

MERCHANDISING WEEK

* EDITED FOR THE HOME GOODS RETAILER/A MCGRAW-HILL PUBLICATION/50 CENTS/VOL. 97 NO. 13/MARCH 29, 1965



ON THE INSIDE □

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Is FM going "mass?".....p.3
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AT PRESSTIME □

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APPLIANCE-TV

□□□□ Interest in color tv hit a new peak at the annual convention of the National Assn. of Broadcasters (NAB) in Washington, D.C. last week. Broadcast equipment manufacturers happily reported that station owners were not only looking at equipment—they were buying.

Prime interest in color was focused on a pair of new color cameras that RCA and Philips were touting as “breakthroughs.” The Philips Plumbicon camera, which is being purchased by the Columbia Broadcasting System, will help overcome the main limitation color tv encountered in the past, according to James B. Tharpe, president of Visual Electronics Corp., which will market the camera here. “With normal lighting levels and completely stable equipment of this conventional size (the new camera more closely resembles a monochrome camera), both the difficulties and cost of color television production will be greatly reduced,” Tharpe said. RCA claims its new 4-tube camera doubles sensitivity.

And General Electric, reflecting this new interest in color by broadcasters, reported that it has increased its production rate twice in the last month for its color film cameras and, even so, was sold out through July. One important sale: CBS.

Even the American Broadcasting Co. got back into the color act with the announcement of its 1965-66 program schedule. What ABC made official: its Sunday prime time schedule, from 7 p.m. to 11 p.m. EST, will be all color.

Color tv even attracted a favorable notice from the Federal Communications Commission. Said Chairman E. William Henry: “. . . color, adding brilliance and sparkle to the basic product, is about to come into its own.”

□□□□ A voice-activated remote-control unit for tv was predicted last week by W. Walter Watts, RCA group executive vice president. “Imagine,” he said, “just speaking to your tv set with commands such as ‘Turn to Channel 4,’ ‘A little less audio on that commercial, please,’ or a tv set that shuts off when you say good-night to Johnny Carson.”

Such a unit is possible, said Watts, with circuits and devices that translate the voice into electronic signals that operate the tv set controls. RCA engineers already have a patent for a syllable analyzer that takes spoken words apart and compresses them into electronic code. In its present form, the analyzer can recognize about 200 syllables as spoken by several persons, according to Watts.

□□□□ Whirlpool's Tech-Care service program has spread to 40 states in its first six months of operation, says Al Porter, general manager of Whirlpool field service. More than 225 service organizations have taken Tech-Care franchises, he reports. Purpose of the franchise is to identify those RCA Whirlpool home appliance service agents and dealers who meet company service standards.

□□□□ Key moves . . . Hicks B. Waldron is named general mgr of GENERAL ELECTRIC's Audio Products Dept., in Syracuse, effective May 1; he will succeed Charles J. Coward, upon his retirement.

EEL members huddle in Chicago to call plays for the future

Last week appliance makers and utilities got together for mutual pats on the back in anticipation of a successful 1965. They also met to discuss mutual problems and future goals. The occasion was the 31st annual sales conference of the Edison Electric Institute in Chicago. Here are some of the problems and solutions discussed.

“The purchase of a new appliance was a status symbol at one time,” said J. M. Tenney, Kelvinator's general sales manager. “Having a modern appliance has lost its glamour; appliances have become workaday items to be replaced only when they wear out. For example, in 1956, the white goods industry was getting 2½ cents out of every dollar spent for consumer goods and services; it has now dropped to 1.7 cents.”

Successful industry promotions are an encouraging step toward correcting this situation, Tenney said. “Utilities alone,” Tenney suggested, “are in a position to pull all the retailers in their communities together and give these programs the needed local push.”

Tenney's outlook for the major appliance industry is not at all bleak, however. “The major appliance industry should be America's No. 1 growth industry in the next 15 or 20 years,” he said. “Looking at the projection for total household appliance volume—including radio, tv, and stereo—we see that this group of products accounted for \$8 billion in sales in 1960; by 1970, this group is expected to reach \$13 billion in sales, and by 1980, it will be \$23 billion, or double what it is today.

