

The Volume of Press Display Advertising in Ireland, 1957

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Advertising is frequently examined by sociologists and economists from the aspect of its effect on patterns of living and the economy generally. But its dimensions in modern economies suggest that it warrants study in its own right, simply as an economic activity.

In 1957, total advertising expenditure in the United States amounted to \$10.5 billion, just on 2½% of the National Income. In the same year, spending in the United Kingdom was between £340—365 million, just on 2% of the National Income. The calculations included in the following paper are offered as a necessary first step towards arriving at similar estimates for the Republic of Ireland, both in the absolute, and in terms of the proportion of national resources which are being devoted to Advertising.

The source of these figures is the Nielsen Advertising Index, a measurement of expenditure in Press and Radio, produced for the use of advertisers and advertising agencies. The Index covers all newspapers and periodicals published in Ireland (excluding the six North-Eastern counties) that appear not less frequently than quarterly, and are available to the general public. A wide selection of trade and other subscription publications is also included.

All trade display advertisements are counted; so also are certain special position lineage insertions, but classified entries are excluded. Advertisements for more than one product class or brand are apportioned between the different items. Single-product dealer advertising is separately recorded in the tables; only in special cases are multi-product advertisements of this kind included. That is, where a local retailer advertises one product only, indicating that he stocks or sells it, the advertisement is considered as being for the product rather than for the dealer; on the other hand, if a number of products are included, it is considered to be for the dealer, and is not attributed to any particular brand.

All Press advertisements are valued according to the rates published by each newspaper or periodical. The surcharges applicable to well-defined special positions are taken into account, but series or other discounts are ignored. At first sight, the practical necessity of ignoring series or other discounts and also the impossibility of knowing of free spaces which are occasionally obtained, which are common to all measurements of this type, might be thought to lead to understatement of expenditures in printed media. Comparisons with actual appropriations, however, indicate that this is not so, since the

difference is more or less made up by expenditure in occasional publications, programmes, annuals and the like, which are not measured by the Index. It should be kept in mind, however, that all the figures which follow relate to expenditure by advertisers, not to receipts by publishers.

In the Index, and also in the estimates arrived at below, publications are grouped under the following five headings:—

National Dailies—the three Dublin morning newspapers and the Cork Examiner (4).

National Evenings—the three Dublin evening newspapers (3).

National Weeklies—Sunday Independent, Sunday Press, Sunday Review, Radio Review, Standard, Irish Farmers' Journal, etc. (19).

Provincials—all daily, semi-weekly and weekly newspapers not included elsewhere (64).

Others—fortnightlies, monthlies, quarterlies (105).

While the Index currently provides information on over 2,000 brands grouped broadly into about 80 product classes, not all of these can be used for the calculations included in this paper, since in some cases data was not produced covering the whole of 1957. These calculations rely, therefore, upon the expenditures in respect of 20 product classes, comprising 581 brands, for which the full year's data is available. The possibility of bias arising from the fact that the selection of product classes was not the result of a random process must be dealt with. For two reasons, firstly, the substantial proportion of all display advertising accounted for by these brands, and secondly, because of the "spread" of the range of goods which are included in the selection, it is believed that any inherent bias which there may be is not such as to affect the results materially. The question of the proportion of total display advertising covered is considered in detail below.

In examining the sums spent on display advertising in the Press for different groups of commodities, it should be stressed that the figures quoted do not necessarily reflect the relationship between product groups as far as *total* advertising is concerned. In some cases, low expenditure on press advertising is due to heavy concentration in other media, such as cinemas, posters or radio, and the converse is also true. Within printed media, however, expenditure on Cigarettes and Tobacco (£129,500) was appreciably higher than in any other field. At £63,800, Motor Vehicles and their accessories were rather higher than all Petroleum products combined (£57,700). Two groups where advertising was primarily directed to farmers, Animal Feeding Supplements and Agricultural Machinery, spent a combined total of £35,400. £40,400 was the aggregate for the typical household products, Polishes, Toilet and Hard Soaps and Disinfectants. Beers and Cider accounted for £29,300, and Men's Outerwear for £16,200. The following

table shows how expenditure varied within the 581 brands by size group :—

TABLE I.—DISTRIBUTION OF EXPENDITURE FOR 581 SELECTED BRANDS

Expenditure in 1957	Number of brands	As % of total
Less than £100	276	48
£100-299	95	16
£300-499	34	6
£500-999	62	11
£1,000-2,499	60	10
£2,500-4,999	30	5
£5,000-9,999	19	3
£10,000 and over	5	1
Total	581	100

