

# MERCHANDISING WEEK

EDITED FOR THE HOME GOODS RETAILER/A MCGRAW-HILL PUBLICATION/50 CENTS/VOL. 97 NO. 9/MARCH 1, 1965



## ON THE INSIDE □

◁ □ □ □ **Profile of a city:** Detroit's skyline has changed dramatically in recent years, and so has its merchandising picture. What has happened to hard goods marketing there may hold a clue to your future.....**p.13**  
Reports on home electronics and major appliances begin.....**p.7**  
Housewares reports begin....**p.25**

## AT PRESSTIME □

□ □ □ □ **NARDA's drive** against dual distribution abuses accelerated last week when Jules Steinberg huddled with government officials in Washington. Steinberg, executive director of the National Appliance & Radio-TV Dealers Assn., said the main topic of conversation was sales by wholesale parts distributors to the public, and he came away "convinced manufacturers have a clear-cut responsibility in the area where wholesalers are selling to consumers." Government officials made it clear it is not illegal for wholesalers to sell to the public, but they must pay the same prices as retailers for merchandise sold directly to the consumer. NARDA could file a complaint with the FTC or a civil suit under the Robinson-Patman Act, but Steinberg said they prefer to keep the government out of it and will seek to persuade manufacturers to "clean their own houses." A number of manufacturers who sell to jobbers insist that they have the right to audit sales and charge extra for parts when they are sold directly to consumers. NARDA will try to induce others to do the same. "We think that's the best way for everyone concerned," said Steinberg.

*(continued on p.3)*





DeWitt—RC 7691 Contemporary Walnut Veneer

**Who takes  
the ultimate in stereo components  
and surrounds them with  
the ultimate in good taste?**



**that's who.**



DeWitt—RC 7692 Early American Maple Veneer

The DeWitt is a case in point. Superb, handcrafted, all-wood veneers in a cabinet that says "worth the price" with dignity—that leads the style-conscious homemaker to pick G-E Stereo. Inside is everything for the stereo buff, from the solid-state FM/AM/FM-Stereo tuner to the professional-quality turntable, changer, and tone arm. Plus all the exciting performance extras. And, of course, there's also Porta-Fi, the unique G-E plug-in speaker that carries the sound of the console anywhere in the house. All styled to seal the sale. **Let your showroom profits prove our point.**

**GENERAL  ELECTRIC**  
Audio Products Department, Decatur, Illinois

□ □ □ □ **A delay in the excise tax** on hi-fi speakers and amplifiers has been requested by the Electronic Industries Assn (EIA). The Internal Revenue Service (IRS) has ruled that beginning April 1, two 1956 decisions will be revoked and amplifiers and speakers will be subject to a 10% manufacturer's excise tax. The 1956 rulings say that amplifiers of 10w or more and speakers with voice coils of 8 ohms or more are exempt from the tax. The new ruling will remove this stipulation and require manufacturers to obtain individual interpretations from IRS field representatives to qualify for exemptions. The EIA argues that IRS action should be postponed until July 1, because "untimely removal of the standards would mean a slow-down in consumer and dealer purchases, confusion at the manufacturers' level, and additional paperwork for the IRS and industry alike." The EIA says that it has good reason to believe that the tax on tv sets, radios, and phonographs will be either repealed or reduced effective July 1.

□ □ □ □ **More 16-inch table model color sets?** Tokyo Shibaura Electric Co. (Toshiba), which last year shipped more than 15,000 console-type 16-inch color sets to Sears, will resume exports to Sears in April, according to McGraw-Hill World News in Tokyo. Reportedly, Toshiba will ship 16-inch color table models under a new contract with Sears, details of which are still being negotiated. Plans are to ship between 3,000 and 5,000 units a month, World News says. There is speculation that the sets will sell for around \$299. Toshiba refuses to confirm reports that the halt in shipments this quarter was due to a disagreement on price between the two companies.

□ □ □ □ **The economic outlook** for consumer hard goods will be the topic of a talk by Robert O. Fickes, Philco president, at a National Industrial Conference Board meeting in St. Louis on Mar. 24.

□ □ □ □ **NEMA's final figures for 1964** on industrywide shipments of major appliances all reflect an increase over the previous year. The National Electrical Manufacturers Assn. reports that room air conditioner shipments totalled 2,755,000 units—up 41.65% over 1963. Chest freezer shipments in 1964 were 435,000—up

1.16% over the previous year. Free-standing electric range shipments last year were 1,150,000—up 8.49% over 1963. Built-in electric range shipments in 1964 totalled 815,000—up .62% over 1963. The 4,545,000 refrigerator shipments last year represent a 10.18% increase over 1963 shipments. These figures are press-time revisions of Industry Trends on p.22.

□ □ □ □ **Consumer buying intentions** for the first quarter are slightly down, according to the U.S. Census Bureau. A January survey of 16,000 households showed that 16.3% had plans to buy consumer electronics and major appliances. This figure was down from 16.7% in the same period of 1964 and from 18.3% in the last quarter of 1964. In the final quarter of 1964, 24.8% said they expected their income to increase within a year; this was down to 24.2% in the latest survey, but well ahead of the 23.7% reported in January, 1964. For another view of consumer intentions, see p.23.

□ □ □ □ **NARDA's knowledge nudges West.** The dealer groups A-R-TV Retail Seminar will be held Aug. 22-27 at the University of Utah. Comparable to the annual NARDA Institute of Management in Washington, D.C., the session is open to NARDA members at a cost of \$100 and to non-members at a cost of \$150.

□ □ □ □ **A 16-inch tv for \$99.95:** Emerson has dropped the \$112.88 suggested list for model 16P01, is advising distributors the set can be sold for \$99.95.

□ □ □ □ **Gas appliance exhibits** at the World's Fair will be given a bigger play this year, the American Gas Assn. has announced. A \$500,000 addition will be made to the gas industry's Festival of Gas pavilion at the Fair; it will include an appliance display in the pavilion gardens. "The display will include everything from ranges and dryers to water heaters and air conditioning units," says John E. Heyke, Jr., president of Gas Inc. and the Brooklyn Union Gas Co. Live cooking demonstrations will be featured at the pavilion. Another major change to the pavilion will be a series of exhibits that trace the growth of the gas industry from the days of gaslights into the future.

## Motorola establishes a new low price for 23-inch color

Motorola brought a new low price to rectangular color tv last week by introducing five new 23-inch sets. Starting price is \$479.95—about \$145 lower than Motorola's previous starting price on rectangular sets. Motorola will also introduce 25-inch color sets this June, it was announced Friday afternoon.

The color line now starts with a table model (shown at right) that is 18¾ in. high, 26¾ in. wide, and 17¼ in. deep. The set has a metal cabinet, a push button demagnetizer, optimizer control, and tint control.

The optimizer control adjusts picture crispness; the tint control adjusts shades of black and white or color. These controls are on all five new sets.

The next step up the line is to \$499.95, for a consolette that has the same features as the leader, but which has vinyl-clad metal cabinet.

Wood cabinets come in at the next step, \$529.95, for an upright console with contemporary styling. The line then steps up to \$549.95, for an Early American styled upright console. The last of the new sets has contemporary styling and a swivel base; it carries a manufacturer's suggested list price (as are all these prices) of \$579.95.

Radios were also introduced last week. The Motorola line starts with a \$9.95, 6-transistor shirt-pocket model and runs to a \$79.95, 10-transistor AM-FM portable with a cowhide case.

The \$9.95 unit compares to last year's \$14.95 leader, which did not have a gift pack. The step-up model is a \$14.95 8-transistor unit which compares to a \$17.95 7-transistor unit in last year's line.

At \$29.95, Motorola has a large AM model which has eight transistors, one diode, one varistor (most units have diodes and varistors in addition to transistors), and operates on D batteries or ac.

The company has dropped the list price of the step-up AM model, the X-31, which was in last year's line. The new price is \$39.95; the old was \$49.95. The leader AM-FM unit lists for \$59.95; both AM-FM sets have an AFC switch and are 10-transistor models.



Motorola's 23-inch color leader.



# This is the bright new Speedshavers



**New Norelco Speedshaver<sup>®</sup>**  
has more sales features than any other shaver.

**You shave every morning**—and wouldn't *you* be interested in a better way to shave? That's exactly what this totally new Norelco 'Floating-Head' Speedshaver promises every man in America—a *better way to shave*. Easy to sell? You bet. More shaving and sales features than any other shaver. And the greatest-ever Norelco advertising campaign to demonstrate and sell these features. Television. National magazines. Local newspapers. Dealer aids. Co-op advertising. The works. A campaign that's sure-fire to sell not

only this new Norelco Speedshaver, but the entire line of Norelco shavers and accessories. And all within the framework of the clean-cut Norelco sales policy: no gimmicks, no pressures, fair treatment for all dealers. Get more information from your Norelco distributor today. Then stock, display, sell the totally new Norelco 'Floating-Head' Speedshaver with Microgroove heads and pop-up trimmer. And...stock, display, sell these other profitable Norelco Comfort Shave products:



**Norelco 'Flip-Top' Speedshaver 20**  
World's largest-selling shaver model. Easy 'flip-top' cleaning. Popular price. 110 volts AC/DC.



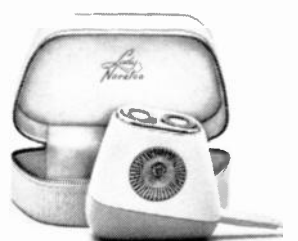
**Norelco Cordless Speedshaver 20C.** Surprisingly inexpensive. Shaves anywhere. Works on ordinary penlight batteries. In zippered case with mirror.



**Prelec<sup>®</sup> pre-shave lotion.**  
**Finale<sup>®</sup> after-shave lotion.**  
**Shaver Cleaner.** Attractively packaged. For better-feeling shaves, before, during and after.



**Norelco Beauty Sachet 25LS**—a complete home beauty kit in an attractive zipper travel case. Power wand and individual attachments that manicure, shave, massage, stimulate skin and scalp. An unusual and great gift item.



**Lady Norelco Shaver 20L**  
—most comfortable, ladylike way to shave legs and underarms. Light, easy to hold, durable, pretty—and supremely quiet. Rotary blades protect against cuts or nicks, let user apply deodorant right after shaving. 110 volts (AC/DC).

**Norelco<sup>®</sup>** / a bright new world of shavers

# world of Norelco and Housewares



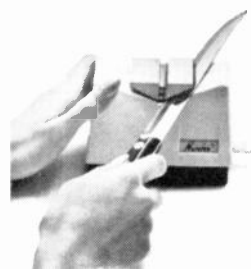
## New Norelco Professional Home Hair Dryer with fold-away stand.

Dries hair fast — quieter, more comfortably than any other home hair dryer. Costs a bit more, and with good reason. Uses free-flowing, gently-circulating air to dry hair *professionally* — better than any fold-it-up and carry-it-away dryer can hope to do. No hot hoses or whistling air holes. Infinite heat settings. Uniform drying — no hot spots or wet spots. No nets or ear pads needed. Large, adjustable, topple-proof hood. UL approved. 115 volts AC. Heavily advertised in magazines women read most. Also available in popular table-top model.



## New Norelco Mixstir™

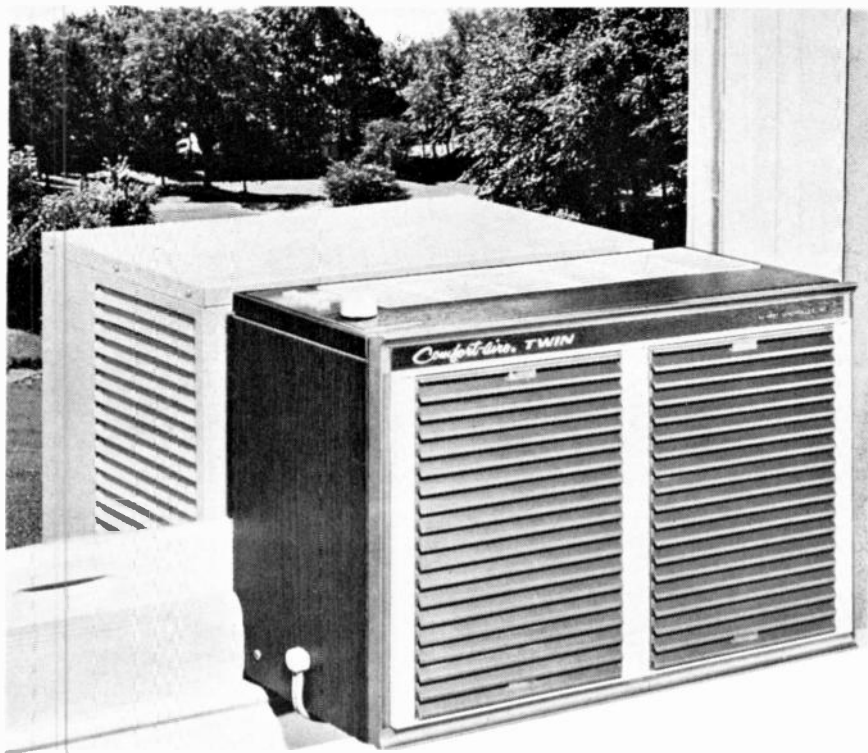
powerful portable mixer — gentle enough to fold eggs, powerful enough to mix cement. This beautifully designed portable mixer whips, stirs, creams, folds, blends, beats — all to perfection. Easy one-hand operation — even when changing speeds. Beaters pop out for easy cleaning. Comes with hang-up wall bracket. Will be introduced to your customers by a solid schedule of advertising.



**Norelco Sharpie™**  
sharpener — sharpens knives and scissors sharp as new *electrically*. Eliminates risk of damage to even the most delicate cutting edges. UL approved. 115 volts (AC/DC). Tremendous gift and impulse item.

**Norelco®** / a bright new world of electric housewares  
North American Philips Company, Inc., 100 East 42nd Street, New York, New York 10017.

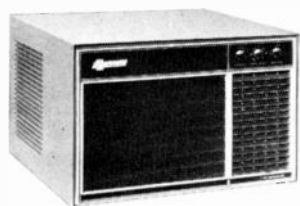
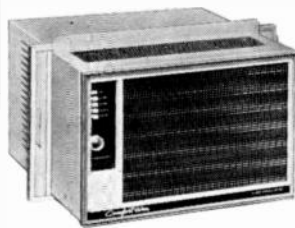




sell the *NEW* concept  
for living comfort . . .

## *Comfort-Aire* **TWIN** ROOM AIR CONDITIONER

**YOU'VE NEVER HEARD IT SO QUIET!** — With this revolutionary advancement in design, your closed window becomes a sound and weather barrier — locking heat and noise out — sealing cool quiet comfort in. **INSTALL IT IN MINUTES** — move it any time you please. Three capacities — economical performance from the 7½ amp unit. Full range thermostat — Push button controls — Adjustable air grille — Two fans for super quiet operation.



**NEW DUAL-AIRE MODELS** — Two fan motors for extra quiet operation. Long life aluminum cabinet installed in minutes with pre-mounted Adapt-A-Ease sliding panels. Thermostat and push button controls. Three capacity ratings and many more features.

**NEW POWER-AIRE SERIES** — Models from 10,000 to 28,000 BTU/HR featuring slide-out chassis, 230/208 dual voltage compressors, Thermostat, Two-speed Fans, Four-way adjustable grilles and permanent washable filter.



## HEAT CONTROLLER, INC.

JACKSON, MICHIGAN

The Quality Leader in Conditioning Air

## WASHINGTON

□□□□ **The drive for a federal policy** on community antennae systems is nearing a crucial turning point. The Federal Communications Commission is conducting its own intensive sessions, holding conferences with industry segments, and beginning serious discussions with Congressional committees.

The FCC held two special meetings last week to examine and discuss a still-unpublished economic study of CATV ordered last year. The study, by consultant Dr. Martin Seiden, reportedly concludes that CATV does not threaten to supersede free television in the U.S., as some of its broadcasting opponents claim. It does, however, see CATV as inhibiting the future growth of UHF tv stations in some smaller cities.

The commission appeared before the Senate Communications subcommittee late this week to discuss its regulatory activities, including the CATV hot potato. It predicted some decisions within a month.

There is a growing feeling within the commission that it already has the authority to regulate the CATV industry. Such a decision would greatly relieve CATV developers but would arouse the concern of its opponents, who look to Capitol Hill to write into law some of the restrictions they would like to see.

Long range, whether CATV goes the legislative route or not, FCC will regulate with a view to equity for program originators and established and prospective tv stations. One plan to end CATV's free access to televised programs is a system of charges on programs delivered modeled after the ASCAP system.

□□□□ **Congress seems convinced** that CBS has gained no sports programming advantage in its acquisition of an 80% interest in the New York Yankees baseball club. CBS, NBC, and ABC spokesmen all agree in testimony before a Senate antitrust subcommittee that CBS bought no programming advantage when it became owner of the team. CBS president Frank Stanton offered assurances that none of CBS' five local stations would broadcast the Yankees' games, because to do so would mean blacking out network shows. Local competitors of these five stations now broadcast the games. Stanton explained that the acquisition was simply a drive to diversify CBS operations so that "it wouldn't have all its eggs in the Federal Communications basket."

□□□□ **A minimum impact on the economy** is forecast by Treasury Secretary Dillon late this spring because of "under-withholding" of personal income taxes from 1964 earnings (MW,8Feb,p6). Dillon gave Congress some new figures indicating that the total impact would be about \$1 to \$1.2 billions—a fraction of 1% of annual disposable income. The new figures indicate that many taxpayers heeded Treasury warnings last year and had their employers boost their withholding by some \$700 million.

Now, Dillon estimates, about \$400-\$500 millions more will have to be paid by taxpayers who did not bring their withholding into line. Refunds to individuals will run about \$600 million lower than the \$5 billion-plus usually paid back to individuals. In most instances, the impact on individuals will be in the form of smaller refunds. About two-thirds of individual taxpayers receive refunds annually.



The Fedders 'Philadelphia Story': hot pricing and volume rebates

Fedders finally seems to have shifted into a higher gear on its projected three-year trek along the rocky road to establish itself as a full-line white goods manufacturer.

The first step was taken last year in the Birmingham market (MW, 23 Mar64, pp.7&37). At that time, Hart-Greer, the Fedders distributor that used to handle Norge, introduced the "prototype line" made by Franklin Manufacturing, a division of Studebaker. (The newly introduced line is being made to Fedders engineering specifications). J. C. Evins, head of Hart-Greer, told MERCHANDISING WEEK, that he has the same number of dealers as he had when he took on the line, and that both he and his dealers are happy with the results.