Strong dealer organizations are necessary to promote public acceptance on low-saturation and newly devel-

oped major appliances, Tenney said. “Dealers have learned,” he explained, “that ads can pull without the use of comparative price or overemphasis on price. The consumer has the money to afford the better appliances and the willingness to purchase them when the merits of the product are properly presented in good retail advertising and salesmanship.”

Better salesmanship also was stressed by Herman F. Lehman, Frigidaire's general manager. “Effective communication is the only way we will be able to reverse the past trend and gain a larger share of the consumer dollar,” he said. “There are 30 million families in this country with one or more out-of-date appliances; and there is a need for over 200 million new products in American homes. We must sell the consumer on recognizing and wanting new design innovations.”

Sell the difference, said G. Worthington Hipple, marketing consultant for Fedders Corp. “That is what people are buying,” he stressed. “The customer will never know about your product or idea unless you tell them and tell them. We can no longer live on selling price—price has never been the big factor. People are buying the difference.”

Sell comfort, said Robert Williams, manager of refrigerant sales at E. I. DuPont. “If people don't want comfort in their homes,” he pointed out, “why have they purchased more than 17 million air conditioners in the last 10 years? Central air conditioning has now become that industry's largest single source of business. If we are to successfully capture these markets,” Williams said, “we must bring all the benefits to the attention of the consumer.”

Philco's president eyes prices: if they go up, how much?

Prices will rise faster in 1965 than they did in 1964. This is what Robert O. Fickes, president of Philco Corp., predicted before a meeting of the National Industrial Conference Board in St. Louis last week. But Fickes also predicted an 8% increase in sales of consumer electronics and major appliances this year.

“However,” he declared, “that cut in excise taxes, which looms so promisingly on the horizon, would, if approved, result in a somewhat smaller increase in prices. If it totals as much as \$2 billion in direct pass-on to the consumer, the excise tax reduction could push the consumer price index down by about half a point on an annual basis.” Fickes predicted a 1.6% rise in the Consumer Price Index, compared to an average price rise of 1.3% in 1964.

The economic outlook was the theme of the conference. On this tack, Fickes said that he expects consumer electronics and major appliances to reach \$7.3 billion in sales in 1965. “We expect another \$400 million increase next year,” he added.

Fickes noted a cautionary sign in

a 1964 fourth quarter decline in capital appropriations. “To that particular point,” he said, “we at Philco now have under consideration, and expect to complete our plans by mid-year for, a plant expansion program designed to make us fully competitive with any other appliance manufacturer in the country. Obviously, we would not be making plans as ambitious as this if we had any fears, or even reservations, about the future of our business and the American economy.” (For Fickes' earlier comments on Philco expansion see MW, 26 Oct 64, p.7).

The basis for optimism, Fickes said, comes from three areas. The great numbers of young adults entering the marketplace. And, in addition to new families buying new appliances, Fickes noted that great quantities of appliances bought in the early and mid-1950's will soon be due for retirement. He also added, “For many of today's affluent families, replacement will involve stepping up in size and quantity.”

Finally, Fickes noted a growing demand for appliances overseas.

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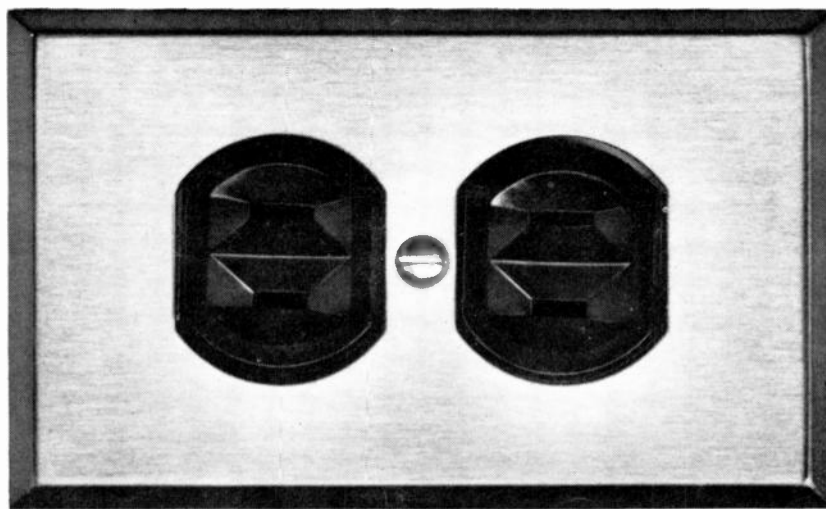
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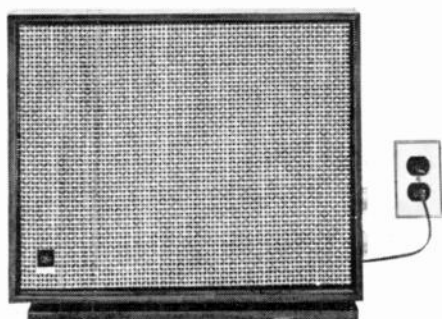
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**There are only three
color TV/Stereo
Theaters that let you
plug in sound
anywhere in the house.
Who makes them?**



