

WEAF and the Evolution of Direct Ads

Despite general opposition to the concept of advertising over radio, AT&T's experimental station WEAJ in New York City initiated "toll broadcasting," whereby it invited paying customers to enter its radio "phone booth" to call the public.¹ WEAJ broadcast the first radio commercial on August 28, 1922 – twelve days after it went on the air for the first time.² Harry Clinton Smith, an employee in AT&T's commercial department, thought of the idea and sold time to the Queensboro Corporation, a New York realty company, allowing one of its employees to make a ten-minute speech about Jackson Heights apartments for sale.³ Soon, other companies began paying to give ten minute talks over the air, and a 1923 AT&T memo noted that WEAJ cost \$175,000 a year to operate and predicted that an "organized sales force" would produce revenue of \$330,000 in a year.⁴

Encouraged by advertising's revenue, but seeking to assuage the public's distaste for ads, WEAJ adopted a form of indirect advertising whereby companies could lend their names to bands and orchestras, raising audiences' brand awareness every time that

¹ Marchand at 89 citing Sydney W. Head, Broadcasting in America (Boston 1972) at 146-47 and John W. Spalding, "1928: Radio Becomes a Mass Medium," Journal of Broadcasting 8 (1963-64):40; Starr at 336.

² Archer at 275.

³ Oslin at 284; Bergreen at 31; Archer at 276; Barnouw at 110, 158; Lichty & Topping at 196.

⁴ Bergreen at 32.

they played.⁵ Then in late 1923, WEAF hit on another advertising idea, allowing companies to sponsor an entire program.⁶ Within a year, advertisers selling products like toothpaste, batteries, ginger ale began sponsoring programs,⁷ and between 1923 and 1927, advertisers and businesses generally believed that ads should be limited to sponsorships that would build good will that would be destroyed by direct ads.⁸ Not only did the program sponsorship model change the way listeners perceived ads, it also satisfied listeners' desire for programs of dependable quality.⁹ WEAF's initial self-image as a common carrier, whereby anyone willing to pay to broadcast a message could do so,¹⁰ ignored its audience's demand for good programming, and WEAF became profitable only after AT&T began arranging high quality programming produced for sponsors.¹¹

According to Bergreen, WEAF's first sponsored program – The Everready Hour – launched in December, 1923 set another broadcasting precedent by being produced by an advertising agency rather than the network or sponsor.¹² Gradually, agency program

⁵ Id. at 33; Barnouw at 158 credits the same Harry Smith who negotiated the Queensboro Corporation's first ad with creating the idea for the "Browning King Orchestra"; Marchand at 93.

⁶ Bergreen at 33-34.

⁷ Oslin at 284.

⁸ Marchand at 90.

⁹ Id.

¹⁰ Starr at 336-37.

¹¹ Id.

¹² Bergreen at 34; Barnouw at 159.

production became the norm. Advertisers began blending editorial content with advertising information to try to preserve radio's tone of refinement and entertainment, believing listeners may be more receptive to sponsors' information if interwoven in the entertainment.¹³ Soon, it became standard practice to interweave products into the plot of a story, leading ad agencies to expand their radio departments and take greater control over program production and product,¹⁴ hiring the performers, finding sponsors, and presenting the shows to the networks as a complete package.¹⁵ Many agencies created new radio departments or expanding their staffs in 1927 and 1928.¹⁶ By 1929 advertising agencies were producing 33 percent of programs; individual sponsors, 20 percent; the networks, 28 percent; and special program builders, 19 percent.¹⁷ Within a few years, the agencies took over nearly all but the sustaining programs.¹⁸

In 1926, a few advertisers began experimenting with "direct advertising," but most were still concerned about offending their listeners.¹⁹ As agency radio departments expanded in the late twenties, however, advertisers began to realize that direct advertising could boost sales and need not be delicately interwoven with entertainment content.²⁰

¹³ Marchand at 105-06.

¹⁴ Id. at 106-07.

¹⁵ Starr at 355.

¹⁶ Marchand at 107.

¹⁷ Starr at 355.

¹⁸ Id. at 356.

¹⁹ Marchand at 94.

The American Tobacco Company tested the power of radio in 1928 by airing testimonials from its aggressive Lucky Strike print campaign and withholding almost all other advertising.²¹ When Lucky Strike sales increased by 47% in two months, Lucky Strike's ad agency proclaimed, "broadcasting is a profitable advertising medium when used frankly and fearlessly as such."²² By 1929 many advertisers no longer insisted on "sponsorship only." Roy Durstine, a leader in BBDO programming and advertising stated in June 1929 that consumers had "come to expect and accept infinitely more advertising in a program than would have been considered tolerable even a year or so ago."²³

According to Lichty & Topping, NBC broke the ban on direct advertising during daytime only in July 1932.²⁴ Then in September, both NBC and CBS broke the ban at night, with the September 12 A&P Gypsies program mentioning prices.²⁵ By the mid-thirties, some sponsors believed that in a publicity-saturated world, they "had to be direct, insistent, and intrusive to get their message across" as increasing numbers of companies

²⁰ Id. at 107.

²¹ Id.

²² Id. citing Spalding, "1928," p. 33; Printers' Ink, May 23, 1929 at 82-83.

²³ Marchand at 107-08 citing Durstine, "We're on the Air," at 627; Printers' Ink, June 6, 1929 at 121.

²⁴ Lawrence W. Lichty & Malachi C. Topping, American Broadcasting: A Source Book on the History of Radio and Television, New York, 1976 at 199 citing Broadcasting-Telecasting, October 15, 1956, p. 112.

²⁵ Id.

advertised on the radio to reach the growing number of American households with radios, which rose from 23.6 percent in 1927 to 65.2 percent in 1934.²⁶

Bergreen notes that, with WEAF, AT&T made several precedential programming decisions that the networks would follow when they were set up three years later. One decision was allowing companies to sponsor programs rather than just a band or orchestra, programs that eventually became created by advertising agencies, as explained above. Another fundamental precedent that AT&T set was performing the program at one station, while carrying it by AT&T lines to stations around the country for simultaneous broadcast.²⁷ AT&T first experimented with simultaneous broadcasting on January 4, 1923 when Boston station WNAC carried a music program performed at WEAF over AT&T long distance telephone lines.²⁸ AT&T immediately foresaw the positive business implications of simultaneous broadcasting and urged its engineers to work on developing telephone lines that would enable satisfactory long distance transmissions.²⁹ Together, these innovations created the format that the networks would follow when they were set up three years later: a broadcasting station owned by a large communications company hired out its facilities to a company that engaged an

²⁶ Starr at 355.

²⁷ Bergreen at 34.

²⁸ Archer at 286-87.

²⁹ Id.

advertising agency to package a program that would convey the company name to the largest possible audience.³⁰

³⁰ Bergreen at 34.