The latest hardhitting move came last week in the tough Philadelphia market as distributor Samuel Jacobs introduced the refrigeration line. The firm's upcoming line of 15-lb. washers and dryers will be introduced in the next 30 to 60 days.

The big news was the pricing. According to Mort Farr, NARDA board member and dealer from Upper Darby, Pa., who is expecting his first shipment of merchandise in about two weeks, pricing is the merchandising angle that Fedders is using to wedge itself into a highly competitive market and industry. But not pricing of the usual industry standard—lowballing the bottom or leader end of the line. The pricing at the top of the line, where manufacturers traditionally tried to make up profit margins, is eye-opening.

It puts dealers in position to hit Sears hard. As Farr said, "their approach will move a lot of merchandise." He went on to say that this policy should get the line into many top dealer's stores and that "in many localities, a top dealer controls the market" as far as customer preference is concerned. Farr said that as an example of hot pricing, he could sell Fedders model RBA-182F, an 18 cu. ft. frost-free, bottom-freezer combo for \$399 and still make a good profit. Farr said that "an 18 cu.ft. Whirlpool costs as much as this one sells for."

(For the complete price line-up in Philadelphia, see the list below.)

Added dealer incentives include the volume rebate plan. Dubbed the "V.I.P. Retroactive Volume Rebates" it offers points on all purchases through Aug. 31, 1965. Points will be redeemed for cash or credit during the first two weeks in September in accordance with a prescribed schedule. Point values increase with additional point earnings. To qualify for cash rebate or credit, a dealer

must earn a minimum of 100 points by August deadline.

A free floor plan of up to six months is available to dealers. It provides for no down payment, for free flooring through Fedders Financial Corp. for three months on the initial qualifying franchise order, and for free three-month renewal on any merchandise unsold after the first three months. Delivery on both the initial order and subsequent purchases is free. Samuel Jacobs, president of the firm that bears his name, said that the line is made to compete, but that he was "not interested in discounters." Jacobs said his company had no ad plans for the first six months. It prefers to rely on its heavy dealer incentive program.

A warranty program for refrigerators provides protection for one year on all parts, and for five years on the compressor. Service contracts are also available to dealers, ranging from \$6 for the 12 cu.ft. model to \$8 for 15s, and \$12 for 18s. Service contracts are also available for freezers.

What is next for Fedders? According to astute executive vice president U. V. "Bing" Muscio, a range line of both gas and electric models is due before the summer. At press-time, the company was still negotiating with range manufacturers. Muscio did not know at this time if the line would include an eye-level model. A dishwasher line is on the way also, but probably will not show up until fall. Muscio stressed the importance of the company's decision to go the selective market franchising route. He said that "within a three-year period" he hoped the company would have distributor coverage in every area in the country. He reiterated that marketing procedures for the line would be "up to the discretion of the distributor alone."

Where will the line be introduced next? It is understood that many of the distributors want the line, but it will be shown next in Dallas by the United Distributing Co., a new firm. Speculation is rife about when L&P, the Fedders distributor in the New York City area (a fair-trade area) will get the line, but all Muscio would say was that L&P will be in the top five.

On another topic close to dealer's hearts, Muscio said that Fedders "ultimately, of course," would be interested in the builder market, but said the company's primary concern now is getting the line into the appliance dealer marketplace.

Here is Fedders' refrigerators lineup, available in coppertone, yellow, turquoise for \$3.50 extra:

| Model    | Type                            | List Price |
|----------|---------------------------------|------------|
| RA-126   | 12.4 single-door                | \$188      |
| RTA-152  | 15.5 top-freezer                | \$278      |
| RTA-156  | 15.5 top-freezer                | \$298      |
| RTA-152F | 15.1 frost-free, top-freezer    | \$319      |
| RTA-156F | 15.1 frost-free, top-freezer    | \$339      |
| RTA-162F | 16.1 frost-free, top-freezer    | \$349      |
| RTA-166F | 16.1 frost-free, top-freezer    | \$369      |
| RBA-162F | 16.2 frost-free, bottom-freezer | \$369      |
| RBA-166F | 16.2 frost-free, bottom-freezer | \$386      |
| RBA-182F | 18.0 frost-free, bottom-freezer | \$419      |
| RBA-186F | 18.0 frost-free, bottom-freezer | \$449      |

French imports: Teppaz, a French phono manufacturer, will hit the U. S. market with a fully transistorized line of portable phonographs this spring. Teppaz will introduce a battery-operated model for \$39.95, a battery and ac phono for \$59.95, and a set with AM-FM short wave, marine band, and phono for \$99.95. Jack H. Bergman Sales Co. has been named U. S. representative for Teppaz, which claims to be the world's largest maker of portable phonos. The line is being offered on a direct factory-to-dealer basis, with prices quoted f.o.b. U. S. port.

U. S. Steel has expanded its newspaper coverage for the air conditioner promotion coming up in May (MW, 15 Feb, p.14). Nine cities have been added to those that will carry the 8-page Dutch door insert for May 2; this brings the entire distribution network of *This Week* magazine into play for the promotion. The additions are: Birmingham, Charlotte (N.C.), Dallas, Houston, Jacksonville (Fla.), Miami, New Orleans, San Antonio, and Tampa.

Gibson is going after sales in a big way this spring. A nationwide "Frost Clear Sweepstakes" is planned, with the kickoff in a full-page ad and dealer-listing coupon in the May 28 issue of *Life*. Sweepstakes prizes will be all-expense-paid trips to Puerto Rico and St. Thomas and Gibson refrigerator-freezers. Dealers may tie in with the national campaign by conducting local contests; Gibson is furnishing store displays promoting the Sweepstakes. Gibson also has renewed sponsorship of the weather report on NBC-TV's *Today* show for the period beginning May 4 and continuing through July.

Air conditioner sales are hot: The \$1 billion mark in home air conditioner sales was passed for the first time last year, says William Bynum, president of Carrier Corp. Total retail sales of air conditioners in 1964 were up 24% over 1963, Bynum says. Installations of central air conditioning systems were up 27% in 1964 and room air conditioner sales were up 38% over the previous year. Bynum predicts an even bigger year in 1965.

3M Company is consolidating all its magnetic tape recording activities into a newly formed Revere-Mincom division. All facilities and personnel of the former Revere-Wollensak and Mincom divisions are being assigned to the new Revere-Mincom division, according to R. L. Westbee, corporate vice president.

Electronic industry executives will have an opportunity to discuss their personal business problems with professional management consultants at the New Business Forum, scheduled for Mar. 31 to Apr. 1 in New York City. The New Business Forum is an educational program sponsored by the Electronic Industry Show Corp. and the National Electronic Distributors Assn.

"The Big Electric Roundup for '65" will be the theme of Edison Electric Institute's 31st annual sales conference. The meeting will be held Mar. 22-24 at the Edgewater Beach Hotel in Chicago.



# Admiral drops in new models for spring marketing

Portable radios, AM-FM table model radios, portable phonographs, an electric range and an upright freezer are Admiral's new spring entries.

Two new AM-FM table radios have been dropped in the line. The Shelby (YG507) with a beige polystyrene cabinet lists for \$24.95. The step-up model, The Gresham (YG511), is tagged at \$34.95. This set has a walnut veneer wood cabinet. The chassis on the two sets has six tubes and four diodes including a solid-state rectifier. These models have a high gain i-f amplifier with five double-tuned transformers, built-in ferrite rod AM antenna, and a power line-cord FM antenna.

Four transistor portable radios were also introduced by Admiral. The company is spotlighting its new compact shirt-pocket AM-FM model, which measures 4 $\frac{3}{8}$  inches high, 2 $\frac{7}{8}$  inches wide, and 1 $\frac{3}{8}$  inches deep. This model, the Jupiter (see photograph), is offered in black, brown, or blue with batteries, earphone and carrying case included. Suggested list price is \$29.95.

Leader model in the portable line is the Meteor (see photograph), an 8-transistor set for \$12.95. The Little Jewel (YD240) has an 8-transistor chassis and a carrying handle. Price is \$16.95. The 10-transistor Falcon (YD257), complete with leather case, earphone jack and a jack for an AC charger accessory, sells for \$24.95.

Eleven new phonos are also available: four monaural sets, four new stereo models, and two stereo bookshelf sets.

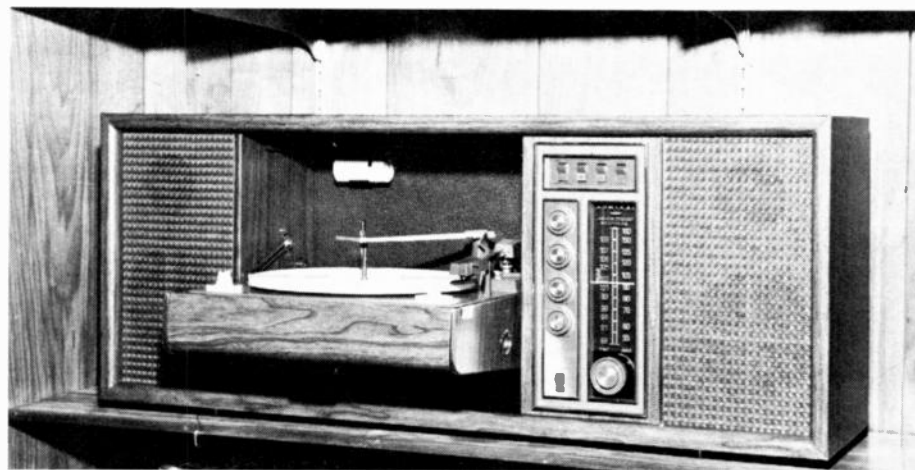
The new bookshelf stereo models in wood cabinets sell for \$89.95 and \$199.95. The low-end set, the Cranston (YG1531), has a tilt-out automatic 4-speed record changer and a wood cabinet covered with walnut

grain vinyl. The other bookcase model, the Penthouse Stereo (see photograph), combines a 4-speed automatic phono with an AM-FM tuner and an FM-stereo multiplex. This unit has a four-speaker sound system.

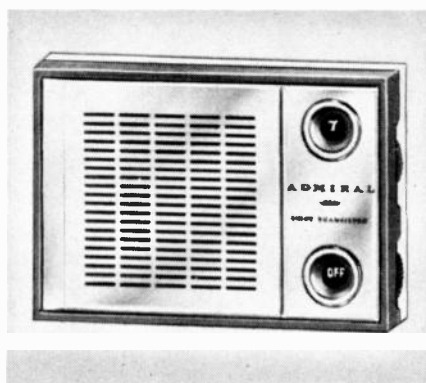
The monaural phono line opens with the Highland (YG-1020), which has a lift-lid cabinet and an automatic 4-speed record changer. Suggested list price is \$49.95. The Jam-boree (YG1037) has a tapered deluxe cabinet and includes a 45rpm spindle. This portable phono has an open list. First of the tilt-out portables is the Mardi Gras (YG1047), which lists for \$49.95. At the top of the Admiral portable monaural line is the Lancelot (YG1057). It features tilt-out design and a black textured cabinet with walnut grained trim. Price is \$59.95.

All of the new Admiral portable stereos have the tilt-out design. The leader stereo model is the Fairfield (YG1507) which lists at \$69.95. First step-up is the Charlton (YG-1527) in compact luggage styling with a carrying handle. This set is priced at \$79.95. The Varsity (YG-1547) has two 5 $\frac{1}{4}$  inch speakers that can be placed up to 24 feet apart. It lists for \$99.95. The Kingston (YG1558) has four speakers in hinged sound chambers. This set is priced at \$119.95 in green cabinet. Top-of-the-line is the Embassy (YG-1571), which has six speakers in four sound chambers, two of which are removable. In black cabinet, this portable stereo has a suggested retail price of \$139.95.

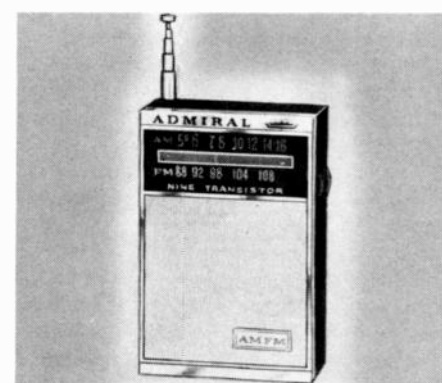
The entire Admiral portable phonograph line is now offered with solid-state chassis and a newly designed lightweight tubular tone arm. The complete line carries a 5-year war-



Admiral's Penthouse Stereo (YG1571), a hi-fi radio-phonograph for \$199.95



The Meteor: to sell for \$12.95



The Jupiter: AM-FM set for \$29.95

ranty on the all-transistor chassis, and wood constructed cabinets are used exclusively from leader to top-of-the-line.

The new 30-inch electric range added to the 1965 Admiral line is on open list. It is a free-standing model (FE3057) with illuminated back control panel, oven-door window, timed appliance outlet, and an illuminated 24-inch wide oven.

A new 14 cu.ft. freezer has also been added to the Admiral line. The no-defrosting upright model (NF-1557) is 28 inches wide and features an interior light, a fast-freeze area above the bottom glide-out basket, and five shelves in the freezer door. It is on open list. A lifetime warranty covers the Dura-Last compartment and door liner. Admiral says the freezer will hold 490 lbs.

## Why problems for the IAM are retailers' problems too

Retailers have been known to say, "I couldn't care less what manufacturers' problems are."

Manufacturers' problems, however, often have a way of becoming retailers' problems.

Last week, executives who attended the annual convention of the Institute of Appliance Manufacturers (IAM) in Washington, D.C., listened to many speeches about their problems. Here are some of the problems—and some solutions—that should interest retailers.

Problems in retailing were discussed by William R. Davidson, an Ohio State University professor of marketing. Davidson said that there is a coming shake-out in appliance retailing. Who will survive? Those retailers, Davidson answered, who are aware of, and adjust to, certain marketing concepts.

Appliance retailing, Davidson feels, is being shaped by two broad concurrent trends: a growing control by retailers over the total marketing effort, and a growing control by manufacturers over the total marketing effort.

Examples of the first are growth of private brands' share of market (Penney, Grant, Woolworth, etc.), gross of mass merchandisers' share of the appliance market, and growth of cooperatives and buying groups.

Examples of the second trend are

the closer integration of store operation with manufacturers' marketing programs, and the significant development of manufacturer-owned and operated retail stores (such as Singer Sewing Centers).

There are strengths and weaknesses in both marketing trends, in Davidson's view. The retailers (and manufacturers) who survive will recognize that marketing is a process in which the demands for goods are anticipated, or enlarged, and satisfied; that the various elements of the distribution channel (manufacturer, distributor, retailer) make up a single, but complex, whole; and that basic functions (such as advertising, warehousing, repairs) can be shifted from one element of the distribution channel to another.

Davidson sketched some of the advantages large retail chains, like J. C. Penney, have over smaller retailers. The chains are able to establish their brands more easily than manufacturers can establish retail outlets. Large chains can offer national credit plans, which is no small advantage in a country where 20% of the families move each year. Finally there is room for chain stores in many small cities.

On the other hand, Davidson feels that independent retailers have other advantages. They can easily make their stores different from the chain

outlets. They can provide a variety of stock, warranty, and service that mass merchandisers cannot meet and still keep prices low. Finally, there is the possibility that, as large retailers become more powerful, they are likely to provoke trade legislation and enforcement of the Robinson-Patman Act.

Problems of service were discussed by Ray A. Van Stee, Kelvinator's Director of Customer Quality Assurance. He pointed out that "good service is always remembered; bad service is never forgotten." He said that 85% of the women who will replace their washers will not buy the brand they now own because of the service problems they have had in the past.

Not only must manufacturers bend their efforts toward making trouble-free products, but also "the greatest inroad in reducing service incidence will be made through proper presentation of performance information by retail salesmen."

Problems in design were mentioned by Admiral vice president William L. Hullsiek who suggested that appliance engineers come down to earth and get acquainted with consumers. He said that Admiral engineers "have had to give up indulging entirely in dream ideas. More and more, they are finding out about the needs, wants, and whims of women." He

said engineers are trying to design, appliances that give innovation and extra value to consumers.

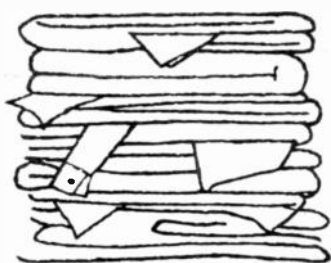
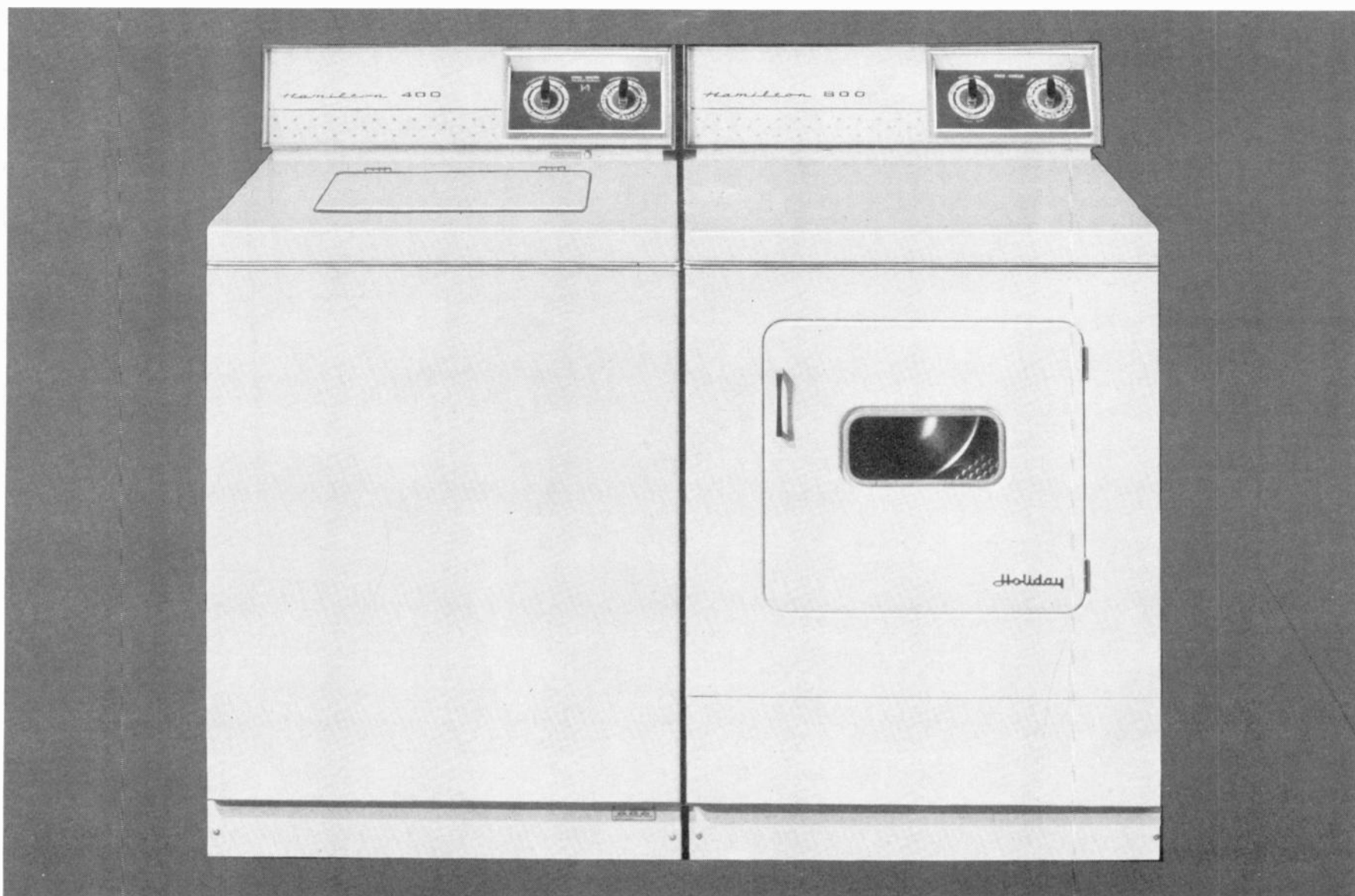
Problems in the economy are virtually nonexistent, according to Dr. Pierre Rinfret, vice president and director of the economics division of Lionel D. Edie & Co. "We are heading into one of the most active periods of economic growth in the history of this country," he said. Government is going to keep the economy surging, consumers will continue to buy, and business will make capital investments. These factors mean, he said, "we are now in a period of acceleration. It is not going to stop, and in the next five years we will see a 5% annual rate of growth."

