



RADIO NEWS

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THE OUTLINE OF BROADCASTING

By HUGO GERNSBACK

THERE are now in this country nearly seven hundred broadcast stations. Scattered throughout the world there are, from the latest available reports, other broadcast stations enough to bring the number well over a thousand. The remarks that I shall make here will be centered, primarily, around the reason why broadcasting is done at all, and the most recent developments in the economics of broadcasting.

First, the question is often asked "Why is a broadcast station?" In America, since the Federal Radio Commission took hold, it has been freely predicted that, after even a short time, many broadcast stations will be killed off. This massacre has not been realized, for the simple reason that a broadcaster is one of the most difficult things to kill. There are hundreds of reasons why a person, a business, such as a newspaper, a church, or other institution, should broadcast. These are, usually, strictly individual and, while the reasons may be good ones, the results, in a great majority of the cases, do not warrant the maintenance of a separate broadcast station. For sentimental reasons, there may be a reason for broadcasting. A man or a firm may wish to become better known in the community, or indeed in the country, and the operation of a broadcast station often may accomplish this.

Whether it is of any dollars-and-cents value to the broadcaster himself is not always certain. A newspaper, for instance, may run a broadcast station which costs some \$200,000 to operate during the year. It is doubtful whether the newspaper can pick up sufficient additional circulation to pay for this outlay. But in good will and prestige, the \$200,000 may be well repaid. No two cases are ever alike, and what benefits one broadcaster may not benefit another. Each case should be judged on its own merits.

Some broadcasters frankly admit that they are not in the "game" from the dollars and cents standpoint directly, but expect to profit indirectly. Thus, for instance, one of our large radio corporations went originally into broadcasting simply to keep faith with the people who bought its radio sets; because a radio set without broadcasting would be the height of uselessness. Consequently, more people listening-in to radio programs meant the sale of more sets. That, however, was in the beginning. If this firm had been able to monopolize the sale of sets, then its broadcast station or net of stations would indeed have been well paid for. But this did not happen, and many independent manufacturers who sold radio sets did so really on the capital invested by others in broadcast stations.

From the economic side, one would think that the manufacturer who sells radio sets or, indeed, radio merchandise, should support the broadcaster who gives the service; but, strange to say, the set manufacturers, as well as the makers of parts and accessories, in America, while not actually hostile to the broadcast stations in general, do practically nothing to help defray the broadcaster's expenses. This situation is strange, if we contemplate the fact that, if all broadcasters suddenly shut up shop, not a single radio set, accessory or part could be sold.

There was at one time a faint hope that broadcasters could assess the radio manufacturing industry to help support the stations. Such a thing might have come about if stations in this country had not multiplied to such an extraordinary number, that the burden would be too tremendous for even the largest manufacturer to stand. Even a large sum of money, distributed over seven hundred broadcasters, would be wasted, because it could not begin to support the entire broadcasting industry adequately.

So the broadcasters who, practically one and all, with very rare exceptions, have lost huge sums from their stations, have come of late to see a new light. Even the wealthiest broadcaster will sooner or

later become discouraged, if month after month his business department shows losses piling up, from which there seems to be no escape. The average 500-watt station costs anywhere from \$100,000 per year upwards to run, if it is operated on any decent basis whereby the public gets fair entertainment. Frequently the figure is much higher, where the station has a good staff and uses good talent.

Another important change has come about lately, which may be summed up as follows: When broadcasting first started, the stations practically had to drag the talent in to the studios. I remember well the time when WJZ first started in Newark. It was the first station in this district, and not well known at the time. I had been asked to prepare a talk to deliver over the station. The station manager came over to New York in person to get me; even inviting me to dinner and having a car ready for me to go over to Newark and broadcast! Those were the good old days, when broadcasting was young.

A little later on, nearly everyone was anxious to broadcast, particularly musical artists who sought to make a name for themselves over the radio, and many indeed did so. There are many of them who have been actually "made" by radio. But of late these same artists and a host of others have come to realize that it is one thing to be a famous radio artist, and quite another to meet his rent when it comes due. Fame and publicity do not keep the wolf from the door. So the same artist, who once was glad to have the opportunity to broadcast, now has made a face-about and demands pay—and good pay at that—if the station wants to use his talents.

As for music, such as that supplied by orchestras, unions have been formed and it is practically impossible to secure any kind of an orchestra or instrumental performer, with very few exceptions, who will give services free to a radio station. There are, of course, exceptions, because there are still some artists who are not too well known.

So the broadcasters are faced with the alternative of running their stations at a huge loss, or quitting entirely. Rather than do the latter, and in order to get back the heavy investments already made, advertising over the radio has become increasingly popular lately; and it may be said that the coming year will witness a complete change in broadcasting. After the broadcasters had seen the light, and found that support was not forthcoming from the radio industry itself, they had to go sell their time to those who needed advertising. And it may be said here that *advertising over the air is possibly the cheapest kind of advertising and the most economical.*

It is doubtful whether an advertiser can secure the same results in any other way than over the radio, providing it fits his particular class of business. When it comes to making a name for a certain class of merchandise, and to popularize it quickly, there is possibly nothing quite as efficient as radio, because it immediately reaches a large class of people who are in a receptive mood. On the other hand, there should be no direct advertising over the air; that is, so-called "sales talk." It has been found that such methods are usually fruitless, because the listener becomes annoyed and tunes out the offending station. But few listeners object to a "sponsored program;" that is, a musical program sponsored by an advertiser. In such a case, not more than two dozen words of advertising are given, which is not at all offensive; because the listener knows that the entertainment comes to him free anyhow, and he is not likely to complain.

Strange as it seems, the radio advertiser has not as yet been educated to this fact, and often insists on long-winded, foolish advertising talk, which gets him nowhere. Another, and most important part, that most radio advertisers frequently forget, is that even the best of sponsored programs, if given only once or twice, are of no use whatsoever. Only those programs that run week in and week out, stretching over a year and more, bring the greatest results.

... In which the Editor dips back into ancient history, and recalls the earliest days of broadcasting—when the question of its support was less troublesome than it is today—how the broadcaster has been faced by continually increasing costs of good entertainment—why paid advertising must be relied upon to provide programs of quality that is attractive to critical listeners—and why radio advertising must not be of too direct a nature if it is to be really profitable to its purchasers.

Mr. Hugo Gernsback speaks every Tuesday night at 9.30 P. M. from station WRNY on various radio and scientific subjects.