'SINGLE RATE' ISSUE GETS UP STEAM

Advertising agency interest heightens as three snap into action

The issue of single rates—as distinguished from the two-rate system of local and national—is gathering momentum on Madison Ave.

But just where it will go was anybody's guess last week. Agencies queried about the situation admit it is to their interest and at least three agencies are doing something about it.

- N.W. Ayer & Son is undertaking a personal survey of stations in major markets asking for clarification on which rate is charged what advertiser and why. For the task, the agency has a force of 22 media men out in the field.
- Benton & Bowles via Lee Rich, vice president in charge of media, publicly revealed its push for a single tv rate (BROADCASTING, Feb. 9).
- Mogul, Lewin, Williams & Saylor has sent a letter to a selected list of stations seeking various data including information on the local and national card rate.

But there were signs in the minds of many that a blanket single-rate policy is not the answer. MLW&S, for example, from where it sits, views the single rate as a possible boomerang. The agency counts a number of retailers on its client list.

Storz Stand • A station spokesman—George W. Armstrong, executive vice president of the Storz Stations and general manager of WHB Kansas City—warned a New York audience of time-buyers and station representatives that it made little difference whether a station adopts one rate, two rates, a local, regional and national rate or "five different cards." The solution as he sees it: Disclosure of all rates affecting all categories of advertisers and a published, clear, realistic definition as to the categories of advertisers entitled to the local rate and those who must pay the national rate, and insistence that advertisers in each category will be treated in like manner with no discrimination.

Support for the single-rate movement, meanwhile, was given tacitly in every case by leading agency executives and buyers assembled by WPTR Albany, N.Y., at a luncheon held in New York Monday (Feb. 9) to announce WPTR's move to put a single rate into effect (BROADCASTING, Feb. 9.)

The one-rate idea appeared to have the support of the entire group, which included James Wilkerson, vice president, and Warren Bahr, associate media director, Young & Rubicam; Phil Kenney, vice president, Kenyon & Eckhardt; Mike Donovan, vice president and associate media director, Benton & Bowles; Harry D. Way, vice president and media director, and Bill Hunter, media group supervisor, Erwin Wasey, Ruthrauff & Ryan; Ed Fleri, spot coordinator, and Hope Martinez, spot timebuyer, BBDO, and Edna Cathcart, timebuyer, J. M. Mathes, Inc.

BBDO Delight • Mr. Fleri said he was "delighted" to see local and national rates equalized. BBDO has one client that buys locally, with the agency selecting the stations and the client's distributors doing the buying, he said, but he noted that BBDO has an agreement whereby it gets its commission.

Another agency was described by others as less fortunate. While it does the work for a client that buys locally, this agency was said to get only 71?% commission in such cases instead of the usual 15%.

Miss Cathcart, like Mr. Fleri, said she'd be "very happy" if all stations had a single rate.

Miss Martinez made the point that stations with different national and local rates have different conceptions of what is "national" and what is "local"—and that stations themselves should refuse to accept national business at local rates.

Duncan Mounsey, executive vice president and general manager of WPTR, said the adoption of a single rate reflected the station's decision to "base the rate on the value of our product, not what we think the traffic will bear." Actually, he said, the local rate has been coming closer and closer to the national rate through a series of local increases.

Mr. Mounsey, asserting that WPTR may have as much local business as all other radio stations in the area combined, said he was confident this business would not be seriously endangered by the increased rate. He said a number of advertisers already on the station are buying the time even though they are aware that WPTR's coverage far exceeded the area they serve.

Robert E. Eastman, whose firm is WPTR's national sales representative and who has other stations which recently adopted the single-rate policy, stressed the importance of such a policy and named Baltimore, Boston, Pittsburgh St. Louis, "to name a few" as "one-rate markets."

A Cunningham & Walsh media executive said his agency was watching the controversy closely, that the agency has much concern with rate structures and the effect on clients. The agency,