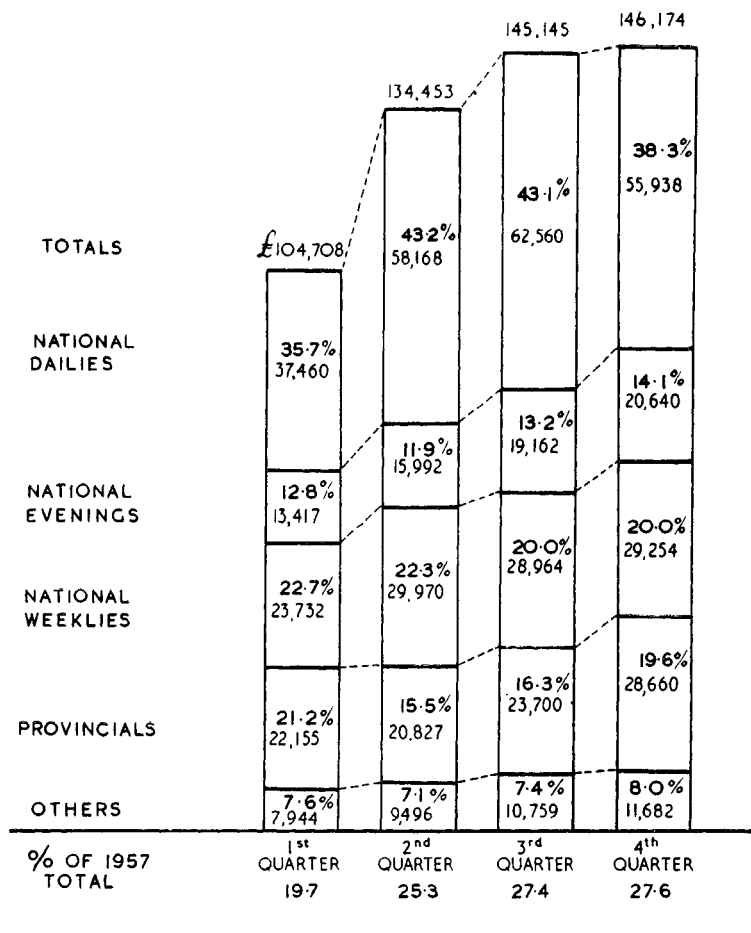
The mean expenditure was £966. Eliminating those brands with expenditures during the year of less than £100, the mean rises to £1,795. Amongst this group, 52% of the total, the median expenditure was in the range £500-£1,000.

There are, as might be expected, marked seasonal variations in expenditure among different product classes. For example, two-thirds of all spending on Radio and Television receivers took place in the last quarter of the year. On the other hand, this quarter was generally low for the household products, which were spending most freely during the second and third quarters. The last three months of 1957 also included a relatively high proportion of expenditure on Motor Vehicles. On the other hand, some product classes, such as Cigarettes and Tobacco, had a more or less even spread of expenditure throughout the year.

Usage of different media groups also varied considerably by the type of product being advertised. Evening newspapers were used scarcely at all for Cars and Commercial Vehicles, but extensively for their Accessories and Parts. On the other hand, Radio and Television receivers made considerable use of this media group as well as of the Provincials. Relatively little was spent in the latter newspapers by some Toiletries, such as Hairdressings and Shaving Preparations. The following chart shows the quarterly movement of the aggregate spending of the 581 brands by the five media groups (*See Chart I*).