Problems for the future were discussed by Frigidaire's general manager, Herman F. Lehman. The appliance industry's share of consumer disposable income has dwindled from 1.67% in 1956 to \$1.23% in 1964, he said. Consumers are using out-of-date appliances, and many do not have the newer appliances. Why isn't the homemaker interested in new appliances? "She's not getting our message!" he said. Manufacturers must instill in the homemaker "a strong personal desire for our product." The big job for the future, he said, will be that of developing and maintaining effective communications.



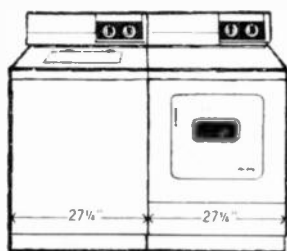
# Hamilton

**DELIVERS 3 MAJOR BREAK-THROUGHS IN AUTOMATIC CLOTHES DRYING  
WITH THE NEW HOLIDAY HIGH-PERFORMANCE DRYER!**



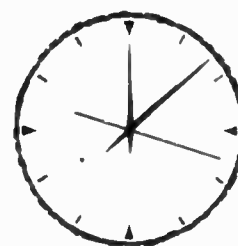
## **LARGER LOAD CAPACITY!**

Holiday by Hamilton, with its larger drum, will dry any size load that any automatic washer can wash! Larger drum provides better tumbling, clothes dry with fewer wrinkles. Holiday sets the pace...Holiday keeps pace with today's larger washer capacities!



## **MATCHES WASHERS IN SIZE!**

Holiday by Hamilton has a slimmer, trimmer cabinet, is an exact size match to modern automatic washers. Four inches narrower than conventional dryers...fits where others won't. Saves space, and better-looking too because now laundry twins are really twins!



## **FASTER DRYING, BETTER DRYING!**

Holiday by Hamilton features two fans instead of one, working with a greater BTU input. More warm air is distributed evenly through all parts of the clothes for gentle, fast drying. Eliminates hot spots, damp spots, scorching and baking. It's Holiday for high performance! Both gas and electric.

**GO HOLIDAY® BY HAMILTON!**

**Get the Complete Hamilton Holiday Story! Call Your Hamilton Distributor Today...or Write,  
Phone or Wire Directly to Hamilton Appliance Products Division:**

Hamilton Manufacturing Company, General Offices at Two Rivers, Wisconsin, Factories at Two Rivers, Wis. and Kosciusko, Miss.





#### Channel Master antenna-converter

Convertenna, No. 4003, that integrates a UHF converter and an 82-channel antenna into one unit, has been introduced by Channel Master. It combines the VU-82 all-channel indoor antenna with a built-in transistorized UHF converter.

The antenna section is actually two separate antennas built into one, each operating independently. A dipole, with extra-long 96-inch non-tarnish elements, provides top VHF and FM-stereo reception.

Its electronic tuning circuit performs two functions: it matches the antenna's 300 ohm impedance to the tv set, and it electronically adjusts the length of the VHF elements to the wave length of the channel itself. The unit is priced at \$39.95. Channel Master Corp., Ellenville, N. Y.



#### Voice-Matic tape recorder accessory

Fast, low cost conversion of any tape recorder to voice-actuated operation is possible with the new Kinematix Voice-Matic, which permits operation of tape recorders from a distance while hands are busy.

Installation takes only a few seconds, and the tape recorder automatically starts recording when you speak and stops when you are silent. The adjustable sensitive microphone picks up voice or other sounds from a distance.

Also, a pause adjustment permits setting of time required for the Voice-Matic to respond to silence. Other uses include baby-sitter alarm, burglar alarm, counting device, automatic recording of both sides of a conversation, and switching off all power on a hi-fi system after the last record stops playing. Accessories include a.c. accessory cord, audio adapter, contact pickup, magnetic phone pickup, phone-actuated switch, remote start-stop cable. Comes complete with leatherette case for \$34.95. Kinematix Inc., 2040 W. Washington Blvd., Chicago, Ill.



#### Koyo transistor radios

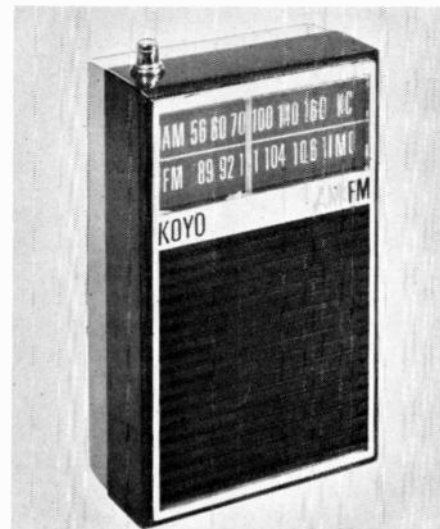
Two deluxe transistor radios have been added to the Koyo Profit-Line.

The 10-transistor AM portable (KTR-1051) is designed with a built-in internal compartment to accommodate the versatile instant power (VIP) a.c. adapter-changer.

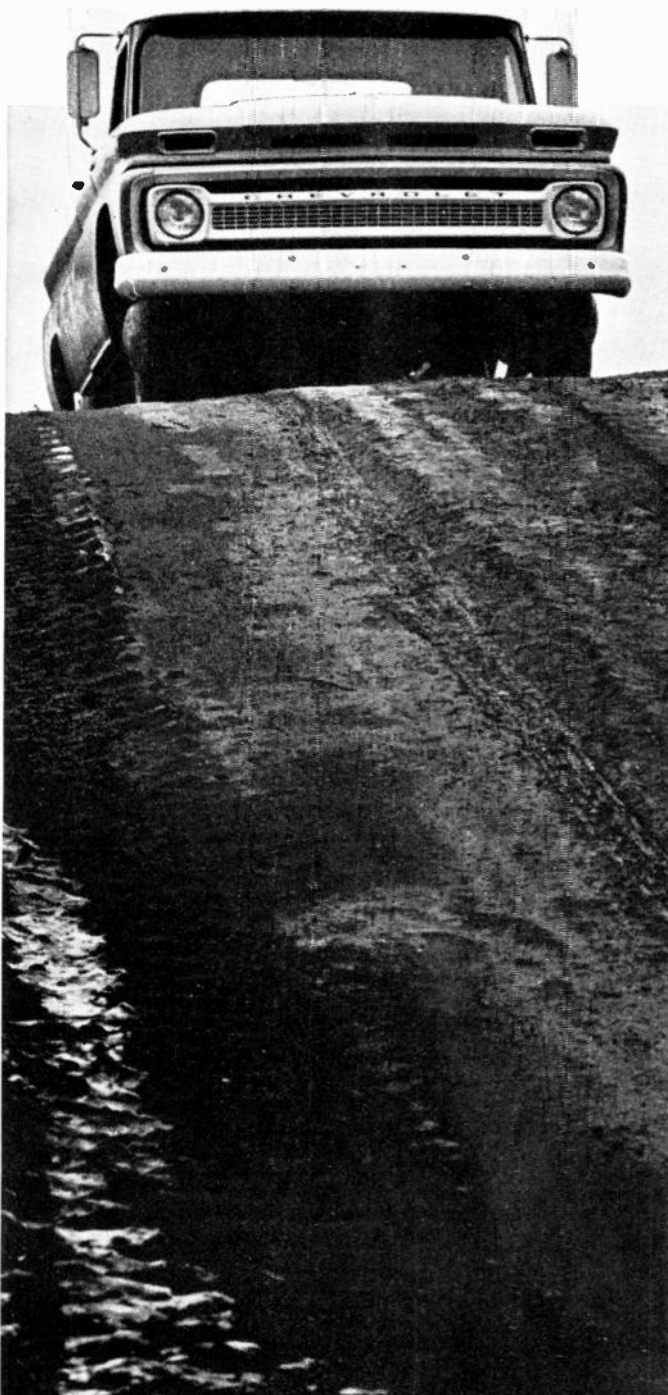
Other features are a full-range

tone control, power output of 350-mw, an external folding rod antenna, an AM built-in magnecore antenna, an oversized hi-fi dynamic PM speaker and earphone, a soft leather padded case with satinized chrome finish. This set will be advertised at \$29.95.

Koyo's nine-transistor AM-FM portable (KTR-951) features a thumb switch that converts this pocket-size unit from AM 300UV/M to FM sensitivity 5UV/M. Special VIP adapter plugs are available to use with the ac adapter jack. It has a "hi-impac" case enclosed in a padded leather carrying case with straps, an oversized PM speaker and external folding rod antenna. It is priced at \$34.95. Koyo Electronics, 330 Madison Ave., New York City, 10017.



# CHEVROLET workpower



Chevrolet 3/4-ton Fleetside pickup



Chevrolet 1/2-ton panel delivery

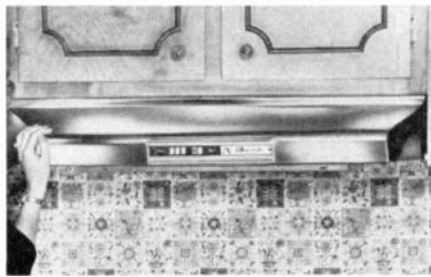




#### Olympic adds phonos

Three portable phonos have been added to Olympic's models of the month for February: No. MM232, the Donald; No. MM233, the Margot; and No. SA251, the Karen.

No. MM232 and MM233 are manual four-speed record players. Both feature a two-tone blue and white, leatherette-covered carrying case with luggage-type handle. No. MM233 includes a dual-stylus turnover cartridge. No. SA251, a dual-channel stereo phono in blue and white leatherette, features a four-speed, jam-proof automatic record changer that intermixes 10- and 12-inch records. It includes a dual-sapphire turnover stylus, dual amplifiers with separate volume controls, and two heavy-duty speakers, one mounted in a detachable lid for extended stereo separation. All are available on open list. *Olympic Radio & TV Div., Lear Siegler, Inc., 34-01 38th Ave., Long Island City, 1, N.Y.*



#### Rangemaster hood

Rangemaster 188 is a dual-vent hood with a narrow profile. From bottom to top, it measures only 5¼ inches.

Features include a built-in squirrel-cage type blower that operates quietly, a large basket-type aluminum grease filter that is removable and washable, a set of pushbutton con-

trols on the front, a built-in enclosed light, and a damper.

The hood comes completely pre-wired and pre-assembled, and is available with or without scalloped trim in hammered antique copper, brushed antique copper, satin stainless steel, or baked enamel finishes of blended coppertone, antique coppertone, white, antique white, or plain coppertone.

There is a wide variety of lengths available. Standard sizes, in inches, are: 24, 27, 30, 33, 36, 39, 40, 42, and 48. Other lengths are available on special order.

Depths of the cabinet are 12, 12½, or 13 inches. *Aubrey Manufacturing Inc., Union, Ill.*

#### EICO FM stereo signal generator

A new instrument for servicing, testing and demonstrating FM multiplex stereo tuners and receivers has been introduced by EICO. The 342 FM multiplex signal generator provides a controlled amplitude composite audio signal for direct injection beyond the detector into the multiplex section of a tuner or receiver, plus a 100% modulated FM radio carrier, modulated by the same composite audio signal, which can be fed to the antenna terminals of the tuner or receiver. The frequency of the RF carrier is adjustable. A crystal controlled 19 kc pilot signal is provided, also an oscilloscope sync output. In addition, dual inputs and amplifiers are provided to which a stereo signal from tape or records may be fed to permit use of the instrument as a low-power transmitter for demonstrating FM multiplex stereo etc. Compactron tubes are used, and the unit is priced at \$149.95 in wired form only. *EICO Electronic Instrument Co., Inc., 131-01 39th Ave., Flushing, N.Y. 11352*

#### GE bottle water coolers

Compact bottle water coolers styled in a two-tone tan baked enamel finish and occupying only 1 sq. ft. of floor space are announced by GE. BT1, a cold-water model, has a large stainless steel cooling tank capable of chilling one gallon water to 50 F. per hr. BtH1, a hot-and-cold model, provides 60 six ounce cups of 180 F. water for hot coffee, tea, soup, etc. It has the same chilling capacity as the BT1. They feature easy-to-operate self-closing faucets and a 4.5 pint drip receptor. *General Electric Co., 14th & Arnold Sts., Chicago Heights, Illinois.*

## GIVES COIL-SPRING SMOOTHNESS AT ALL FOUR WHEELS



Here's the smoothest of truck rides . . . work-proved in more than 1½ million Chevrolet trucks.

### THESE CHEVIES ARE THE ONLY 1/2- AND 3/4-TON TRUCKS ON THE MARKET WITH COIL SPRINGS FRONT AND REAR, PLUS INDEPENDENT FRONT SUSPENSION

Independent coil-spring suspension up front . . . coil springs in the rear . . . that's the combination that has earned Chevrolet its reputation as the best riding truck in the business. Carefully balanced front and rear suspension designs reduce pitch and sway, soak up the jolts from the roughest roads.

Front suspension, with upper and lower control arms at each wheel, allows individual wheel action . . . lets each wheel "walk" over bumps independently. Just as important, wheel geometry minimizes tire scuffing, gives steering a nice feel of balanced control without fight or shake.

Rear suspension has two-stage coil springs which

give proper spring action whether the truck is empty or loaded. Twin control beams anchored to the frame keep rear axle aligned but don't interfere with easy spring action.

When you own a Chevy truck, you have the most advanced concepts in truck suspensions working for you. And Chevy suspensions are backed up by years of design and manufacturing experience . . . plus millions of miles of owner use in all types of tough truck jobs. See your Chevrolet dealer for an on-the-road demonstration of Chevy ride and handling . . . they're like none other! . . . Chevrolet Division of General Motors, Detroit, Michigan.

## THE LONG STRONG LINE



#### MERCHANDISING SUPPLEMENT

**ARROW**  
**FREIGHT FORWARDERS**  
Sub. of LIFSCHULTZ TRANSPORT, Inc.

**FASTEST  
COAST TO COAST**

5th & 6th DAY EAST COAST TO  
CAL., ARIZ., NEV., ORE. and WASH.

7th DAY TO EAST COAST  
from CAL., ARIZ., NEV., ORE. and WASH.

