

RADIO IS SOUND

Fellows Hits Rate Cuts at NARTB Dists. 7, 8

By J. FRANK BEATTY

BROADCAST advertising, still solidly entrenched after four years of open TV competition, is entering an era of permanent prosperity, NARTB President Harold E. Fellows told district meetings last week in Cleveland and Mackinac Island, Mich.

Despite TV, with its upcoming expansion, broadcasters can operate profitably if they follow sound business principles and develop the neglected field of retail business, Mr. Fellows told delegates from four states as the annual NARTB district series got under way.

Well-attended meetings of District 7 (Ohio, Ky.) and District 8 (Ind., Mich.) heard President Fellows keynote a series of panel discussions covering many of the knottiest problems facing radio and TV management.

The District 7 meeting was held Monday-Tuesday at the Hotel Statler, Cleveland, with Robert T. Mason, WMRN Marion, Ohio, presiding as district director. District 9 met Thursday-Friday at Grand Hotel, Mackinac Island, with Stanley R. Pratt, WSOO Sault Ste. Marie, Mich., as district director.

Noting concern among broadcast delegates at the impending expansion of TV (see TV panel story page 56), President Fellows warned them to stick to their rate cards. In his keynote talk at both meetings he declared that "cheap programming and cut rates are not a tonic but a poison" in meeting TV competition.

In a prepared luncheon speech titled "I Can Get it for You Retail," he cautioned broadcasters that "a retailer questions the force of a medium that operates on a rate that changes from day to day."

Retailing Is Emphasized

The speech, to be delivered at all the 17 district meetings, calls on broadcasters to realize the potential advertising available from retailing, "the biggest business of all." Urging broadcasters and retailers to cooperate, Mr. Fellows said retailers must join broadcasters in driving out "the fast-dollar charlatans who sell by sleight of hand." This can best be done, he said, through cooperation of retailers and radio. He added that department store purchases for the first quarter of 1952 are down about 9% from 1951.

Both groups should meet in local clinics, he suggested, continuing, "It's about time the merchant understood the radio business and the broadcaster understood the business of being a merchant." Each group should read the other's trade journals, he suggested.

As the lowest cost mass medium, radio can move goods for retailers by "moving people from their

homes into the stores," Mr. Fellows said.

"We must create again an atmosphere in which to say, 'I can get it for you retail,' is in itself a guarantee of quality and satisfaction," he said.

Explaining that the merchant doesn't understand about broadcasting, Mr. Fellows said: "He doesn't understand that it is a special technique of advertising,

to be compared with printed media only to the extent that they share common purpose: To deliver customers and create goodwill. He doesn't understand the need for special copy treatment. Too frequently, he tries to use radio to move white elephant merchandise, and often compounds the error by playing hide-and-seek with the radio customers in an effort to prove radio's effectiveness. And often,

which is the greatest sin, the retailer thinks he knows more about radio selling than the broadcaster—and insists upon his selection of program and commercial."

On the other hand, he continued, there are things the radio-TV executive doesn't know about retailing: "That a retailer resents it when a salesman tries to emphasize the virtue of his product or service by the lazy expedient of deploring the virtue of a competitor. That a retailer operates on a narrow margin of profit and must expect his advertising to move merchandise as well as create goodwill. That a retailer is, or should be, interested in audience—or prospects. And, sadly, often the broadcaster thinks he knows more about the retailing business than the retailer knows."

The inaugural district meeting at Cleveland produced only routine resolutions, commending speakers and lauding NARTB's progress under the Fellows administration. Mr. Mason and William Fay, WHAM-TV Rochester, who directed the TV panel, were singled out for praise.

Final action at the Cleveland meeting was to review suggestions of a sites and policy committee headed by Gilmore L. Nunn, WLAP Lexington, Ky., a former District 7 director. His committee's report included a proposal that district meetings be concentrated into one long day of meetings. Another suggestion would program the first day of two-day meetings especially for non-members, with second day devoted to sessions for members.

Taking up radio's current problems in his Monday morning talk, Mr. Fellows said four years of open competition with television definitely has proved that radio is not only here to stay, but will be



AGENCY-STATION group at first NARTB meeting (front row, l to r): Chuck Lonsdale, Meldrum & Fewsmith, Cleveland; Len Nasman, WFMJ Youngstown; Helga Preisman, Marcus Adv., Cleveland; C. S. Dargush Jr., counsel, Ohio Assn. of Broadcasters; Vernon Nolte, WHIZ Zanesville. Back row, John Cherpack Jr., WBBW Youngstown; W. C. McKearney, Foster & Davies, Cleveland; R. O. Runnerstrom, WLOK Lima; Mort Watters, WCPO-TV Cincinnati; L. A. Pixley, WLOK; James C. Hanrahan, WEWS Cleveland; Allen Haid, WSPD-TV Toledo.

STANDARDS

New NARTB Committee To Study Rate Problem

THE WHOLE problem of radio rate-cutting, with its devastating effect on the broadcast industry's economy, and the ethics of programming and advertising will be tackled by a new committee now being set up, NARTB President Harold E. Fellows told District 8 Thursday. (See main story this page).

NARTB's approach to this basic question takes the form of a Radio Standards of Practice Committee. Membership will be announced in a short time. Revival of the standards committee was authorized by the board of directors at its early summer meeting.

Stanley Pratt, WSSO Sault Ste. Marie, Mich., NARTB District 8 director, brought up the rate discussion during Mr. Fellows' opening talk to the district at Mackinac Island, Mich.

Referring to the suggestion of Todd Storz, KOWH Omaha, that an NARTB rate card seal plan be adopted by the association [B•T, Aug. 18], Mr. Fellows said he thought the seal idea was a matter for board study.

Noting that Mr. Storz' views had been given in a BROADCASTING • TELECASTING story, he said he had replied to Mr. Storz, lauding him for the constructive suggestions in the seal plan and pointing out legal ramifications.

The new radio standards committee is scheduled to meet this fall, Mr. Fellows said, and probably will have recommendations on the whole rate problem to submit to the NARTB Radio Board at its Nov. 20-21 meeting.

Cut-rate deals are business-killers, Mr. Fellows said. He contended there are only two reasons for rate concessions—how much time is bought in a week and for how many weeks.

Mr. Fellows later told BROADCASTING • TELECASTING he thought the standards committee would provide a proper place for a complete study of the whole radio rate problem. Asked if he included networks in his rate-cutting philosophy, Mr. Fellows said he did not feel the association can enter negotiations between networks and their affiliates.

Revival of the standards of practice committee throws the whole question of radio ethics into the open once more. The present radio

standards were adopted in 1948 at a time the industry was the target for widespread criticism about advertising and program practice. Criticism died down after the code went into effect. Now the charge is again heard from time to time that radio stations are ignoring their standards as competition gets tougher, that the document is nothing more than a piece of paper.

The radio code has no provision for enforcement. The television code adopted last March 1, on the other hand, includes a seal of good practice and it is backed by a Code Review Board that discusses violations. In addition the review board can file reports on station complaints to the NARTB Board, which in turn has the right to withdraw the seal.

TV stations have been promoting the seal extensively, particularly at the beginning and end of programs and during station breaks. More than 90 of the operating TV stations are code subscribers.