It is probable that the first quarter of 1957 was an abnormal one from the point of view of the volume of newspaper advertising. The most important reason contributing to this was the Suez crisis which led to the cancellation of all Petrol advertising, except in a few instances where long-term contracts were involved. Other depressing influences were also at work and these appear to have affected the Dailies more than other periodicals. The aggregate level of the 581 measured brands during the first two months of 1958 was £78,546, 23% higher than the corresponding period of 1957, and a similar comparison of National Dailies shows a level nearly one-third higher than a year ago. It is probable that these levels are more typical of a normal year.

CHART I.—DISPLAY ADVERTISING FOR 581 SELECTED BRANDS, 1957

TABLE 2.—DISPLAY ADVERTISING—581 BRANDS. JANUARY—FEBRUARY, 1957
COMPARED WITH JANUARY—FEBRUARY 1958

Media group	Jan—Feb. 1957 total	Jan—Feb. 1958 total	% increase on 1957
National Dailies	£ 23,027	£ 30,431	32.2
National Evenings	8,571	10,754	25.5
National Weeklies	14,528	17,867	23.0
Provincials	12,588	13,615	8.2
Others	5,256	5,879	11.9
Total	63,970	78,546	22.8

In addition to measuring actual advertising volumes, the structure of this activity is also examined in some detail. Information is produced which shows such details as the publications used within the various media groups, the frequency of insertion for the different brands and the sizes of advertisement employed.

Some examples illustrating this last point may be of interest. A sample of some 380 brands from 13 product classes was analysed, one month during 1957 being selected at random for each group of products. Whilst no attempt is made to suggest that the overall pattern for all brands is necessarily reflected in the results it is felt that they may be of interest as a cross-section of some reasonably typical activity. In total some 1,830 advertisements were encountered in this study.

Advertisements in the National Dailies, Evenings and Weeklies and in Provincials were examined. They were grouped in four space ranges giving the following results :—

TABLE 3.—DISTRIBUTION OF ADVERTISEMENT SIZES

Media Group	Size of advertisement (columns × inches)			
	Less than 14	14 and over but less than 26	26 and over but less than 37	37 and over
National newspapers . .	% 44	% 31	% 11	% 14
Provincial newspapers	34	37	25	4

There were considerable variations between the product classes. Not surprisingly, half the Cigarette advertisements in the National newspapers in the particular month analysed fell into the largest of the size groups.

In using the available data to estimate total display advertising expenditure a sequential sampling procedure was used. The purpose of this was to assess within each media group the proportion of total space covered by the 581 brands in the above analysis, thereby deriving an estimate of the total expenditure in each group.

The initial step was to set out the publications in each section in a random order. Within each group a series of systematic samples of issues was then drawn, moving cyclically through the year from each starting point. These samples were taken in turn and for each member publication total display space was measured together with the corresponding figure for the 581 brands upon which comprehensive data was available. These measurements were totalled for each sample, and the process repeated in each group until the proportion for the 581 brands was sensibly stable. For example, four samples of 28 papers, 112 in all, were sufficient to produce a working estimate for National Dailies.

The speed with which this sequential operation produced stable estimates was undoubtedly determined in large part by the sizeable proportion of the total that the selected brands represent. This tendency confirmed, moreover, that one could feel reasonably confident that they suffered no significant bias either by media group or by variation in activity through the year.

The ratios derived were then applied to the expenditure data for the 581 brands (Chart I) to produce estimates for the total spent in each media group through the year (Table 4). It should be noted that these ratios were based on display space; their application to the data on expenditure assumes that there is no disparity between the average cost of space for the brands analysed and the average over all brands. Bearing in mind the observations in the preceding paragraph this assumption appears to be quite reasonable.

TABLE 4.—ESTIMATED TOTAL DISPLAY EXPENDITURE, 1957.

(1) Media Group	(2) % of total display space covered by 581 brands	(3) Expansion factor	(4) (5) Estimated total display expenditure, 1957	
			£'000	As % of total
National Dailies . .	22.5	4.44	950	34.2
National Evenings	18.5	5.41	376	13.5
National Weeklies	20.8	4.81	538	19.3
Provincials . .	16.0	6.25	595	21.4
Others	12.4	8.06	322	11.6
Total	19.1		2,781	100.0

NOTES: Column (2) is derived from the sampling procedure;

Column (3) is the reciprocal of Column (2);

Column (4) is the result of applying the factors in Column (3) to the data in Chart I.