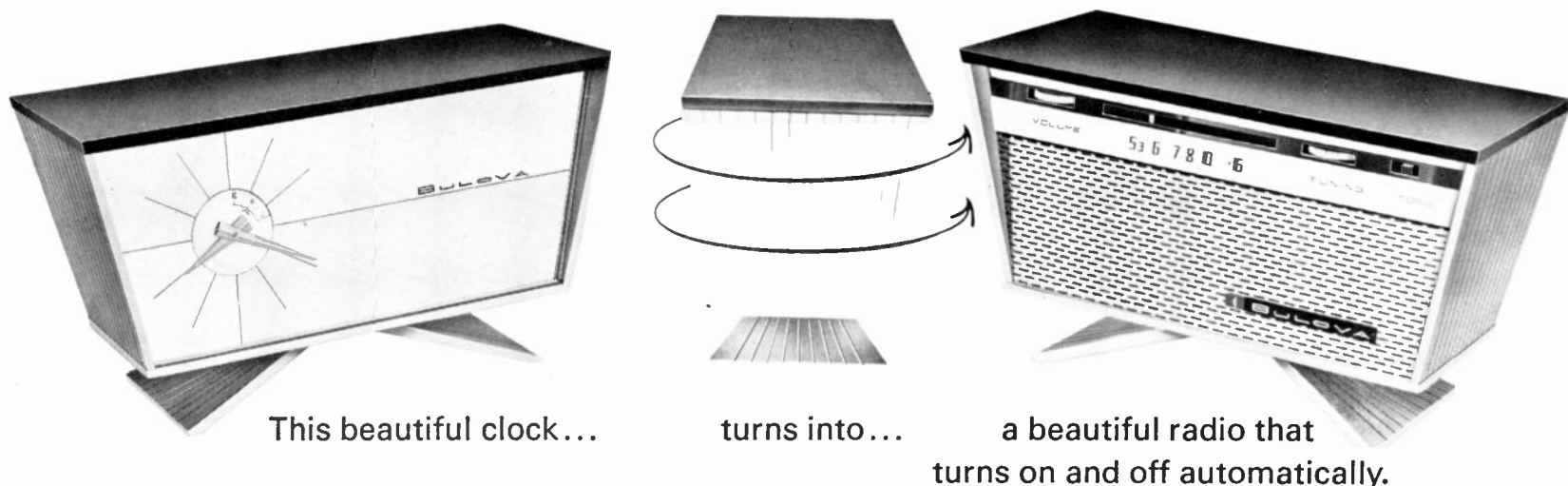
Specialists in Shipment of  
Electrical Products  
Call for information

NEW YORK — PHILADELPHIA  
BALTIMORE — BOSTON — NEW JERSEY  
HOLYOKE — NEW HAVEN — PROVIDENCE  
LOS ANGELES — SAN FRANCISCO — SEATTLE



Another new **Radio Idea** from Bulova:

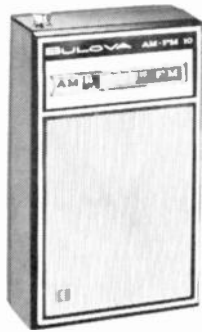
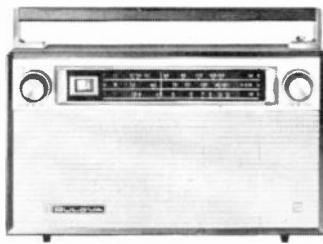
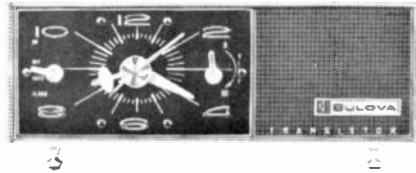
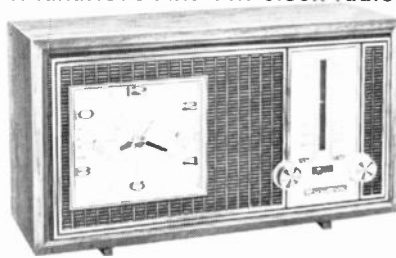

# World's first "Radio-Clock"



## New BULOVA "Radio-Clocks" have two beautiful fronts-no ugly back!

Shown above: New Bulova "Embassy" One front is a beautiful Bulova clock with a precision jeweled-lever electric watch movement for the ultimate in timekeeping accuracy. The other front is a rich-sounding 8-transistor, 1-diode Bulova radio that turns on and off automatically. Turns on a swivel, so you choose the front you want with the touch of a finger. Operates on low-cost, long-lasting batteries, so it's cordless... works anywhere. In luxurious brass with gold trim. \$65.00\* Also available: New Bulova "Imperial" Radio-Clock. All the revolutionary features of the "Embassy" in stylish ebony or ivory unbreakable plastic, satin-silver trim. \$49.95\*

## 23 more great Bulova **Radio Ideas** and they're all fair-traded!

|   |   |  |
|---|---|--|
|  <p><b>5 great pocket radios</b></p> <p><b>New Bulova "Avante"</b> Advanced 10-transistor 4-diode AM-FM radio. Built-in ferrite-rod AM antenna plus telescopic antenna for powerful FM reception. Big, full tone. Includes leather carrying case, earphone, battery. Ebony, ivory or blue \$39.95*</p> | <p><b>6 terrific portable radios</b></p>  <p><b>New Bulova "Trident" Ultimate AM-FM-SW</b> performance in a 12-transistor, 5-diode portable. Telescopic antenna for world-wide reception. Operates on AC power or rechargeable batteries. Includes earphone, batteries. Ebony. \$69.95*</p> | <p><b>5 beautiful clock radios</b></p>  <p><b>New Bulova "Performer"</b> All-transistor plug-in clock radio. Only 6 1/2 inches long. Plays instantly. Sounds big and rich. Wakes you to music or gentle buzzer. Comes in walnut tone or smart decorator color combinations. \$49.95*</p>          |
| <p><b>2 luxurious AM-FM clock radios</b></p>  <p><b>New Bulova "Peerage"</b> Automatic AM-FM clock radio. Radio turns itself on and off. Automatic Frequency Control for drift-free reception. Slide-rule tuning. Big PM speaker for velvet-tone. Hand-finished walnut cabinet. \$69.95*</p>           |   | <p><b>5 handsome solid state phonographs</b></p>  <p><b>New Bulova all-transistor "Stereo S-915"</b> No tubes to burn out. Plays instantly. 2 powerful speaker systems give thrilling sound. Bass, treble, balance and volume controls. Automatic 4-speed changer. Beige and brown. \$134.95*</p> |

Take advantage of this big profit opportunity! See the complete line of 28 exciting Bulova radios and phonographs. Call your Bulova representative at LT 1-0400 in New York City, or write to the Bulova Watch Company, Inc., 630 Fifth Avenue, New York 20, New York. Also be sure to find out how the Bulova Constructive Distribution Policy protects your sales and profits as no other radio company can.

**Be first with BULOVA -first in **Radio Ideas****

© 1965 Bulova Watch Company, Inc., 630 Fifth Avenue, N.Y. 20, N.Y. \*All prices slightly higher in Far West.



# Is this the market of the future?



- **Volume:** a few retailers get most of it
- **Price:** everybody plays follow the leader
- **Competition:** outsiders can't make a splash
- **Distribution:** key accounts are king



## That's Detroit now It could be your city soon

How do you replace a million-dollar account? Although it is not an easy job anywhere, it is especially difficult in Detroit.

The branch manager of a major supplier who had to face the problem slumped a little lower in his chair as he tried to explain:

"It stands to reason," he said, "that a million dollars worth of major appliance business doesn't just fly out the window. They were one of our major accounts—and they just went out of business. Now the factory wants to know why I can't replace it."

"You know who's going to get that business? Sears, Wards, Hudson, Highland, Good Housekeeping, Federal and Fretter. I sell a couple of them but I can't sell them all. I have hundreds of smaller dealers but I can't expect them to do much more. If I open more accounts, my old ones will resent it and I'll lose them."

The name of the distributor and the brand he handles does not matter. All the distributors in Detroit, the nation's fifth-largest market, face the same problem: the concentration of tremendous buying and selling power in a handful of accounts.

Does this make Detroit unique? Most people in the trade there do not think so. "You've got about the same thing in Chicago," said another distributor. "Polk, Goldblatt's and Marshall Field together represent a big share of the business, and Sears and Wards are big there too."

Another distributor said Atlanta, Georgia, has a similar situation, with Rich's throwing

its weight around the way J. L. Hudson does in Detroit.

The reasons for this development are varied but they are present in a number of major markets. Briefly, the postwar boom in hard goods subsided and left too many suppliers trying to sell too many appliances through too many accounts. Many of the Tom, Dick and Harry's who went into the business after the war could not make it in leaner years because of lack of money, talent or drive. Success breeds success, so the big got bigger.

In Detroit, they are now so big that the retailer is wagging the distributor. There is nothing unhealthy about the situation—unless you are on the outside looking in. In Detroit, the group that is outside hopes to get bigger. Small retailers, especially, are striving to make themselves more important to a few distributors, to specialize in some way or another on particular products, brands or customers—so that they can carve out a profitable, if limited, share of the business.

Membership in a revived buying co-op is a fact, concentration on fewer lines is a trend, and efforts at specialization are more evident.

Pricing standards in the market are generally set by the leaders; nobody's prices are far from theirs on any item.

Outside chains who have tried to make a big splash in the market in the last five years have generally been disappointed.

The number of independent dealers has dwindled to a fairly constant level, but their future is dubious.

Is this the shape of the future in your area? Turn the page, and decide for yourself. ➡

By Robert Kniffin/Marianne Friedland





## The 'big seven' make it an uncommon market

An example of the influence of several retail outlets in Detroit is represented in the collage of newspaper ads above. It is probably the image most regular readers of daily newspapers in town have of the appliance market.

"These seven are the only consistent major advertisers of appliances in the market," said one distributor. "Korvette might be in a couple days a week, or K-Mart, or one of the smaller retailers—but these boys dominate it."

The effect on the smaller retailer can be seen in the comment of A. V. Witbeck of Witbeck Household Appliance, a large, independent single-store dealer. "We don't advertise in papers," said Witbeck. "The independent dealer doesn't gain much by advertising in newspapers; he has to find some other method." Witbeck's answer is to advertise consistently on a local FM station anywhere from six to 16 times a day. "We don't advertise price, however," he said, "just our store and image."

The value of advertising in the dailies was put to the test last year when the city's papers were closed down by a strike for 134 days. The effect was surprising. "For the first time in my memory," said one distrib-

utor, "the strike had no noticeable effect on sales. In fact, we enjoyed an increase during it." So did all other retailers and distributors but, as one said, nobody knows how much more business would have been done with advertising in the papers.

In the absence of dailies, most retailers used shopper's newspapers and broadcast media. Some dealers did not advertise at all, nor do they even normally. "We are a personalized store," said Louis Bruno of Bruno Appliances, a three-store chain. "We have a personal relationship with our customers and they know and trust us. That's something no big store offers. We don't advertise; a large part of our business is referrals."

### Key accounts have it locked

"Most women in Detroit would rather get a divorce than give up their J. L. Hudson charge plate," said C. A. Maurer, local Zenith distributor.

A slight exaggeration, maybe, but everyone in the trade agrees that Hudson has a fervent hold on the affection and loyalty of a vast group of the Detroit buying public.

One consumer who moved to the city two years ago from New York observed: "Really, there's no other department store in town. It's Macy's, Gimbles, Lord & Taylor and Saks rolled into one."

This is true of hard goods as well as soft. The major appliance, consumer electronics and housewares departments play second fiddle to no other departments in the store, and they are consistently featured in the store's heavy advertising schedule.

It is easy to be loyal to Hudson because, it seems, the store is everywhere. At present, Hudson has a total of 28 retail outlets in metropolitan Detroit, including the big downtown store, units in three giant shopping centers and in smaller outlets throughout the area.

All these outlets group proudly together under the Hudson banner, which proclaims: "You pay no more at Hudson's. Tell us if we're wrong." That slogan and reputation have penetrated the consciousness of all of Detroit's citizens, including competing appliance retailers—who have a variety of opinions as to its efficiency.

Hudson is only one of the "big seven," the major accounts who do such a preponderant share of the business. How big are they?

Knowledgeable sources in the market say they account for more than half the total brown and white goods volume there. In certain products, namely home laundry, some people peg the share as high as 70%.

One of the "big seven" himself privately listed them by order of volume: Sears, Hudson, Highland and Good Housekeeping, both about equal, Federal, Montgomery Ward and Fretters.

Physically, Detroit is spread out over quite a large area but it is hard to drive through any 10 blocks in business districts without seeing one of the "big seven" outlets. Together, they have more than 100 stores in the metropolitan area. Federal, with 24, and Good Housekeeping, with 21, have the next highest number after Hudson.

Their methods of operation cover quite a range. Sears, of course, is Sears, and their manner of doing business produces the same mixture of awe and anger in competitors as it does elsewhere. Montgomery Ward does an excellent job on appliances, observers agree, and has been coming on strong in recent years.

Hudson, as indicated above, is virtually without peer among American department stores. Generally, its competitors view it as fair competition today, but some angrily remember what they consider cutthroat competition in the past.

Federal seems to put less emphasis on appliances than Hudson but still does a substantial job through its many outlets.

Good Housekeeping is a uniquely successful specialist chain. It does its own warehousing and financing, handles its own trade-ins. All of its stores are uniformly attractive, with neatly trimmed windows and attractive displays inside. They do not employ the warehouse look.

Ample financed, Good Housekeeping has been in business for 45 years. The stores concentrate on selling in the low-to-middle range, despite the attractively high-end appearance of many of the stores. Ask an independent about Good Housekeeping and he has only nice things to say. It is truly considered friendly competition.

Highland Appliances and Fretter are both eight-store chains with promotional or discount reputations. "Look at Ollie Fretter," said one retailer. "He's got an image, and that makes him successful. His store always looks dirty but that's good. That's part of the image. Probably if he cleaned up that store he'd go out of business."

"Or look at Hudson's," he continued. "Everyone thinks that their prices are low because they've been years building up that slogan... 'If you see it for less, let us know.' Their prices aren't low, but people think they are."

Highland promotes a strong image too. One of its stores is billed as a "Warehouse Outlet." It is a miserable specimen of modern retailing located in an old, run-down neighborhood. The interior is dirty and drafty and has exposed plumbing. It looks like an old abandoned warehouse.

One competitor sees the method in that apparent madness: "There are some people who have to feel they are getting a bargain, and they just love a so-called warehouse outlet. Their prices are probably no different there than in any of their other normal-looking stores, but people think they are. I think they deliberately keep it looking dirty."

### Others seek a place in the sun

Given the variety of images that the "big seven" have appropriated, how do the rest of the retailers find one of their own that they can exploit. Is there any room for them?

They cannot match Hudson ("it's almost like a company store in this town"); it is hard to compete with Highland's discount reputation; and they do not have a national name like Sears.

"Our biggest competitor is Sears," said Ed Adams, of Adams Appliance Center. "Detroit is basically a rural city. Many of the factory workers here come from farms. The only thing they ever heard of before coming to Detroit was Sears. Many of them come here from Tennessee with just a couple of suitcases and a Sears catalog. That's a tough image to fight."

Responding to this challenge, consciously or unconsciously, Detroit's other retailers have come up with a variety of approaches.

Grinnell Brothers is one example. The backbone of their business is music—instruments, sheet music, etc.—but they do an im-



Grinnell believes in posh salon for stereo

pressive business in consumer electronics in their 34 stores located throughout the state. "We are the largest Magnavox dealer in the world," says Louis Rudin, manager of radio and tv. "The role of the specialist in salesmanship," Rudin continued. "Our men know their products thoroughly, and they are all quality products. Our image has always been that of a high-quality house. If you want to see one of the keys of our success, take a look at our floors. They are pleasant, attractive and tastefully decorated. People are able to visualize one of our stereo sets as it would appear in their own home."

Grinnell usually gets the top dollar. "We



handle primarily protected lines," says Rudin, "though we do handle some RCA and GE. We will meet competition on competitively priced models, but basically we are a one-price dealer."

A. V. Witbeck has taken another approach, that of the one-line dealer. "We are and always have been an exclusive GE dealer. I believe that the day of the one-line dealer is just beginning. With one line only to sell, our men become better trained. Multiple lines tend to confuse the customer and build up sales resistance. Our overhead has stayed quite stable. Here again, a single line is of advantage because it certainly keeps your overhead down."

Witbeck thinks he knows his place in the market. "The independent will always provide a function in the market place that the large department store can't fulfill—and that function is service. J. L. Hudson was more of a threat to us in 1950 than they are today. Hudson's used to have the image of a prestige store, but they have degraded themselves with poor service, carrying charges, and charges of 25 cents for pickups, etc. As stores like Hudson's give less service, I believe in giving more. And, it pays off."

"We deliver, we pick up, we take telephone orders, we gift-wrap. If the customer is happy with the delivery of a toothbrush, chances are he'll come back for a refrigerator some day."



A. V. Witbeck has wedded himself to GE

"We have a Federal right down the street from us. Often a customer will walk into our store after having priced Federal. If our price is in line, we'll usually get the sale because people prefer to be treated with courtesy by salesmen."

Another preacher of the one-line faith is Ed Adams. "My operation today is totally different from what it was five years ago," he says. "In the late 1950s I handled several different lines. I was doing a large volume of business, but I wasn't making any money. That was the time that all the dealers were fighting each other on price; many were turning over large volumes of merchandise—and were going broke. Five years ago I, too, went broke."

"Fortunately, my creditors went along with me, and I didn't have to declare bankruptcy. But, I made sweeping changes."

"The first thing I did was to cut my overhead. I let most of my employees go. I cut my rent. I sold several of my trucks. And, most important of all, I became a one-line dealer. I now carry only GE major appliances—and it's paid off. I've been paying off my debts all these years, and last year, for the first time, I came out from under."

"When I carried several lines, I noticed that people always used to buy the cream of each of the lines and then I was stuck with a floor full of unsaleables. What good is inventory when you can't dispose of it?"

Adams said profit margins today are relatively fixed; he averages 20%-25%. "The only variable that remains is overhead, and that's where the profits can be made. That's why I believe in a one-line store."

One of the overhead items Adams cut was newspaper advertising. He feels it does no good to advertise—unless you run loss leaders. "That's the only form of advertising that pulls people into stores anymore."

Another answer to the volume-and-profit squeeze came from Walter Jasen: "It's nearly

impossible for the independent dealer to make a go of it anymore. In the past few years, I have been surrounded by a Sears, a Korvette, and a Montgomery Ward store. I've seen independents around me going out of business left and right. I saw the handwriting on the wall ten years ago and diversified my business by going into furniture. Then, when the dog days hit about eight years ago, I had the furniture to fall back on."

"Our furniture business quadrupled last year. We did suffer a setback in appliances; all those new shopping centers have hurt us. Still, I'm not about to give up the appliance business; there's money to be made in it still."

## Goodby Mom and Pop

What produced the conditions that have forced many dealers to seek survival through specialization?

One factor is the cyclical nature of the Detroit economy. That is largely a product of the area's extreme dependence on the fortunes of the automobile industry. How much America likes the new tail fins from Detroit means the difference between steak and hamburger for thousands of Detroiters. The brief strikes last Fall at Ford and General Motors had little impact on appliance sales—primarily because the auto workers had been so busy working that they had no time for spending.

At other times, auto industry slowdowns have wreaked havoc on retail floors.

"There is still room for the independent," said Eugene Mondry, secretary of Highland Appliance Co. "But the independent has a tough time in Detroit. We have a very cyclical economy, and those dealers who are not financially strong or particularly aware will have a tough time surviving."

Another factor is the location of prime shopping areas. Only 1.67 million people live within the city. The bulk, 3.67 million, live in the suburbs. Therefore, the shopping centers are an important part of the merchandising scene.

New shopping centers want big names, not small independents, so a Good Housekeeping may be sought, but not Joe Blow. Moreover, many of the major suburban shopping centers in the Detroit area have either Sears or Hudson as the core store. Hudson, for example, has Northland, Eastland and is now forming Westland—all major suburban centers. Korvette also has opened three major shopping centers.

Given these twin factors of an unstable and far-flung market, Detroit's small independents should expect a real squeeze when appliance demand falls off. But, most feel that when things did get tough, in the late 1950s, they got a vicious bear hug from the giant J. L. Hudson.

What follows is a one-sided description because the J. L. Hudson company did not choose to tell MERCHANDISING WEEK its side of the story. It is one-sided in that respect only, however. Otherwise, it represents the view of every small retailer interviewed.

Hudson, according to the small independents, responded to discounter pressure in the late 1950s by lowering prices and margins on appliances tremendously. One source said that Hudson was selling Frigidaire at 8% above cost.

The result, the story goes, was that, because Hudson was such a dominant force in the market, all the little dealers had to lower their prices, too, and many of them went out of business.

All the remaining independents hold Hudson in contempt. They are convinced that Hudson operated its appliance departments at a loss for years, and that the unbearably low price mark it set drove many out of business.

A dissenting view to that fairly emotional analysis comes from, of all people, a Sears spokesman. "Hudson's didn't put anyone out of business as some people contend," he said. "After the war, many independent dealers set up shop and didn't build their businesses on a sound basis. Many were not well financed. As long as there was a shortage of appliances these dealers did well. But once competition became intense many of these people went out of business. The good ones remained; there will always be a place for the independent be-

cause there are some people who prefer to buy that way."

