# THE FLAT-RATE PLAN.

EXPERIENCED ADVERTISING MEN EXPRESS THEIR OPINIONS FOR AND AGAINST.

THE flat-rate question was discussed by several special representatives in the April number of Advertising Experience. Charles H. Stoddart, western representative of The Munsev publications, speaks from experience when he says :

I was at one time a strong believer in time and space discounts, but I have come to the conclusion that the flat-rate is more equitable. The advertiser who makes a yearly contract and finds that this is not paying him, cancels the order. He has paid the annual rates, and on the discount plan the publisher would be obliged to bill him at short rates for all the space used. This would make him all the more dissatisfied with the publication. On the flat-rate plan he can use space when he wants it, and I think that he will use as much space in this way as on the discount plan. If it pays, he will surely stay in. If it doesn't, he will stay out. No publication wants its advertiser to use its space at a loss.

Another representative of eastern publications, W. J. Kennedy, says :

There is no doubt in my mind but what a flat-rate is the only kind for a publisher to have ; it is the most satisfactory, both for him and the advertiser. Practically all the publications which I represent have a flat-rate, as they think it the best. My experience teaches me that an advertiser looks on a paper more favorably which has this rate than on one which gives discounts for time or space.

Lynn S. Abbott, a special representative, of Chicago, asserts that "the flat-rate is the simplest, insures the greatest satisfaction to the advertiser, and is equitable in all cases." Six reasons in favor of the flat-rate are advanced by C. B. Hull, a Chicago special representative :

First, the new advertiser is timid, and is more inclined to patronize a publication that will allow him to withdraw his business at any time without paying a higher rate for what he has used.

Second, test advertisements, other things being equal, are more apt to be given publications having a flat-rate.

Third, if an advertiser is forced to discontinue his advertisement because it is unprofitable, it seems unfair to charge him a still higher rate for what he has used.

Fourth, a flat-rate gives the impression of confidence on the part of the publisher.

Fifth, it stimulates advertising from those whose business is seasonable.

Sixth, experience has proven that representative publications having a flat-rate have been successful in keeping their columns full.

In filing his answer in opposition to the flat-rate idea, C. G. Krogness, a Chicago daily newspaper representative, says :

My opinion is that the flat-rate cannot be practically and justly applied to space in daily papers.

Composing Room, Printing Department.—Warwick Bros. & Rutter, Toronto.

In the mercantile and financial world the amount of merchandise or money involved in the proposed transaction determines the minimum cost to the purchaser. A man borrowing $500 must usually pay a maximum rate of interest, while he who borrows one hundred or one thousand times as much pays a much smaller rate per cent. The user of large space in daily papers is equitably entitled to a lower rate than one who uses small space. From the standpoint of cost, no daily paper could, in my opinion, afford to handle small orders at the same rate as large ones.

The charge that an advertiser who discontinues his contract before completed is done an injustice when charged short time rates, I believe is groundless. The advertiser may be at fault. His advertisement may not have been properly prepared ; he may not have followed it up as he should. Perhaps his article does not have sufficient merit to be in demand. Had these defects been remedied, he might not have wanted to discontinue his contract. Should the publisher be taxed for an advertiser's failure to successfully conduct his own business ?

Though advertising agencies prefer a flat-rate, because it lessens the work of their estimating departments and reduces to a minimum probable errors resulting from complex arrangement of rates and rules of newspapers, and consequent loss to themselves, yet, in contracting with advertisers to place their advertising the agencies charge a small advertiser a large commission, and a large advertiser a small commission ; so that with the agencies the same principle governs as actuates the publishers in asking a lesser rate for a large contract and a greater for small contracts.

Charles A. Goodwin, while feeling particularly well disposed toward the flat-rate, yet sees strong objections to its adoption. He says :

I sometimes feel that the flat-rate is the only rate to have, as it would lead into the columns for trial orders many new advertisers, who would not want to compete with other advertisers in the same