These data are illustrated in Chart II.

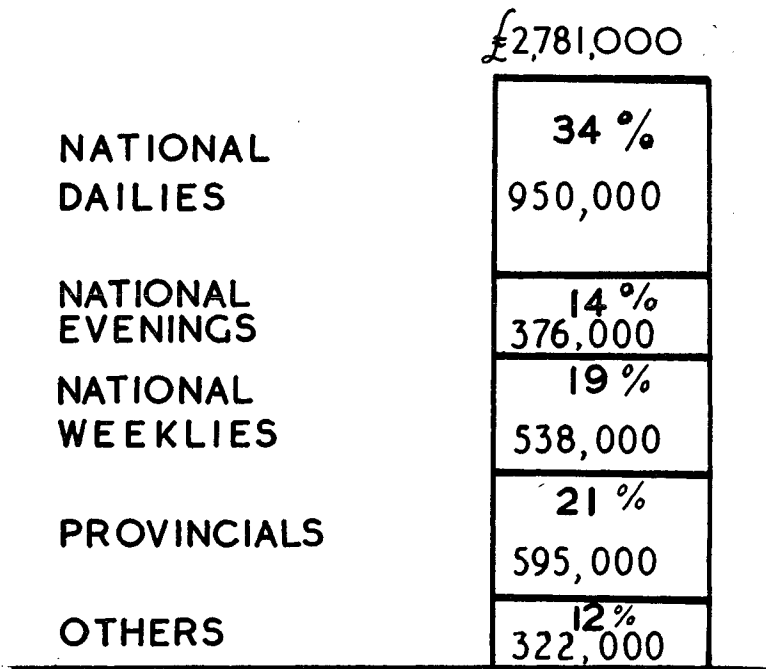
In view of the belief, mentioned above, that the first quarter of 1957 was subject to exceptional conditions, it may be of interest to review this table in the light of the relative increase from January-February 1957 to the corresponding months of 1958. These have been taken to apply to the whole of the first quarter of each year. The ratios used

above have also been taken as applicable in the extended period. The result is set out below :—

TABLE 5.—ESTIMATED TOTAL DISPLAY EXPENDITURE, APRIL, 1957—MARCH, 1958

Media Group	Estimated total display expenditure: April 1957—March 1958	
	£'000	As % of total
National Dailies	1,004	34·6
National Evenings	394	13·6
National Weeklies	564	19·5
Provincials	607	20·9
Others	330	11·4
Total	2,899	100·0

CHART II.—ESTIMATED TOTAL DISPLAY EXPENDITURE, 1957



Taking all factors into account, therefore, on the one hand the possibility of bias in the selection of product classes on which basic data was available for 1957, together with the exceptional factors operating in the first quarter of that year ; on the other, the substantial proportion of total display advertising covered by these product classes and the degree of internal consistency achieved by the sample measurements on which the expansion factors were based, it seems safe to accept the resultant estimates and to assume that total display advertising in the Republic of Ireland falls within the range of £2½–£3 million yearly. In 1957, due to the exceptional circumstances of the first quarter, the volume may be placed towards the lower end of this range but the indications are that in a more normal year the higher end would be more appropriate.

It can also be accepted that of this sum roughly one-third is spent for advertising in the Daily newspapers, with Provincials and Weeklies accounting for rather more and rather less than a fifth each respectively. Rather more than an eighth is spent in Evenings and rather less in Others. Since these estimates relate to what advertisers pay for space and not to what publishers get for it, the proportions of net receipts accruing to the various media groups will differ from these since all groups do not offer the same rates of discount or agency commission.