A more sophisticated view came from another chain store executive. "Detroit reminds me of some small towns in the South where there was always little competition and people developed a trust in one or two stores," he said.

"Detroit is a workingman's town and has kind of a rural mentality. There used to be Hudson's, Kerns and Crowley's downtown. Kern's went out of business and Crowley's is no longer an important factor in the market. Hudson's was everybody's store and they were the only important store in town. People swore by Hudson's. Then the discounters came in and Hudson's successfully met their prices. Many of the discounters and many of the independent dealers went out of business. But people in this town learned about price. They've become much more price conscious, and their attitudes are changing."

## Pricing is a matter of instinct

Whatever their opinions about Hudson's past pricing policies, most observers agree that, today, the giant department store is operating with margins in the mid-twenties.

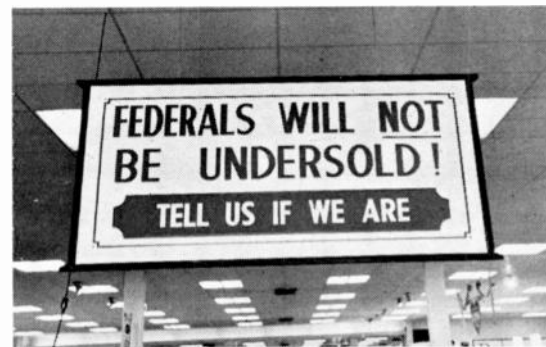
The last three years have been very good ones for almost everyone in the business, and the pricing picture now is fairly stable.

How does it work? Hudson's challenge to meet any price is not a reckless one these days, observers agree. They will, in fact, meet any competitive price verified by their comparison shoppers. But if the price is ridiculously unprofitable, distributors say, Hudson is likely to drop the model.

One small independent was very frank about how he establishes his prices. "We look at Hudson's prices when we set our own. We don't want to be above Hudson's and we don't care to be much lower either. The reason we pick Hudson's is that they run few loss-leaders in major appliances and they make a fair profit on every item. And the general public also looks at Hudson's prices, so it's important not to be very far away from them. If I set my prices by Hudson's, I know that I can make a fair profit."

Many other dealers apparently use about the same formula. Others use as their touchstone the prices that Sears and Highland set, but not the advertised leader prices of these firms.

Several dealers pointed out that Good House-



Federal has taken its cue from J. L. Hudson

keeping prices are generally on the high side but that this provides an umbrella under which the smaller dealer can shave prices a little.

Area distributors were less prone to name who sets the price standard, preferring to say "the market" does. But "the market" for each of the distributors includes at least one of the "big seven."

Non-signer fair-trade agreements are not legal in Michigan, and the only supplier currently using a formal fair-trade program is Kelvinator. "We did it to upgrade the profit structure of our dealers," said Jack Hanrahan, branch manager. "Dealers demanded it. Its great success on the West Coast was one of the reasons we started it. What it has done is to increase sales in high-end merchandise. We were losing out on the high-end market; high-end prices were cut viciously before."

Kelvinator employs a staff of shoppers to check on fair-trade violations, but, as of January, the company had not been forced to bring a single law suit against violators. The difficulty of enforcement was the reason advanced by most other distributors for their not having fair-trade programs.





## Strangers aren't welcome But where can distributors get new volume?

"Shortly after E. J. Korvette came to the Detroit area, they ran an ad on an 11-inch GE portable tv set for \$85. The same day in the same paper Highland had the same set for \$79. Korvette got the message."

The distributor chuckled as he related the incident. Although he has many problems, one of them has not been the arrival of new large outlets from outside the city. They have arrived all right, but they have not made the impact they expected and dealers feared.

Although Korvette just opened up in the city in 1963 and Topps a bit later, discounting had started to be a big factor in the market as early as 1956. Its effect on established stores, like Hudson, and on smaller retailers has already been outlined.

The list of stores who have come since and tried to penetrate the appliance market is impressive. Atlantic Mills and Shoppers Fair



K-Mart uses women to sell small appliances

came in with majors but quit after a while. Topps opened three stores simultaneously but could not make it in majors and gave them up after six months. Gem is in the market, but its leased departments are run by Highland.

### It costs to build a reputation

Why have these large retail operations, many of them very successful elsewhere in the nation, not been able to make a major impact?

Probably the most important reason, as indicated in the anecdote above, is that the firmly entrenched factors in the market would not let them buy the business with low prices.

Many distributors cited the example of Topps, which is run by Interstate. Interstate's White Front stores on the West Coast, they say, were able to take the market by storm with drastically reduced prices. They could not do the same thing in Detroit because Hudson, Highland, etc., were prepared to meet and often better their lowball quotes.

In addition, many distributors, fearful of jeopardizing their relationships with other key accounts, refused to sell to Topps.

Korvette is another matter. Some observers in the trade are firmly convinced that Korvette was not prepared to pay the price required to carve out a major share of the market in Detroit.

The evidence for this is the way the Korvette's major appliance and package consumer electronics departments are run. "They don't seem to want to do the things necessary to get a big chunk of the business," said Gordon Bahl of the local Philco branch. "They don't seem to want to warehouse extensively."

Many dealers and distributors also cited the poor quality of Korvette's appliance salesmen and their low rate of compensation as evidence. "I haven't felt the impact of their competition," said Eugene Mondry of Highland. "I don't believe these people are particularly concerned about their appliance departments, anyhow. It's in the soft goods that they make the money."

As an example of the Korvette attitude, one distributor cited its great success with stereo components: "They can make a big dollar there without banging heads with competition and they are doing it."

One distributor summed up the experience of all the chains who have come into Detroit in the last five years: "They have not tried to match dollars with the major factors in the market. They advertise but not the real lowball stuff they might in other areas. Korvette took on Polk in Chicago, but they are not doing the same thing here. But, eventually, they will make it. You've got to remember that Korvette is a brand-new name to consumers in the Midwest."

Another name very familiar to midwesterners is Kresge, and the general merchandise arm of this variety chain, K-Mart, is trying its hand in the major appliance and housewares business in Detroit.

K-Mart's Bud Cokenstette, supervisor of appliances, summed up the store's tactics: "Our prices are competitive and often lower than those of the competition. But, aside from price, our chief attributes are service, friendly personnel and pleasant shopping facilities."

"In our appliance department we try to offer a wide range of prices and products. For example, we have 15 different toasters on display. A look at our can openers will show you that they range in price from \$9.00 to \$17.00. We try to reach all kinds of people and all taste ranges. "We use counter girls to sell the small appliances, and they work out well. A woman understands and has a personal interest in small appliances such as steam-irons, toasters, etc. For the major appliances, we use primarily men."

### Distributors at the crossroads

Competitors feel that K-Mart has already made a strong dent in the electric housewares business and that it promises to do the same in major appliances.

If it, or Korvette, or somebody else in the market, turns the "big seven" into the "big eight" it will only tighten the straight jacket on distributors. The typical distributor in the area has hundreds of accounts but does more than half of his business with fewer than ten.

The kind of pressure this brings to bear on distributors is pointed up in an example cited by several distributors. Highland Appliances, they said, buys none of its supply of one brand of television from the local distributor; it is

all transshipped from outside the district. The distributor's hands are tied, they said, by the factory fears of losing the business if it insists on local buying.

Another result is the pressure for variation models. Less a factor in major appliances than in consumer electronics, these models are made available by many distributors to large and small accounts alike, so long as a substantial minimum purchase is made and the price level is observed.

Dealers agree that Hudson, Good Housekeeping and Highland make the most extensive use of them. "Although Hudson gets variation models," said one distributor, "their volume models are still regular ones. Generally, there is a better margin on variation models; that's why you have them."

One distributor outlined his attitude: "Our special models are open to almost anybody, but you must buy at least 30 pieces, tv or stereo, and everybody pays the same price. Korvette can't get them because they cut prices so deeply. Hudson uses ours a lot."

One small dealer who uses variation models extensively had this to say: "I believe that any dealer could have them if he could be relied on not to cut the price all to pieces."

What avenue lies open for the dealer who, for one reason or another, cannot develop a close relationship to his distributors? One answer is buying co-ops. After several abortive starts, co-ops are making a comeback.

The new group is the North Central chapter of MARTA; it has eight members in Michigan and one in Toledo, Carrol McMullin. All the other MARTA members let McMullin talk for them. "Most of our members were formerly members of another buying group, the Quality Merchants Assn.," said McMullin.

"It was spread out over several states and we thought we could accomplish more by concentrating our organization within a smaller location. We are the first MARTA group that ever attempted to organize outside the East. The MARTA group in the East has helped us to get established."

McMullin said the opportunity to exchange ideas and facts about merchandising and the ability to take advantage of volume buys are the big advantages of membership. "Also, the Detroit dealers run ads together under the MARTA banner."

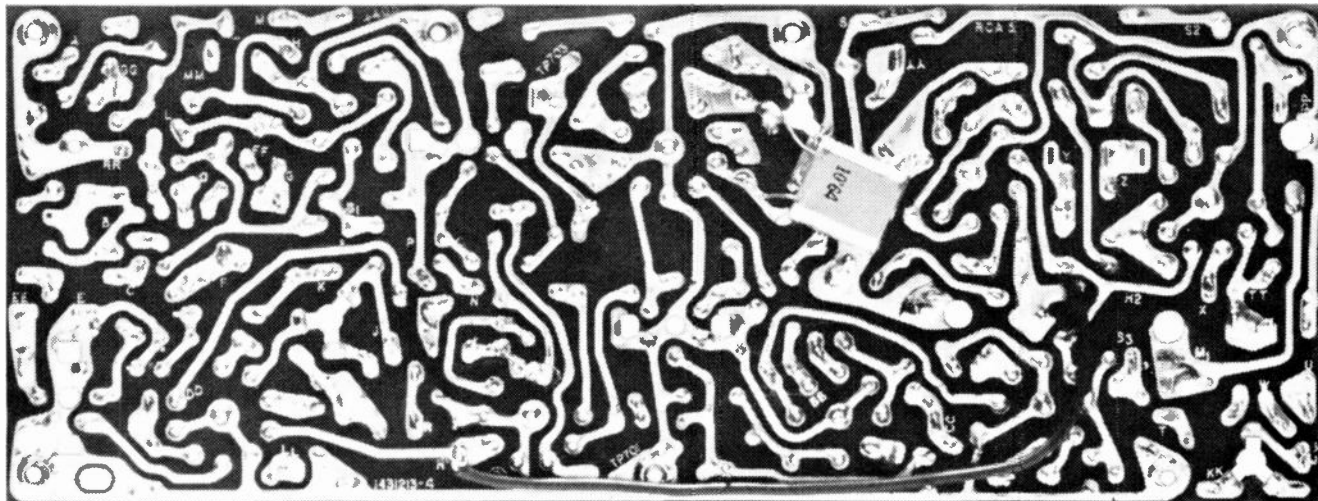
McMullin said the chapter would like new members in Detroit, as long as their market areas do not conflict with present members.

"In the short time we have worked together," he said, "this operation has been very profitable. This may be the small dealer's answer to the big-chain competition in the Detroit area. Let's face it. The big are getting bigger and the small are going out of business. The only way to survive is to band together."

McMullin's words might be prophetic—but most area distributors do not think so. As a group, they feel that the attrition in the numbers and prosperity of the small dealer has gone about as far as it can, and that things in the future should stay just about the way they are. Based on the past experience in this fast-changing market, that would seem to be a bad bet.

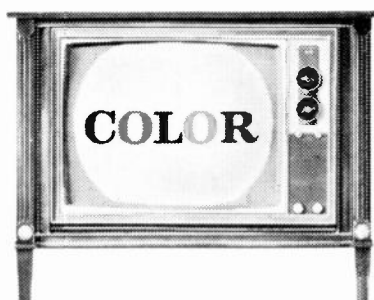


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# rodriguez looks at the service department



"I understand he did that at the factory too..."



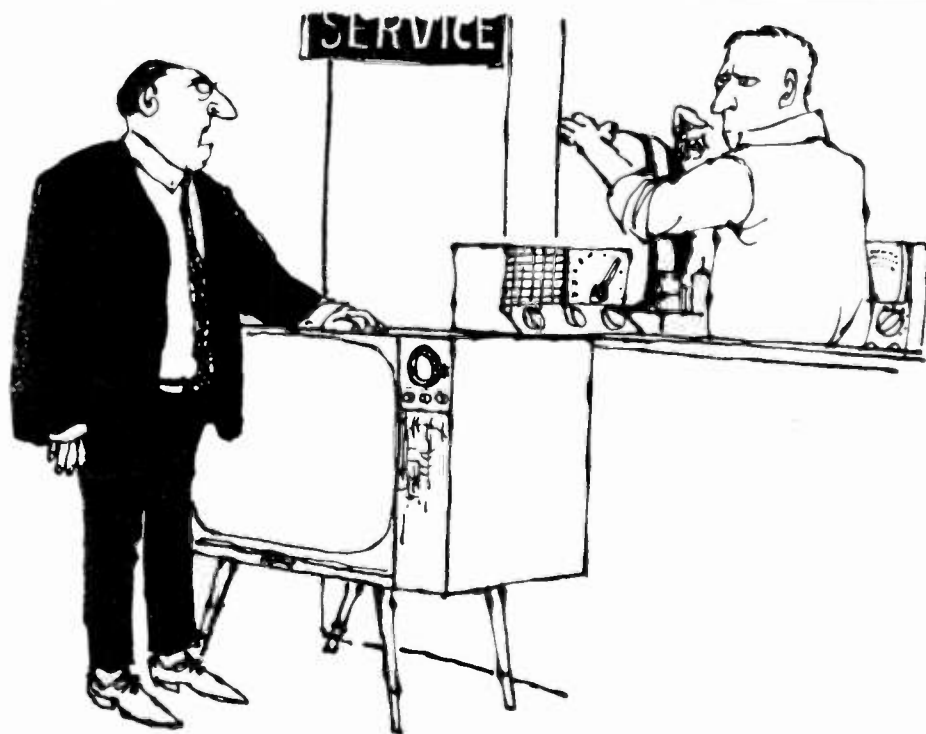
"I found out why he doesn't fix tape recorders... he's got a sign outside his house reading 'Bill's Tape Recorder Servicenter.'"



"... Say, Fred, you go home on the bus... why don't you wear this back and forth to work...?"



"... Ok, heads I ask him for a new oscilloscope... tails you ask him for a raise..."

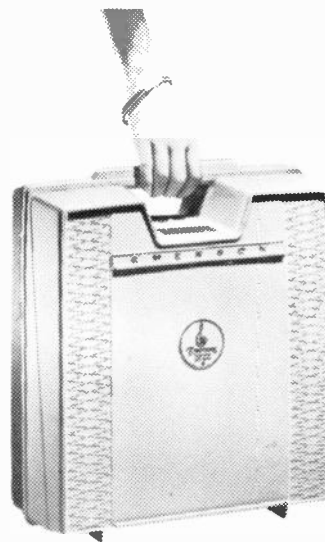


"... Whaddya mean there's no charge on this... it's your girl's tv..."





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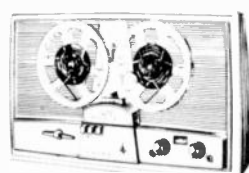


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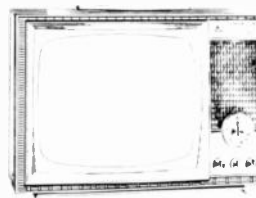
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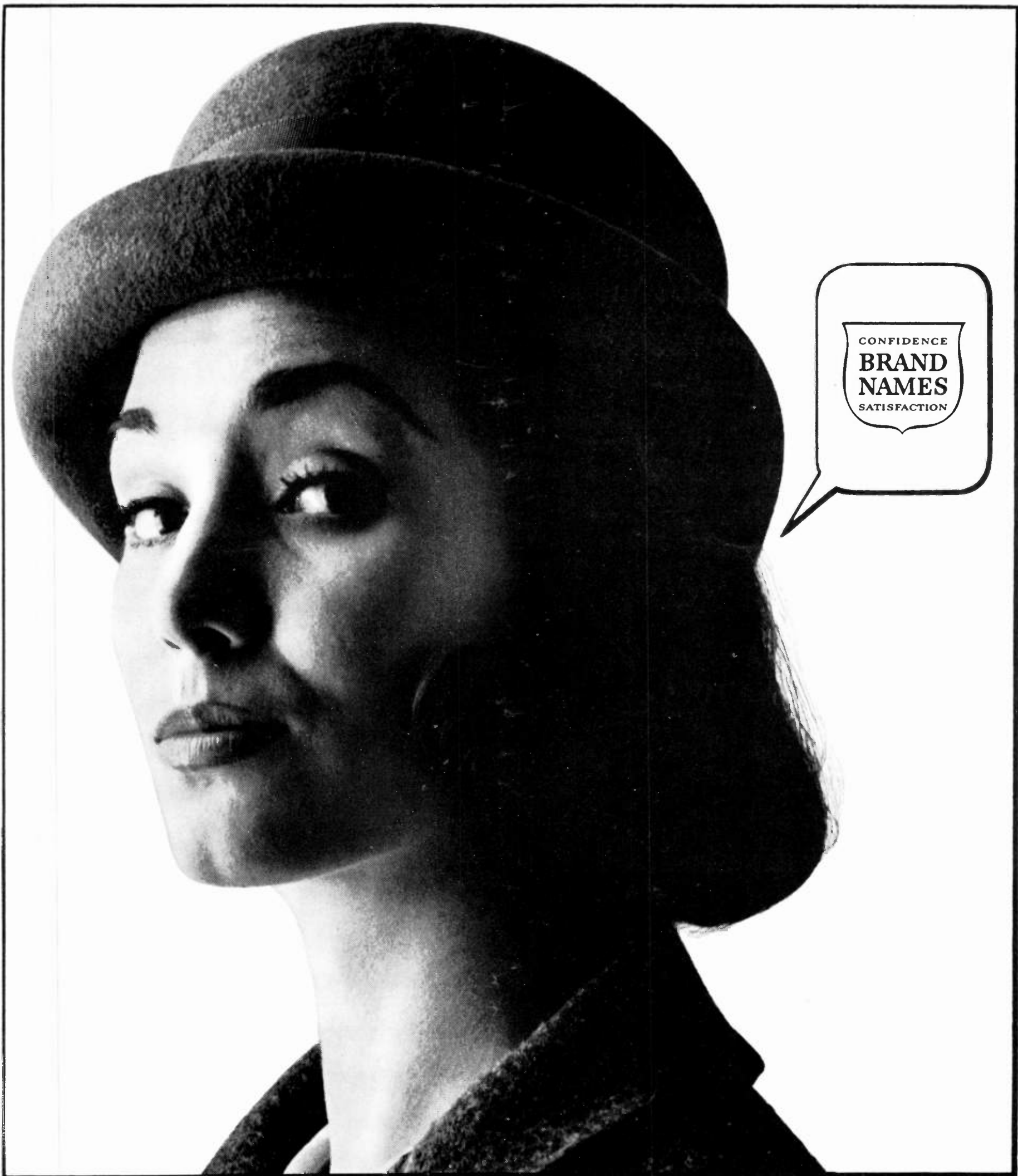


