Preparation Costs	10,034	----
Directories	2,500	2,500
Booklets & Folders	7,500	13,500
Misc. Art Work & Cuts	5,000	5,000
Personal and Travel Expense	2,000	3,000
Salaries	12,000	18,000
Contingency	3,500	3,500
	$85,883	$89,000

Comment:

While the 1957 figures given above show a drop of only a little more than $3,000 from the 1956 appropriation, actually there is an 11% reduction from the sum approved for 1956. The bulk of this reduction shows up in "Branch Expense", budgeted at $35,820 in 1956 and at $25,000 in 1957. This "Branch Expense" drop of $10,820, plus the $3,117 drop indicated above, amounts to an overall reduction of $13,937 (11%) from 1956.

"Branch Expense", included in all previous years' summaries, has not been included in the 1957 breakdown. The reason for this departure is that "Branch Expenditures" do not appear on the periodical General Office advertising statement. They are treated by the accounting department as branch expense.

The trade paper advertising is being kept at about the same level as in 1956. Reductions in 1957 printed matter and salaries provide funds for ad preparation costs which were not included in the 1956 budget.

NL 000039795

Baroid Division

	1957	1956
Trade Paper Space	$115,804	$ 72,139
Preparation Costs	33,450	43,350
Classified Directories	7,000	5,000
News Bulletin	32,000	30,000
Product & Service Bulletins	15,000	8,500
Data Book Sections	10,000	12,600
Distributor Lists	8,000	5,000
Memo Pads	12,206	10,125
Catalogs	18,700	----
Internal House Magazine	5,000	----
Salaries	23,250	20,290
Contingency & Misc.	21,850	18,000
	$302,260	$225,004

Comment:

While this budget request represents a dollar increase over 1956 of about $75,000 the percentage of estimated sales dollar remains practically the same (0.58 compared with 0.56 in 1956).

The reasons for the increased space costs are the use of three colors to aid in establishing the new Baroid colors; added insertions to keep pace with competition; intensified promotion in the rapidly growing offshore drilling areas; increased space rates.

About a third of the increase is due to two items not in the 1956 budget. One is catalogs which were not needed in 1956. The other is the internal company magazine being started in 1957.

Also, a three-stage program of bulletins on all new products and a stepping up of direct mail effort accounts for another $6,500.

NL 000039796

Baroid Division

DEPARTMENTAL BREAKDOWN

Dept.	Estimated Sales		Advertising Expenditure		% of Sales Dollar	
	1956	1957	1956	1957	1956	1957
Drilling Mud	$36,000,000	$46,000,000	$173,330	$148,873.20	0.48	0.32
Well Logging	2,400,000	3,200,000	18,830	43,132.20	0.78	1.34
Bentone	900,000	1,000,000	16,768	24,520.70	1.86	2.45
National Bentonite	500,000	600,000	8,581	16,567.70	1.72	2.76
Testing Equipment	360,000	500,000	7,494	34,845.70	2.08	6.97
Mud Products, Inc.			----	11,070.50	----	
	$40,106,000	$51,300,000		$279,010.00		

TOTAL ALL PRODUCTS AND SERVICES

Estimated Sales	Advertising Expenditure	% of Sales Dollar
1956 - $40,106,000	$204,713.00	0.51
1957 - $51,300,000	$279,010.00	0.54

Salaries	
1955	$18,000.00
1956	$20,290.00
1957	$23,250.00*

* Includes new man added to staff October 1, 1956

NL 000039797

Grand Total (Including Salaries)

1956	$225,003.00	0.56
1957	$302,260.00	0.58

Doehler-Jarvis Division

	1957	1956
Trade Paper Space	$ 44,500	$ 36,400
Preparation Costs	9,000	8,000
Directories	3,355	----
Classified Directories	1,000	1,000
Motion Picture Service	500	31,500
Printed Matter	13,500	6,500
Trade Shows	16,000	13,000
Special Machine for Show Use	----	8,000
University Machine & Service	9,500	17,500
Salaries	8,000	----
Contingency	5,000	3,500
	$110,355	$125,400

Comment:

One magazine Modern Metals has been added to the trade list. Otherwise the schedule is the same as 1956 although there have been rate increases. The salary item has been added since the full time of one man is required.