Expenditure on Press display advertising is, of course, only a part of all advertising outlay but there are sound reasons for believing that it may be a more important part in Ireland than elsewhere. Broadcast advertising in the U.S. in 1957 amounted to \$2 billion, or almost a fifth of the total, and in Great Britain spending on Commercial Television alone at £33 million, was running at about a tenth of the total (in 1958, it seems likely to reach £50 million, over an eighth of total expenditure). Advertisers in Ireland cannot yet spend their appropriations on Television, and the volume of sponsored Radio advertising from Radio Eireann is only of the order of 3 % of the Press total estimate arrived at above. Poster and transport advertising, which correlate highly with population density, might also be expected to be less important here than in, for example, Great Britain. On the other hand, the lack of Television in Ireland, as well as other reasons, might tend to give a higher share of Irish expenditure to Cinemas, and administration costs might also be proportionately higher.

If this reasoning is correct it seems likely that, in relation to National Income, total advertising expenditure in the Republic is at an appreciably lower relative level than in Great Britain. At 1½% of National Income the total would be of the order of £7 million; at 1% it would be in the neighbourhood of £4½ million. It is hoped, in a future paper, to make estimates in respect of media other than Press, so as to arrive at a reliable figure for aggregate expenditure.

DISCUSSION

Mr. T. P. Linehan: Ladies and Gentlemen, Messrs. Kingston and Prendiville have performed a very useful service in presenting to the Society some data in respect of the main branch of advertising in this country. In the light of the larger question of advertising statistics generally, which is raised by the promise in the final sentence of a more comprehensive paper in the future and by the remarks of the previous speakers, perhaps it would be well to refer to the data on advertising in Ireland available from official sources.

Firstly, regarding *expenditure* on advertising, particulars were obtained in the Census of Industrial Production for each of the six years 1945–1950 inclusive, of the total expenditure on all forms of advertising. These figures formed part of the various itemised costs, additional to raw materials used. This series of queries was discontinued after 1950 as data on other items, e.g. capital expenditure etc. were considered of greater importance. The total expenditure on advertising for the transportable goods industries and the percentage which this formed of gross output was as follows :

Year	£000	% Gross Output
1945	409	0.34
1946	505	0.38
1947	542	0.35
1948	628	0.36
1949	809	0.40
1950	937	0.40

Of the total of £937,000 in 1950, some £213,000 was spent by the brewing industry and a further £128,000 by the sugar, sugar confectionery etc. group. The figures for individual industries for these years have been published in the *Irish Trade Journal and Statistical Bulletin*.

If it is assumed that advertising expenditure as a percentage of gross output continued to increase to say 0.5% in 1957, the corresponding expenditure on advertising would be about £1 $\frac{3}{4}$ million.

Unfortunately we have not any similar basis for estimating expenditure by other sectors of the economy. Perhaps it would be possible to experiment on a sample basis within the framework of the Census of Distribution for the larger concerns engaged in Distribution.

In the 1956 Census of Distribution however we have attempted to gather incidentally some data on another aspect of advertising—namely the advertising agencies. Unfortunately the general form issued in the Census is designed for shops in the ordinary sense and not for specialised activity of this nature, hence the instructions, definition etc. are not very relevant. Our examination of the returns shows that the gross receipts of advertising agencies is of the order of £1.7 million. With the cooperation of the agencies, through their association it might be possible to design a more appropriate questionnaire and to use this to assemble data for 1957 showing the source of receipts and destination of expenditure.

The only other official source of statistics on advertising activity is the Census of Population. No financial data are obtained in this inquiry. It may be of interest to some of those present this evening to mention a few figures relating to the year 1951.

In that year there were 440 persons engaged in the sector or industry “Advertising and Bill posting agencies.” Seventy-nine of these were coded as advertising agents and managers. In the economy as a whole, however, there were 263 advertising agents and managers, i.e. the difference of 184 representing advertising agents and managers engaged in industrial, distributive or other concerns.

In speaking of advertising activity in its broadest sense account should be taken of classified advertisements as the extent to which private persons in their private capacity advertise is of importance, for example in determining one constituent of consumer expenditure.

It is a matter of definition whether expense incurred in assessing the impact of advertising should be classed as advertising expenditure.