

should be only one rate for local and national advertisers. Stations who have a different rate for local and national advertisers may be justified in some instances peculiar to their localities. However, in our coverage pattern, local and national advertisers get the same benefits. There's no reason why one should pay more than the other. The danger of having different local and national rates applies to newspapers more than radio, particularly where there is a wide spread between the two rates." (R. C. Embry, V.p., *WITH, Baltimore.*)

That's one side of the story. You'll also find many executives who feel that the two-rate system is fine.

A typical reaction of this sort was made to SPONSOR by Gustav Brandborg, assistant general manager of Tulsa's KVOO. Said Brandborg:

"A small station covering an important metropolitan market could well justify having one rate. A powerful station with blanket coverage of a metropolitan market plus extensive coverage in the surrounding area where they, too, may be the No. 1 listening choice, has a justifiable argument for two rates."

Brandborg's sentiments are mirrored in a statement from Todd Storz, veteran broadcaster and president of the Mid-Continent Broadcasting Company (KOWH, Omaha, WHB, Kansas City; WTIH, New Orleans). Said Storz:

"We extend a special rate, slightly lower than our national rate, to local retail businesses, because we do not feel that they can benefit by all our audience to the same extent as a national advertiser. We do not believe that coverage-type stations can afford to adopt one rate for national and local advertisers, but we think that if special saturation package rates are being offered locally, the same schedule should be available nationally."

Who gets what rate? Many decisions that station managers must make in spot radio—such as whether or not a client's advertising copy is in good taste—are fairly clear-cut. That's because the industry has set up certain standards of practice.

Not so for the one-out-of-two radio stations in the country that maintain a national and local rate card. When a station manager has to decide whether or not to accept dealer-placed advertising at local rate, he's on his own.

If he looks to other levels of the industry—such as reps and clients—he's likely to become fairly confused. There are all shades of opinion.

Some stations absolutely refuse to accept anything that remotely resembles national business (even regional accounts) at anything less than the full national rate. At the same time, some hard-pressed radio stations require only that the arrangement be "legitimized" (i.e., the billing handled through the sponsor's local retailers or distributors instead of being billed through the station's rep and the sponsor's agency of record). What's been the result of the generally hazy definitions of who is a local advertiser?

Chiefly, it's meant that a growing number of advertisers in the spot radio ranks are either chiseling or operating legitimately—depending on the point of view.

Is there an answer? Can the local-national rate problem in spot radio be straightened out? Different segments of the industry propose different solutions. For example:

Reps: Radio reps' solutions to the problem usually fall into one of two basic categories: (1) drop the local rate entirely and sell everything at what is now the "national" rate, or (2) stations should get much tougher in resisting dealer-placed spot radio advertising that smacks of "national" selling, if the station feels it must maintain two rates to be competitive locally.

Agencies: Rep solutions are generally echoed by agencies, but with some important differences. If it's to be a single rate, timebuyers say, it might make a lot more sense to peg it at the present local, not national, rate. Or, if the station plans to continue its dual rate system, the national rate should be determined by jacking up the local rate just enough to cover the 15% commission to the national agency and the 15% to the station rep.

The nearest thing to a common meeting ground that can be found readily is on the question of defining, once and for all, the matter of who gets what rate. Almost everybody would like to see the question resolved on paper. There's some hopeful signs that this may happen in the near future. As SPONSOR went to press, the Rate Committee of the Station Representatives Association was working on just such a definition. ★ ★ ★

BEST DOGGONE SPY STORIES SINCE MATA HARI

And **CESAR ROMERO** stars in them as Steve McQuinn, globe-trotting diplomatic courier. The people you want to reach will follow Romero . . .

into a strange adventure which starts in a Budapest prison . . .

on the trail of a missing scientist in Tangier . . .

through a near uprising in Casablanca . . .

on a rescue mission in Ankara . . .

as he risks his life for a lady in Madrid . . .

even to the inner chambers of the fabulous Scotland Yard.

What a show! What a star! What a sure-fire selling vehicle! Better reserve your market . . . now!

CESAR ROMERO, starring in . . .



PASSPORT TO DANGER

produced by
Hal Roach, Jr.

BIG-TIME TV WITH
A LOW-BUDGET
PRICE TAG

**ABC FILM
SYNDICATION, INC.**

7 West 66th St., N. Y.

CHICAGO • ATLANTA • HOLLYWOOD • DALLAS