NL 000039798

Southern Screw Division

	1957	1956
Trade Paper Space (incl. production costs)	$105,000	$65,000
Local Advertising	1,200	1,200
Trade Shows	5,000	2,500
Printed Matter	10,000	10,000
Novelties	3,500	2,000
Christmas Gifts to Customers	10,000	10,000
	$134,700	$90,700

Comment:

It was explained that the increase is due to expansion into new lines.

NL 000039799

Titanium Pigment Division

	1957	1956
Trade Paper Space	$ 59,000	$ 58,100
Preparation Costs	20,000	20,000
Convention Souvenirs	9,000	9,000
Sales Promotional Literature	23,000	23,500
Miscellaneous	750	750
	$111,750	$101,350

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Comment:

The trade advertising covers all the major fields offering a market for Titanox including paint, textile, rubber, plastics, ceramics and paper. All have had rate increases over 1956. Also insertions have been increased in two publications and two magazines have been added. Competition has also increased their advertising activities and there is now a new competitor in the New Jersey Zinc Company.

The money budgeted in 1956 for a new edition of Titanox Pigments, Properties and Uses has been transferred to 1957 as the catalog will not be published until the early part of next year.

NL 000039800

Magnus Metal Division

	1957	1956
Trade Paper Space	$23,000	$22,500
Preparation Costs	6,000	6,000
Railroad Magazines	3,500	3,500
Direct Mail	7,000	7,000
Special Reserve	5,500	---
Salaries and Personal Expense	7,000	6,200
Contingency	2,000	2,000
	$54,000	$47,200

Comment:

The amount under Special Reserve is to cover space and preparation costs to promote a redesigned journal stop now under consideration.

NL 000039801

"Dutch Boy" Chemicals

	1957	1956
Trade Paper Space	$37,000	$31,615
Preparation Costs	7,500	10,000
Trade Show	----	3,500
Foreign Advertising	----	1,000
Contingency	1,000	----
	$45,500	$46,115

Comment:

The principal change is an increase in the frequency of insertions in the American Paint Journal and the adding of Plastics Technology to the list. The latter book has good circulation among processors and manufacturers of plastics.

NL 000039802

Titanium Alloy Mfg. Division

	1957	1956
Trade Paper Space	$28,300	$27,800
Production Costs	4,300	5,000
Catalog Space	4,200	4,200
Monthly Reminder	10,000	10,000
Trade Shows	2,000	2,000
Printed Matter	1,500	1,500
Contingency	1,000	1,000
	$51,300	$51,500

Comment:

Adjustments have been made in the trade paper list although the amount of money invested is practically the same as 1956.

Chas. Taylor Sons Co.

	1957	1956
Trade Paper Space	$11,780	$11,100
Directories	1,780	1,720
Preparation Costs	3,500	3,500
Direct Mail	2,000	2,000
Sales Literature	5,000	5,000
Contingency	2,500	2,500
	$26,560	$25,820

Comment:

Essentially this is the same program which was approved and followed in 1956. In view of the increasing demand for refractory products and expanding competition this continuation of advertising effort seems fully justified.

NL 000039803

De Lore Division

	1957	1956
Trade Paper Space	$3,000	$3,000
Directories	520	650
Calendars	1,350	1,300
Printed Matter	1,500	2,700
Contingency	130	---
	$6,500	$7,650

St. Louis Smelting & Refining Div.

	1957	1956
Local Goodwill Advertising	$ 250	$ 250

Texas Mining & Smelting Division

	1957	1956
Local Goodwill Advertising	$ 300	$ 430

American Bearing
Master Metals
Evans Lead Division

These units report they expect to do no advertising in 1957.

NL 000039804