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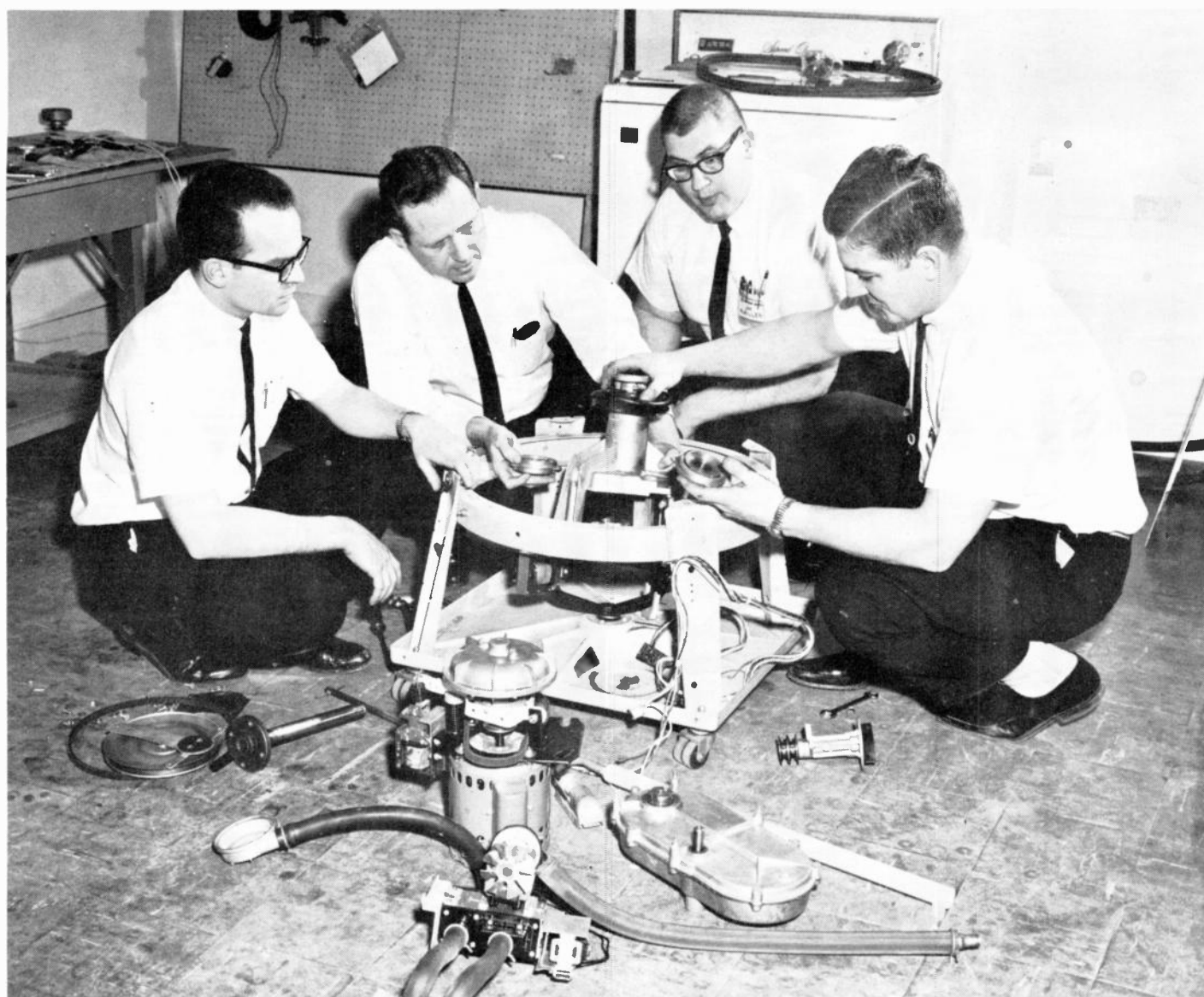
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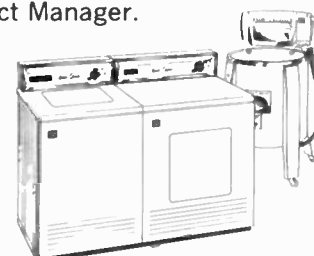
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|                                  | date      | 1964-5      | 1963-4    | %       |
|----------------------------------|-----------|-------------|-----------|---------|
| FLOOR CARE PRODUCTS              |           |             |           |         |
| floor polishers                  | December  | 104,323     | 96,381    | + 8.24  |
|                                  | 12 Months | 1,190,926   | 1,047,508 | + 13.69 |
| vacuum cleaners                  | December  | 372,399     | 349,741   | + 6.48  |
|                                  | 12 Months | 4,506,742   | 4,246,416 | + 6.13  |
| HOME LAUNDRY                     |           |             |           |         |
| dryers, clothes, elec.           | December  | 127,321     | 104,776   | + 21.51 |
|                                  | 12 Months | 1,194,228   | 1,059,839 | + 12.68 |
| dryers, clothes, gas             | December  | 65,747      | 48,450    | + 35.70 |
|                                  | 12 Months | 632,197     | 535,971   | + 17.95 |
| washers, auto. & semi-auto.      | December  | 273,708     | 235,440   | + 16.25 |
|                                  | 12 Months | 3,540,655   | 3,295,861 | + 7.43  |
| wringer & spinner                | December  | 42,363      | 38,045    | + 11.35 |
|                                  | 12 Months | 648,916     | 653,341   | - .68   |
| OTHER MAJOR APPLIANCES           |           |             |           |         |
| air conditioners, room           | December  | *           | *         | *       |
|                                  | 12 Months | 2,715,000   | 1,945,000 | + 39.59 |
| dehumidifiers                    | December  | *           | *         | *       |
|                                  | 12 Months | 205,000     | 220,000   | - 6.82  |
| dishwashers, portable            | December  | *           | *         | *       |
|                                  | 12 Months | 340,000     | 305,000   | + 11.48 |
| dishwashers, under-counter, etc. | December  | *           | *         | *       |
|                                  | 12 Months | 710,000     | 575,000   | + 23.48 |
| disposers, food waste            | December  | *           | *         | *       |
|                                  | 12 Months | 1,300,000   | 1,090,000 | + 19.27 |
| freezers, chest                  | December  | *           | *         | *       |
|                                  | 12 Months | 430,000     | 430,000   | NC      |
| freezers, upright                | December  | *           | *         | *       |
|                                  | 12 Months | 675,000     | 660,000   | + 2.27  |
| ranges, elec., free-standing     | December  | *           | *         | *       |
|                                  | 12 Months | 1,160,000   | 1,060,000 | + 9.43  |
| ranges, elec., built-in          | December  | *           | *         | *       |
|                                  | 12 Months | 820,000     | 810,000   | + 1.23  |
| ranges, gas, total               | December  | 166,400     | 155,900   | + 6.74  |
|                                  | 12 Months | 2,164,700** | 2,072,300 | + 4.46  |
| refrigerators                    | December  | *           | *         | *       |
|                                  | 12 Months | 4,530,000   | 4,125,000 | + 9.82  |
| water heaters, elec. (storage)   | December  | *           | *         | *       |
|                                  | 12 Months | 1,000,000   | 950,000   | + 5.26  |
| water heaters, gas (storage)     | December  | 197,200     | 201,600   | - 2.18  |
|                                  | 12 Months | 2,724,100   | 2,597,400 | + 4.88  |
| CONSUMER ELECTRONICS             |           |             |           |         |
| phonos, mfrs. ship., port.-table | November  | 467,615     | 437,891   | + 6.79  |
|                                  | 11 Months | 3,044,147   | 3,144,026 | - 3.18  |
| distributor sales                | November  | 430,170     | 379,735   | + 13.28 |
|                                  | 11 Months | 2,764,194   | 2,822,343 | - 2.06  |
| phonos, mfrs. ship., console     | November  | 186,379     | 169,796   | + 9.77  |
|                                  | 11 Months | 1,517,289   | 1,491,103 | + 1.76  |
| distributor sales                | November  | 189,755     | 182,440   | + 4.01  |
|                                  | 11 Months | 1,486,536   | 1,362,635 | + 9.09  |
| radio production (ex. auto)      | Feb. 12   | 254,064     | 176,582   | + 43.88 |
|                                  | 6 Weeks   | 1,406,006   | 1,072,804 | + 31.06 |
| distributor sales                | December  | 1,482,883   | 1,379,021 | + 7.53  |
|                                  | 12 Months | 10,771,276  | 9,975,209 | + 7.98  |
| b&w television production        | Feb. 12   | 168,300     | 163,342   | + 3.04  |
|                                  | 6 Weeks   | 950,010     | 971,583   | - 2.22  |
| distributor sales                | December  | 811,446     | 759,521   | + 6.84  |
|                                  | 12 Months | 7,684,960   | 6,828,383 | + 12.54 |
| color television production      | December  | 145,677     | *         | *       |
|                                  | 12 Months | 1,462,981   | *         | *       |

\*\*Twelve month total includes 1,472,800 conventional free standing ranges, 149,200 high oven models, 342,600 built-ins, and 200,100 set-ins. Sources: NEMA, AHLMA, VCMA, GAMA, EIA. \*Not available.



# Will consumers be ready to buy the products you sell?

The answer is a strong affirmative according to the experts and the University of Michigan's Institute for Social Research. Every quarter, the Institute's Survey Research Center polls consumers around the country to find out what the outlook is for buying.

According to the Center's December survey, despite a leveling off in consumer optimism, the plateau is at the all-time high reached last September. As in the earlier survey, large numbers of the consumers polled reported increases in income. And these increases were being and will be translated into expenditures on durable goods. All around, the American buyer appeared to be in better shape as a prospect for the retailer. Not only was his income up, but reports indicated that he was holding larger assets and had reduced his debts.

**Smart money is on you** to pick up a large share of the nation's consumer's dollar. September's survey turned up hot buying prospects that year-end figures bore out in industry sales. The December survey revealed that even more people had plans to buy durable goods other than automobiles. The biggest climb was among families with incomes over \$10,000, and the emphasis was on purchases of furniture. Another significant increase was in plans to make home repairs and additions.

**Competition for the dollar** during the first quarter took a strong upswing because of new-car plans. The December survey showed a 10% rise in expectations to buy a new automobile in 1965. This is, however, a long established pattern timed to the new-car introductions. Biggest increase in new-car planning was in the over-\$10,000 income group.

**They expect to pay more, too**, the survey indicates. The majority of the consumers surveyed expected an increase in prices this year, but this did not, obviously, dull their appetites for buying. All in all, the pollsters feel, people are not worrying about inflation.

While everything looks rosy, the fact remains that consumers are not more optimistic about business trends than in September. And this perturbed the Center's pollsters. The only real changes appear to be that consumers in the lower income brackets are more optimistic and those in the upper are less so than in September.

Nothing to worry about, say the experts. The same pattern has shown up before in recent years.

According to Professors George Katona and Eva L. Mueller who direct the surveys, "There seem to be limits to the spread of confident and optimistic expectations. Even under the impact of continued income increases, consumers do not go overboard; after prolonged good times some of them begin to wonder what may sustain prosperity in the long run. The impetus of the tax cut, which greatly contributed to optimism earlier in 1964, no longer serves that purpose. Consumers need new stimulation—either through continued income increases or through fiscal policy.

**Who has the money?** Biggest gains in income in the fourth quarter of 1964 appear to have been the families with incomes between \$5,000 and \$10,000, although, over-all, a

larger number of those surveyed reported increases than during the third quarter. The \$10,000 and over category remained relatively stable.

Raises in the rate of pay for the head of the family accounted for the majority of the increases reported, but there were other significant factors, among them more overtime and longer workweeks. Head-of-family salary increases were reported by 14% of the consumers surveyed in the fourth quarter, 18% in the third.

**Long range prospects**, in the eyes of the consumers, were not what they had been previously. Looking ahead

for the next five years, more saw bad times ahead. Fewer reported themselves uncertain. Asked how they viewed the financial news of recent months, a slightly larger number felt the news was more unfavorable than in September.

Biggest concern reported was over unemployment, and this was the category of news that caused furrowed eyebrows. But do not let their gloom get you down. While the pessimists had increased, the split was still 50-50 between those who saw more or less unemployment in 1965.

Trying to pin down the changes

in attitudes, the Center's researchers probed deeper into reasons. Two causes for optimism which had been in the forefront of consumer thinking in September had lost their glow. A great deal of the earlier enthusiasm had been predicated on the tax cut and the Presidential elections. With these receding into the past, there was less to pin their hopes on. But one new cause was cited. In December, more people felt optimistic regarding business conditions because of governmental moves that either had or were expected to give the economy a boost.

## "CORNER" CORDLESS PROFITS



### NEW "EVEREADY" CORDLESS POWER CENTER MEETS 97% OF ALL BATTERY NEEDS

Now you can make your store Cordless Power Headquarters for all the new cordless products... with this new battery merchandiser. It's the most complete display ever offered.

New low-profile contemporary design, for store-service or self-service sales. Pilferproof show window for your selection of cordless products. Upper battery



**EVEREADY**  
**CORDLESS  
POWER CENTER**  
ASSORTMENT NO. 77  
**UNION  
CARBIDE**

section contains full assortment of the most wanted transistor batteries. Bottom portion contains a complete selection of the best-selling flashlight batteries. Plus a precision battery tester for both standard and alkaline types.

To get your "Eveready" Cordless Power Center, ask your supplier for "Eveready" Battery Assortment No. 77.

### 11TH STRAIGHT YEAR OF NETWORK TV Over 50 Years Of Continuing National Advertising

"Eveready" is a registered trade mark of Union Carbide Corporation



# If you handle any of these items watch your sales climb



Not shown: Products advertised in The Digest's 9 regional editions

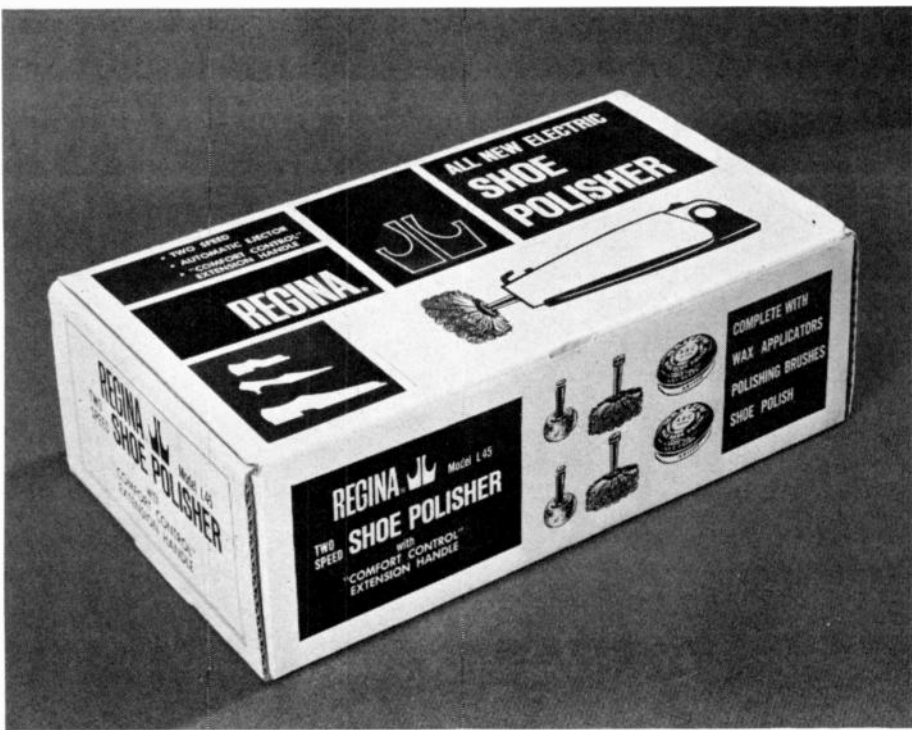
## Ads for these products are appearing in Reader's Digest... read by 1 out of 3 men who buy from you

Think of this. These product lines are advertised currently in Reader's Digest. And remember each Digest issue is bought by almost twice as many households as buy any other general magazine. That's as many as watch a Top-10 T.V. show. ■ You'll welcome people from Digest households: they've 27% more buying power than viewers of the No. 1 T.V. show. ■ What's more, they read and believe Reader's Digest — articles *and* advertising. Advertisers find this faith boosts advertising effectiveness. ■ That's how the world's best read magazine helps draw extra floor traffic—and more pre-sold customers.

**PEOPLE HAVE FAITH IN READER'S DIGEST** 14½ million U.S. families (25 million world-wide) buy each issue



## HOUSEWARES



Model L-45 in soft carton drops \$5 off list of original polisher

### Regina polishes its approach to shoes with a new package

Regina has announced an economy version of its hand-held shoe polisher, which it will package in a new soft-pack carton. Other features of the unit will remain the same. Earl Seitz, marketing vice president for Regina, told *MERCHANDISING WEEK*.

The new package, which is designated model L-45, will not include a luggage-type carrying case or a lamb's wool buffer. Included will be two polish applicators, two polishing brushes, and two cans of Griffin shoe

wax. Suggested retail price for the package will be \$17.95. One color combination is standard—sunset gold and antique white.

Regina's first hand-held model will still be marketed, Seitz reported. Designated model 45, it includes the carrying case, buffer, and personalizing kit. Suggested list for model 45 will continue to be \$22.95. Seitz believes that the new package can become a year-round seller, with the step-up available on gift occasions.

### Big ad year planned by Norelco

Norelco plans to increase its 1965 advertising and sales promotion budget to more than \$6,200,000—a 25% increase over 1964. This will be the largest annual ad outlay in the history of North American Phillips, according to Richard Q. Kress, director of advertising.

The two products emphasized most heavily will be the new Speedshaver 30 men's shaver with pop-up trimmer and the Lady Norelco professional-type hair dryer, in both the new floor-stand and the tabletop versions. All other Norelco products will be included in the campaign.

Other new electric housewares products will be introduced during this year by Norelco's new and separate

electric housewares department. Kress says provisions have been made to integrate the products into the advertising campaign as they are introduced.

A highlight of the campaign will be Norelco's television sponsorship of horse racing's so-called Triple Crown—the Kentucky Derby, the Preakness, and the Belmont Stakes. This continues Norelco's heavy commitment to sports programming begun last fall.

Ten network shows, 15 national magazines, and a concentrated newspaper campaign in more than 600 papers in major market areas are other elements in Norelco's first-half advertising campaign.

### Eureka acquires Canadian firm

Eureka's parent, National Union Electric Corp., of Stamford, Conn., has announced acquisition of 80% interest in Onward Manufacturing Co. Ltd., of Kitchener, Ont., Canada. Onward was purchased for an undisclosed sum of cash, according to C. Russell Feldmann, chairman and president of National Union Electric Corp.

Onward has been associated with Eureka Williams products for more than 50 years.

The remaining 20% of Onward stock is being retained by the former owner, T. A. Witzel, who continues in his capacity as president

of Onward. Feldman becomes chairman of the Onward board.

Plans are being considered for construction of additional facilities in Kitchener for the manufacture of some Eureka products; such a move would be implemented to afford Onward a greater advantage in the growing Canadian floor care market.

This is the second U.S. floor care maker to eye the Canadian market recently. At the end of December, Regina's parent, General Signal Corp., bought Switson Industries, of Welland, Ont., a maker of Regina products in Canada since 1951 (MW, 4Jan,p.40).

□□□□ **Hamilton-Beach** will launch the heaviest ad campaign in its history on Mar. 1, according to advertising manager Roy A. Lewane. The center of attention will be the Hamilton-Beach Hole-in-the-Handle electric slicing knife. Tv commercials will be concentrated in over 50 markets. Point-of-sale and demonstrator programs are scheduled, Lewane added.

□□□□ **GE** will offer a \$5 refund on two vacs, Models U-7 and C-11, during the last half of April and the first three weeks in May. The offer will be advertised in magazines and on television. Five dollar checks will be sent directly to purchasers who return covers of the instruction book. GE also announced that it has increased its share of sponsorship of the *Tonight* and *Today* tv shows, according to M. M. Masterpool, advertising and sales manager.

□□□□ **Three double-insulated garden tools** companion pieces to its Green Line, will be announced shortly by Rockwell Manufacturing Co. They will be an edger-trimmer, grass shears, and hedge trimmer. Each will have double insulation and the Cyclac housing that Rockwell used in its power tool line announced late last fall.

□□□□ **Black & Decker** appoints **Frank P. Lucier** to the newly created position of division vice president for consumer product sales.

□□□□ **A spring promotion of Shelf-Kushion** by Rubbermaid will offer reduced prices on by-the-roll purchases during March and April. Prices by-the-yard will continue at regular retail levels.

□□□□ **A 4-for-3 stock split at Sunbeam** and a 7.7% increase in the annual cash dividend have been recommended by the company's board of directors. The proposed dividend would be 26¼ cents-per-share quarterly. The stock split is the third in four years for Sunbeam.

□□□□ **Business continues to thrive** for three companies: Toro had record sales and earnings for the six-month period ended Jan. 31, Toro president D. M. Lilly reported a sales increase of 36% for the period and added, "We look forward to a record year with an increase of 15% to 20%." Rubbermaid had a peak year in 1964 with net earnings up 51% on a sales increase of 12½%, according to president Donald E. Noble. "We have never been more enthusiastic about the future long-range potential of the company," he said. Hoover, the third company, voted an extra dividend of 15 cents on common stock.

□□□□ **Key Moves . . .** BISSELL names H. J. Bloem president and general mgr of the U. S. Division . . . John J. Hamilton joins HAMILTON COSCO as mgr of design for the household products div . . . REGINA appoints the Pennington Co., Cincinnati, sales rep in Kentucky, southern Ohio (including the Cincinnati, Dayton and Columbus metropolitan areas), and West Virginia (except Wheeling) . . . SHETLAND names McInerney Sales, Inc., New York City, floor care and portable electric appliances sales rep to foreign military post exchanges, except in the Far East.





Seven vendors set up kitchen displays for Sibley's Teflon promotion.

## Sibley's promotion steps up the tempo for Teflon



Sibley's window display focused on a revolving Mirro pan.



One tie-in paired RCA range with Club's Teflon utensils.

The sweet smell of successful Teflon sales and its sizzle during the 1964 holiday season induced housewares buyer Neal Auchterlonie of Sibley, Lindsay & Curr, in Rochester, N. Y., to go full blast on display and promotion of non-stick products.

"The Wonderful World of Teflon" was ballyhooed by Sibley's, an Associated Dry Goods Department store, and its four suburban branches from Feb. 15 to Feb. 20, with saturation newspaper advertising, and radio coverage. In addition, at the downtown store, were seven participating vendors: Club, Dominion, Mirro, Revere, Sunbeam, Wear-Ever, and West Bend.

**What was the vendor's role?** Each one had set up a simulated kitchen, in which home economists combined their culinary skills with a demonstration of Teflon's non-stick property. One white-frocked veteran of many demonstration campaigns remarked that Sibley's display was the finest she had seen. Sibley's assistant buyer Jerry Wolk pointed out that Teflon is ideally suited to promotion by demonstration.

**How did the store cooperate?** Housewares, often the step-child in management planning, have not been slighted by Sibley. Full-color ads kicked off and culminated the newspaper campaign. A key window display (left) featured a giant revolving Mirro pan along with the products of the other vendors. Radio coverage focused on *Sibley's Time*, a program conducted by a local radio personality, Dorothy Cotton. In addition to general coverage, Miss Cotton presented pre-taped interviews with home economists.

Sibley, the big gun in Rochester retailing, purchased its first Fairchild projector. This unique merchandising device attracted crowds with its DuPont-supplied color film of the Teflon tale. Another Fairchild projector, with a black and

white film, was rotated in Sibley's branch stores.

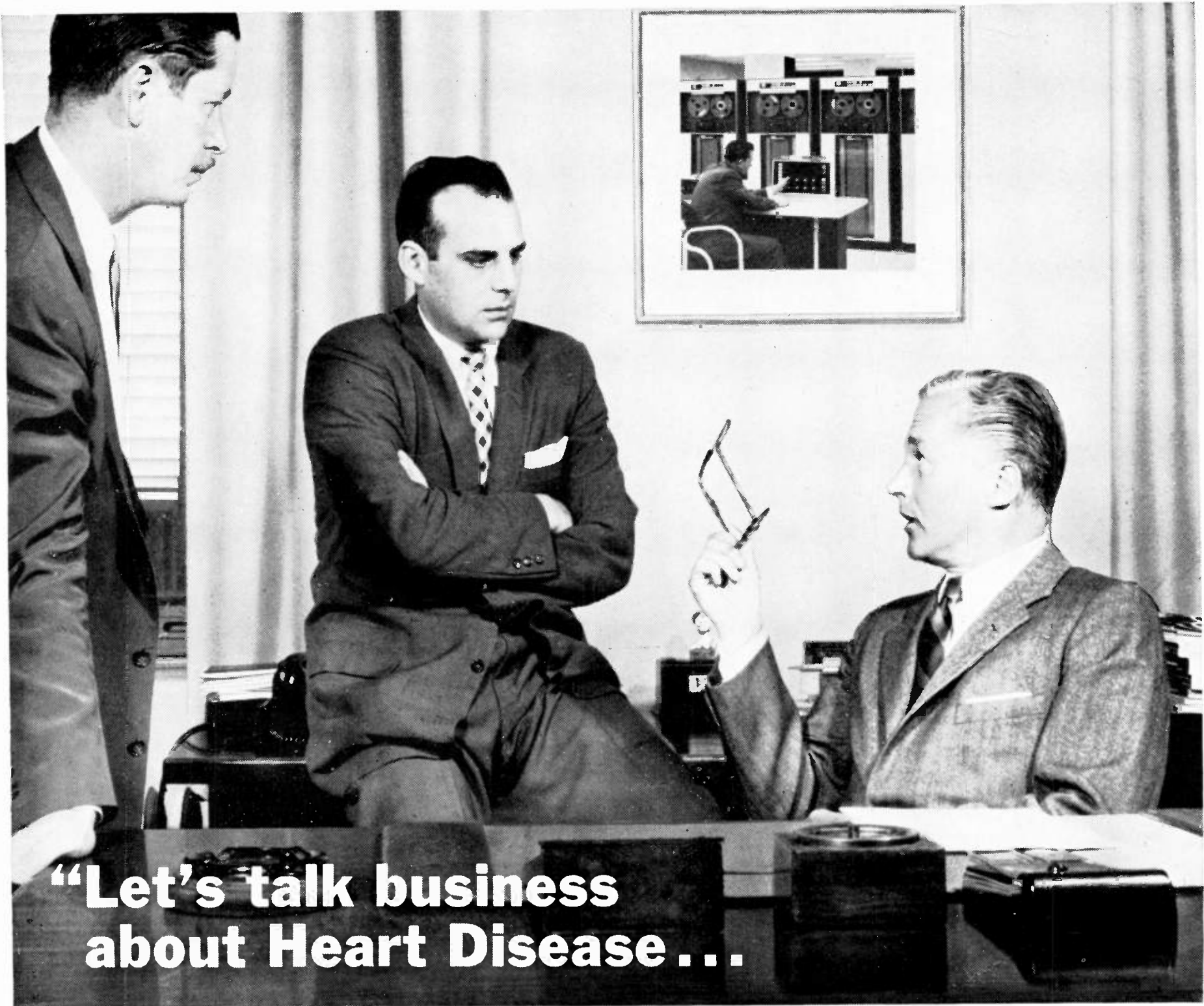
**What were the big sellers?** Sales of Teflon, though still behind slicing knives, are going well over all, with high-priced products selling briskly. Wear-Ever's line, and in particular the copper products have been the most popular. Piece buying has far exceeded the sale of sets, Auchterlonie noted, probably because the customer wants to prove the new product at home before buying an entire group. He reported that many customers have returned after a single initial purchase to buy several additions. The one set that has sold well is West Bend's 11-piece group at \$19.95.

**What tie-ins were used?** The range in each vendor's display carried an unobtrusive, yet noticeable, sign briefly describing its features and price. The window display and some of the newspaper ads included Teflon cleaner, ironing board covers, and spatulas.

"We are happy to see quality merchandise that we can sell without disappointing the customer," said Auchterlonie. "Our only problem in return is consumer misuse—almost always excessive high heat, which can cause the Teflon to bubble. Teflon's been strange. After it was first introduced, the supermarkets got hold of it and prices dropped. There were no profits and quality was low. But DuPont has done an excellent job with the product."

**How was consumer reaction?** Auchterlonie, a recent arrival from Pittsburgh's Kaufmann's, finds that customer response in Rochester (metropolitan area pop. 600,000) is more reserved and sedate than in the big cities. "Much of the effort on this display will have a long-term effect," he said, "We'll get reaction well into spring." The Sibley housewares buyer hopes to open a complete Teflon section when space is available.





## **"Let's talk business about Heart Disease..."**

"The heart and blood vessel diseases cost American business more than a billion dollars last year — the value of 70 million man-days of production lost by executives and craftsmen afflicted with heart and circulatory diseases.

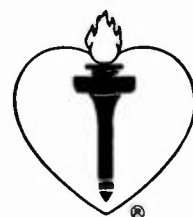
"The toll in lives among those 45 to 64 years old was even more serious. Cardiovascular diseases killed more working Americans in this age bracket than the next five causes of death combined.

"How can we cut these shattering business losses? More heart research is

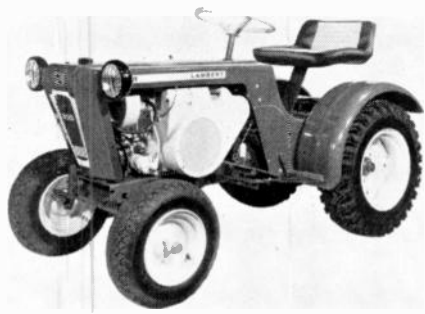
the answer, according to the experts. 'We're on the verge of great breakthroughs that will save many thousands of hearts,' say the medical leaders of the American Heart Association which has channeled 100 million Heart Fund dollars into research to save thousands of hearts.

"We businessmen respect the experts. Here is a chance to profit from their advice. Let's help save the lives of the people who make our businesses go. Let's help expand heart research now with an increased contribution to the Heart Fund."

# **GIVE...so more will live HEART FUND**







Lambert garden tractors

Highlighted by a 10-hp model, Lambert's new line of garden tractors for 1965 features a size and type for every homemaker.

The four models include two 6-hp units, one 8-hp model, plus the 10-hp

unit. All come with a variety of attachments for lawn and garden maintenance and are equipped with a power takeoff pedal for positive foot control of mowers, snow-throwers, and other attachments. As an optional feature, each may be equipped with a three-point universal hitch for control of rear-mounted implements; this permits the driver to raise or lower the attachment from his seat, and provides the same line of pull as though it were center-mounted beneath the tractor.

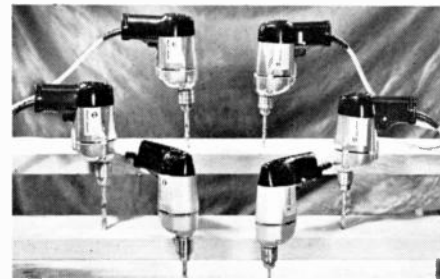
The Professional tractor, with a 10-hp motor, includes a steel-gear transmission for three forward speeds and reverse. Headlights for night jobs, cigarette lighter, ammeter, horn, and electric key starting

are standard. A combination clutch-and-brake pedal has transmission shaft braking and hill-brake lock.

The Estate tractor, with an 8-hp motor and a steel-gear transmission and differential for cutting weeds, mowing, snow-throwing, plowing, or cultivating. It has an electric starter generator, three-speed transmission, and combination clutch-and-brake pedal.

The Deluxe home tractor has all the features of the Estate model, but is equipped with a 6-hp motor.

The Home Riding tractor features a 6-hp motor with recoil starter, eight forward speeds, separate differential, and automotive type construction. Lambert Inc., 519 Hunter Ave., Dayton, Ohio 45404.



Black &amp; Decker drills

Two new multi-speed drills and two new single-speed drills have been introduced by Black & Decker.

The 1/4-in. and 3/8-in. multi-speed models are designed to give the right speed for every job. No. U-224, a 3/8-in. deluxe two-speed unit, has a high speed of 1,000 rpm for drilling in wood and a low of 700 rpm for masonry or metal. It features a trigger switch that can be locked on for high and low speeds and has needle and sleeve bearings for long life.

The unit weighs 3 1/2 lbs. and retails for \$24.88. U-203, a 1/4-in. deluxe two-speed drill, has a high speed of 2,250 rpm and a low of 1,600 rpm. Weighing 3 lbs., it retails for \$19.88. U-124, a 3/8-in. utility drill, sells for \$12.88; U-223, a deluxe 3/8-in. unit sells for \$19.88. The Black & Decker Mfg. Co., Towson, Md., 21204



Moto-Mower riding mower

Moto-Mower announces a tractor-look riding mower No. 306 with an additional 21 lbs., centered over the front wheels for a smoother safer start and to overcome the rear-up tendency of riding mowers. It has 4-speed transmission and rear-end differential.

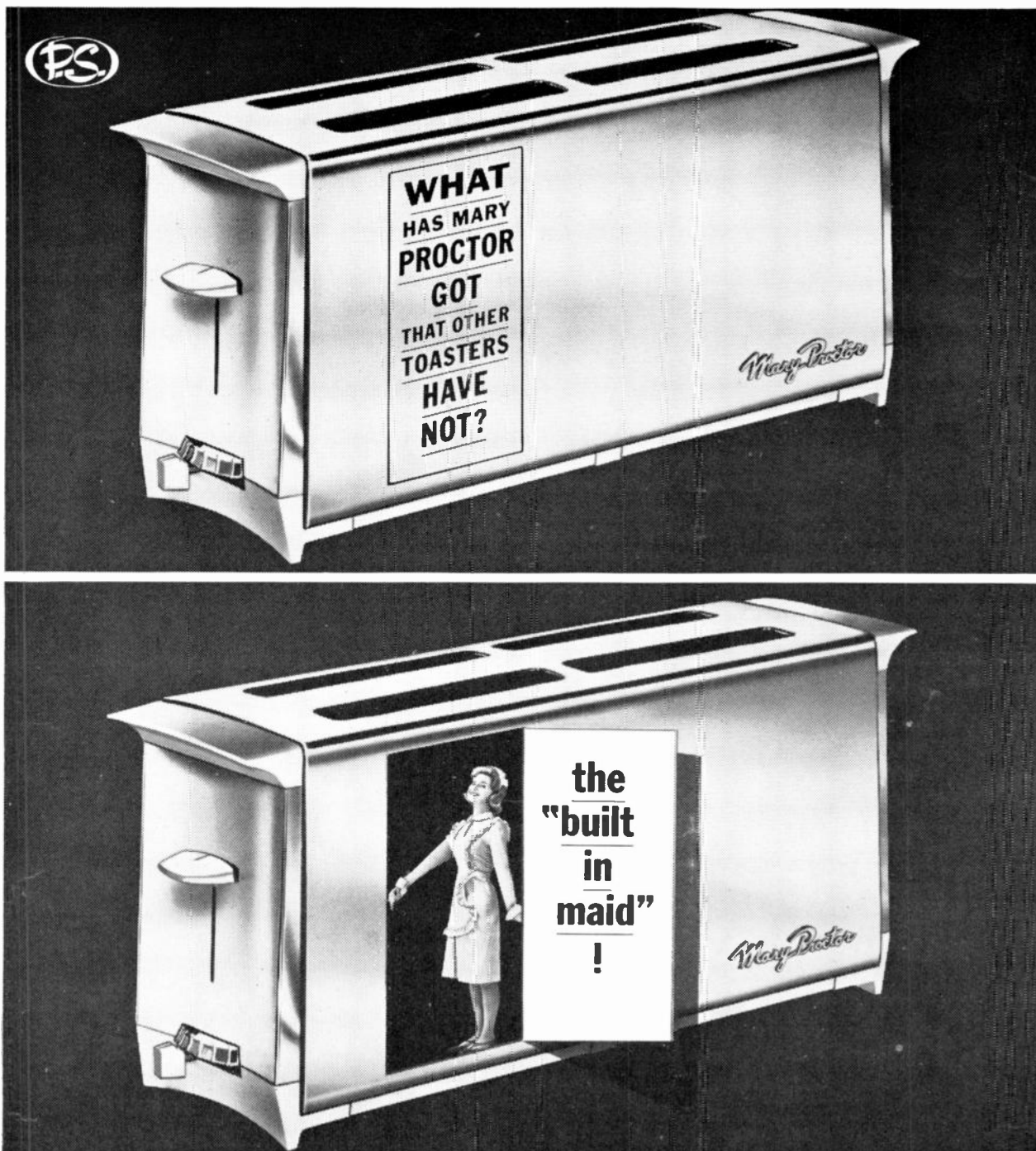
Suggested retail price is \$279.95. Moto-Mower, Richmond, Ind.



Westinghouse portable mixer

A new portable electric mixer, No. HMO5 is announced by Westinghouse. Lightweight and compact, it features a 3-speed motor with a mix selector switch located on the handle top to provide correct settings for whipping, mixing, or stirring.

The mixer stands on its heel rest when not in use and permits the user to set it on a counter with the beaters over a mixing bowl while adding ingredients. A beater-ejector switch on the bottom permits beaters to be released directly into sink. The beaters are designed without center-posts to prevent clogging and for cleaning ease. Styled with a black base and white top and handle, it carries a suggested retail of \$12.45. Westinghouse Electric Corp., 246 E. Fourth St., Mansfield, Ohio.

**BUILT-IN!**

Automatically adjusts toasting time for exact shade! **PATENTED HEART** —set it...forget it...get perfect toast from any kind of bread, even frozen!

**BUILT-IN!**

They cost us more...and they're worth more! **FASTER HEATING ELEMENTS** speed up toasting time...provide more even textured toast.

**BUILT-IN!**

P.S. toasters compensate for small slices, muffins, etc. **EXTRA-HIGH RISE** brings toast within easy reach. Another great P.S. consumer feature.

**BUILT-IN!**

The most sales-making guarantee ever offered! **1-YEAR FREE REPLACEMENT** instead of the usual repair guarantee offered by other brands!

**THAT MEANS**

**BUILT-IN QUALITY, BUILT-IN VOLUME AND THE BEST TV AND PRINT ADS YOU'VE EVER SEEN**

**PROCTOR-SILEX WITH THE "BUILT-IN MAID"**



**SUSTAIN**  
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**SUSTAIN** in Merchandising Week!  
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**MERCHANDISING WEEK**



ON THE INSIDE  
AT PRESSTIME

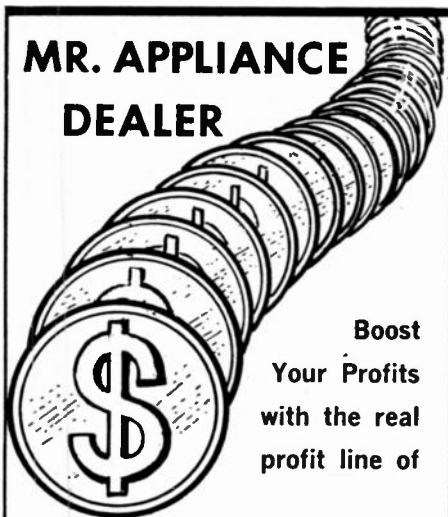
Getting attention is great...*keeping* it is even greater because this business thrives and strives the year 'round. Sustain interest...maintain momentum...tell your story big, bold and *often* in *Merchandising Week*. Most powerful. Most penetrating. Zeroed-in retail coverage that picks the bone clean. Monday-morning impact again and again, week after week. Sustain where? In *Merchandising Week*!

**MERCHANDISING WEEK**

The Interpretive News Weekly

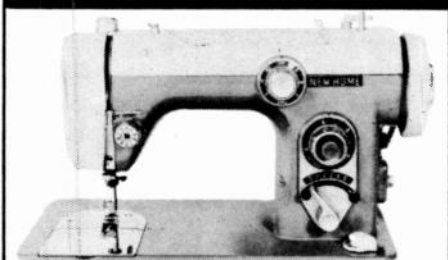


## MR. APPLIANCE DEALER



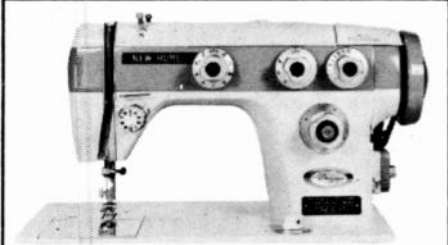
Boost  
Your Profits  
with the real  
profit line of

## NEW HOME SEWING MACHINES



MODEL 670—Deluxe Aluminum Head

Every prospect that comes into your store for your regular line of appliances is a prospect for a New Home Sewing Machine. Why not take advantage of these potential sales by selling a quality line of Sewing Machines... New Home.



MODEL 556—Automatic Zig-Zag Model

The sewing machine business is BIG... over 2,000,000 sold each year. So, get your share by stocking and selling the easy-to-demonstrate NEW HOME LINE.



MODEL 170—Budget Model

Write today for dealership details. DON'T WAIT! We will have our authorized distributor for your area contact you with details so that you can start making a full profit on the sale of New Home Sewing Machines.

THE  
SINCE 1860  
**NEW HOME  
SEWING  
MACHINE CO.**

P.O. Box 25901, Los Angeles, California 90025

## HOW'S BUSINESS?

Retail sales, based on dealers' flash reports to power companies, are tabulated below. These figures represent retail activity covering a significant sample of the U.S. buying public. The figures in bold black type tell you, in percentage points, how sales of the listed products fell or rose in December, 1964, compared to Decem-

ber, 1963. The figures in lighter type tell the same story for the whole year of 1964 compared to all of 1963.

**Highlights:** Appliance sales closed out 1964 with a whopping 10% gain, the second year in a row that they rose 10% over the previous year's record. Color tv topped the list, up 89% for the year and rising 110%

over December, 1963. Air conditioner sales increased 25% for the year and tallied an off-season 64% gain for December.

While other appliances showed somewhat smaller gains, dishwashers climbed 30%, refrigerators 23% and freezers 22%, helping to increase December-1964 sales by 20%.

| % chg: Dec. 1964 vs. Dec. 1963<br>% chg: 12 mos. '64 vs. 12 mos '63 | Refrigerators | Freezers | Electric Ranges | Electric Water Heaters | Washers | Clothes Dryers | Dishwashers | Room Air Conditioners | B&W TV | Color TV |
|---|---------------|----------|-----------------|------------------------|---------|----------------|-------------|-----------------------|--------|----------|
| <b>IN THE EAST</b>  |               |          |                 |                        |         |                |             |                       |        |          |
| Niagara Mohawk  | + 37          | *        | + 22            | + 3                    | *       | +37            | + 33        | +880                  | *      | *        |
|   | + 16          | *        | + 10            | - 1                    | *       | +12            | + 27        | + 38                  | *      | *        |
| New York State Elec. & Gas Assoc.                                   | + 18          | + 22     | + 3             | +11                    | +30     | +21            | + 16        | + 75                  | *      | *        |
|   | - 7           | + 2      | + 9             | + 9                    | +12     | + 6            | + 22        | + 35                  | *      | *        |
| Jersey Central Power & Light  | + 25          | + 31     | + 11            | +20                    | +17     | +23            | + 11        | + 45                  | +11    | +109     |
|   | + 13          | + 16     | + 5             | + 9                    | + 9     | +15            | + 21        | + 34                  | +14    | +103     |
| New Jersey Power & Light  | + 38          | - 12     | + 12            | +30                    | +22     | +17            | + 48        | - 60                  | +29    | + 63     |
|   | + 10          | + 1      | + 10            | +12                    | + 8     | +14            | + 22        | + 23                  | + 3    | + 97     |
| Philadelphia Elec. Assoc.   | + 58          | + 74     | + 52            | +16                    | +25     | +31            | + 44        | +101                  | +34    | *        |
|   | NC            | + 9      | - 3             | -15                    | + 3     | + 1            | + 9         | + 28                  | +17    | *        |
| Pennsylvania Electric Co.   | + 7           | + 17     | + 4             | + 4                    | +13     | +13            | + 32        | - 20                  | +17    | *        |
|   | + 12          | + 19     | + 14            | -24                    | +10     | +14            | + 18        | + 51                  | +22    | *        |
| West Penn Power   | + 38          | + 40     | + 3             | + 8                    | +28     | +26            | + 34        | - 9                   | +28    | *        |
|   | + 17          | + 21     | + 16            | + 6                    | +14     | +13            | + 22        | + 46                  | +20    | *        |
| <b>IN THE MIDWEST</b>   |               |          |                 |                        |         |                |             |                       |        |          |
| Dayton Power & Light  | + 3           | + 11     | NC              | +57                    | - 2     | + 5            | + 34        | +189                  | NC     | + 71     |
|   | + 9           | + 3      | + 7             | +28                    | + 6     | +12            | + 25        | +116                  | + 2    | + 97     |
| Central Illinois Public Service                                     | + 15          | + 7      | + 14            | +56                    | + 6     | +12            | + 39        | NC                    | +22    | *        |
|   | + 10          | + 3      | + 15            | +22                    | + 8     | +11            | + 17        | + 46                  | +19    | *        |
| Kansas Gas & Electric   | + 11          | - 2      | + 16            | +32                    | - 1     | +14            | + 29        | + 41                  | *      | *        |
|   | + 3           | + 4      | + 8             | +10                    | + 9     | +18            | + 37        | - 1                   | *      | *        |
| Kansas Power & Light  | NC            | + 8      | - 14            | -25                    | - 4     | - 3            | *           | - 27                  | +10    | *        |
|   | + 5           | + 6      | + 9             | + 3                    | +12     | + 9            | *           | + 10                  | + 7    | *        |
| American Elec. Power System   | *             | *        | - 10            | NC                     | *       | -13            | *           | *                     | *      | *        |
|   | *             | *        | + 13            | +14                    | *       | +15            | *           | *                     | *      | *        |
| Nebraska-Iowa Electric Council                                      | + 13          | + 7      | - 31            | -46                    | +27     | +12            | + 15        | - 16                  | +43    | + 85     |
|   | + 12          | - 7      | - 15            | -34                    | + 2     | - 2            | + 7         | + 17                  | + 9    | +174     |
| <b>IN THE SOUTH</b>   |               |          |                 |                        |         |                |             |                       |        |          |
| Chattanooga Electric Power Bd.                                      | +150          | + 68     | + 60            | +36                    | +28     | +33            | + 71        | +956                  | + 4    | *        |
|   | + 25          | - 8      | + 12            | + 3                    | + 4     | +15            | + 39        | + 70                  | + 5    | *        |
| Nashville Electric Service  | + 62          | - 10     | + 22            | +21                    | *       | - 3            | *           | *                     | *      | *        |
|   | + 11          | - 5      | - 5             | NC                     | *       | +14            | *           | *                     | *      | *        |
| Florida Power & Light   | + 28          | +129     | + 22            | +29                    | +47     | + 6            | + 9         | + 51                  | +81    | +709     |
|   | + 7           | + 14     | + 2             | +18                    | + 6     | + 6            | + 30        | + 29                  | +12    | +117     |
| Florida Power Corp.   | - 5           | - 4      | - 25            | -14                    | -14     | +10            | - 11        | - 11                  | + 5    | *        |
|   | + 7           | + 6      | - 5             | - 2                    | + 7     | +15            | + 4         | NC                    | +10    | *        |
| Tampa Electric Co.  | + 7           | + 12     | - 7             | +25                    | NC      | +19            | + 7         | + 38                  | +25    | *        |
|   | + 9           | + 3      | + 8             | + 2                    | - 3     | +19            | + 25        | + 9                   | +18    | *        |
| <b>IN THE SOUTHWEST</b>   |               |          |                 |                        |         |                |             |                       |        |          |
| Dallas Power & Light  | + 96          | + 26     | +175            | NC                     | + 7     | +36            | +184        | + 12                  | -13    | +449     |
|   | + 17          | + 13     | + 40            | -35                    | + 6     | +29            | + 40        | + 30                  | + 1    | +200     |
| El Paso Electric Company  | - 18          | - 46     | + 3             | -12                    | *       | -26            | - 20        | +110                  | +12    | *        |
|   | - 1           | - 23     | + 26            | - 1                    | *       | + 7            | + 46        | + 61                  | +17    | *        |
| Southwestern Electric Power   | - 6           | - 32     | - 3             | -41                    | - 5     | - 4            | - 23        | - 59                  | - 7    | +110     |
|   | + 5           | - 4      | - 5             | + 6                    | + 4     | + 8            | NC          | + 23                  | + 4    | + 97     |
| Southwestern Public Service   | - 9           | - 26     | - 45            | -56                    | -12     | -12            | NC          | - 9                   | + 5    | *        |
|   | - 6           | - 7      | - 21            | + 2                    | + 2     | +15            | + 20        | + 38                  | + 8    | *        |
| New Orleans Public Service  | + 14          | + 7      | + 4             | *                      | +17     | + 5            | + 15        | - 2                   | -11    | *        |
|   | + 11          | - 5      | - 14            | *                      | NC      | + 2            | - 9         | + 21                  | -12    | *        |
| <b>IN THE WEST</b>  |               |          |                 |                        |         |                |             |                       |        |          |
| Idaho Power Company   | + 28          | + 10     | - 1             | + 6                    | + 8     | +15            | + 31        | *                     | *      | *        |
|   | + 1           | + 5      | + 1             | - 1                    | + 6     | +13            | + 16        | *                     | *      | *        |
| Pacific Gas & Electric  | - 5           | + 27     | + 14            | -22                    | + 1     | NC             | + 12        | +157                  | + 4    | + 67     |
|   | + 9           | + 4      | + 2             | - 1                    | + 7     | +12            | + 6         | + 22                  | + 2    | + 70     |
| Sacramento Municipal Utility Dist.                                  | - 7           | + 66     | - 36            | - 6                    | +15     | - 4            | + 2         | - 82                  | -14    | + 54     |
|   | - 8           | + 7      | - 9             | -31                    | + 1     | +10            | + 26        | - 21                  | NC     | + 97     |
| <b>IN THE NATION</b>  |               |          |                 |                        |         |                |             |                       |        |          |
| % chg: Dec. 1964 vs. Dec. 1963                                      | + 23          | + 22     | + 3             | +10                    | +11     | + 7            | + 30        | + 64                  | +17    | +110     |
| % chg: 12 mos. '64 vs. 12 mos. '63                                  | + 8           | + 5      | + 5             | + 6                    | + 6     | +12            | + 12        | + 25                  | + 9    | + 89     |

\*—Not available. N.C.—No change.



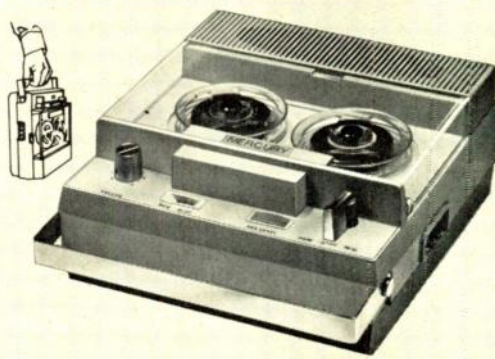
# MERCURY IS ON THE MOVE!



## NEW! RP5000 PORTABLE RADIO-PHONOGRAPH

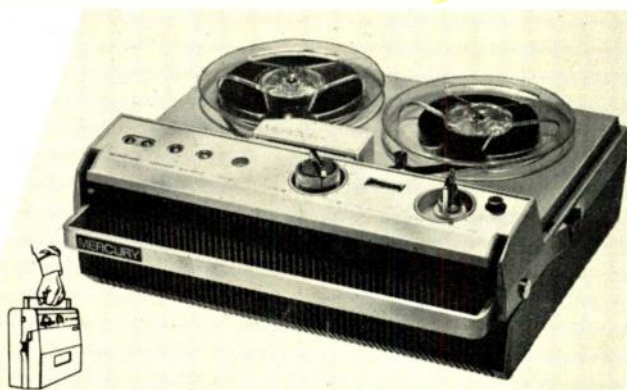
It's an all-transistorized radio and phonograph that plays all size, all speed records, monaural and stereo. Weighs only 5 lbs., measures 11" x 6½" x 4". Features plug-in stereo cartridge and diamond stylus, each with 10 year guarantee; ticonal, distortion-free speaker; automatic shut-off; weighted turntable; solid state circuitry; professional-performance tuner; independent radio-phonograph switching; heat-free operation with drift and fade eliminated; break resistant case. Plays for months on 6 standard flashlight batteries. AC adapter optional. Retail \$59.95.

## WITH 3 EXCITING NEW PORTABLES



## NEW! TR 3300 PORTABLE TAPE RECORDER

Can be played even while being carried. Weighs only 5¾ lbs., measures 8½" x 9" x 4". Features capstan drive, the same system found in professional units; 2-speed operation; dual track recording; remote control stop-start switch; solid state circuitry; break resistant case. Plays on 4 standard flashlight batteries. Includes ¾" reel, tape, microphone and magnetic earphone. AC adapter optional. Retail \$59.95.



## NEW! TR 3500 PORTABLE TAPE RECORDER

Dual motors in capstan drive guarantee matchless performance every time. Includes 2-speed operation; dual track recording; remote control stop-start switch; solid state circuitry; break resistant case; 5" reel, tape; microphone and magnetic earphone. Weighs 8 lbs., measures 12" x 9" x 4½". Plays on 4 standard flashlight batteries. AC adapter optional. Retail \$89.95.

**Now Increase your sales with the complete line of Mercury Portables for people on the move!**



AG 4126; Deluxe All-Transistor Portable Phonograph has big 7" ticonal speaker, weighs only 8 lbs.! \$59.95  
AC adapter optional.



AG 9125; The finest in Basic Home Stereo Equipment, portable or permanent! \$139.95



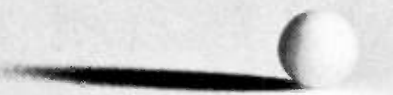
AG 4000; The Compact, Battery Operated Phonograph that goes and plays everywhere! \$39.95



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WHAT MAKES MAYTAG DEPENDABLE



## A rolling hinge that gathers no rust

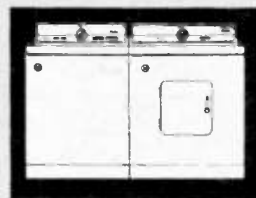
This little ball is a lid hinge from a Maytag Automatic Washer. Actually it takes two of them for the lid to work properly.

This unique hinge doesn't require any lubrication, ever. Yet it couldn't rust if it wanted to.

It's made of polyurethane — a plastic which gives it 300 times the strength and resiliency of rubber.

One more reason why Maytag dependability is based on fact, not fancy. The Maytag Company, Newton, Iowa.

# MAYTAG



*the dependable automatics*