that's who.



GENERAL  ELECTRIC

Audio Products Department, Decatur, Illinois

And Porta-Fi is why. A speaker you plug into any wall socket. Without another wire, it delivers full, rich sound anywhere in the house. AM, FM, FM-Stereo, records—whatever the console is playing. An optional plus on all G-E color TV/StereoTheaters, it's another sound-selling tool for you. And only G.E. has it.



Model CC9731 Contemporary Walnut Veneer



Model CC9939 American Provincial Cherry Veneer

(also available) Model CC9931 Contemporary Walnut Veneer

In addition, Watts told the National Assn. of Broadcasters convention, "it would be most desirable for such a device to incorporate color as well as black-and-white."

RCA has been working on a video tape recorder for more than 10 years, Watt explained, but "so far, no product in our own laboratories—or those demonstrated by other companies in this country and abroad—have met these standards which we feel are essential before such an instrument can be accepted by the mass market."

□□□□ **Redbook magazine raps discount bargains** in its April survey, reporting that today's discount stores do not offer nationally advertised brands at 20% less than department stores or retailers. The "bargain price" myth, *Redbook* notes, continues at the customer's expense because major department stores meet and sometimes beat the discounter's price. While bargains are still available at store openings, in certain departments, or as "door-buster" specials, *Redbook* warns discount shoppers to always "check quality first and then consider the price."

□□□□ **Six new Westinghouse radios**—dubbed Space Makers because of their vertical compact design—have been dropped into the 1965 line. The deluxe clock-radio model, with a "slumber-control" feature, will retail for under \$25. Three other clock-radio models will sell for approximately \$14.95 to \$19.95. The two table radios will sell for less than \$13. All of the new Westinghouse Space Maker radios have the same dimensions: 8¼ inches high, 7 inches wide, and 4 inches deep.

□□□□ **Jensen has plugged a hole in stereo sound**, it says, by developing a new 3-channel phonograph cartridge. The cartridge, says Jensen, provides a third dimension to stereo recordings through a central channel—that is, sound reproduced through a loudspeaker between right and left stereo speakers. Jensen says that the cartridge picks up a monaural central channel, and blended with stereo channels, it produces "a

solid, more balanced sound, rather than just right and left with a void in the center."

□□□□ **One industry vote for wringer-washer** comes from the Norge Div. of the Borg-Warner Corp. The wringer-washer share of the total washer market has dropped about 12% in the last 10 years, but according to John S. Wolfe, Norge vice president, the trend is leveling out and wringer models continue to be "surprising sales makers." To illustrate his contention, Wolfe reported that one out of every six washers sold in 1964 was a wringer model.

□□□□ **Sunray and Gaffers & Sattler** will end an agreement which had Sunray making G&S 30-inch eye-level ranges. G&S will make its own eye-level unit beginning in June, and will also introduce three new eye-level gas ranges in April. The new units will feature upper and lower ovens with separate timers. The upper ovens will be 22 inches wide and will have removable chrome oven-liners.

□□□□ **A bill to hit at dual distribution** will soon be introduced in the House by Representative James Roosevelt (D-Calif.) and in the Senate by Senator Russell Long (D-La.). Reportedly the new legislative proposal would require manufacturers to maintain "adequate and fair" price differentials between each distribution level.

□□□□ **Philco picks consumer magazines** to promote its 1965 refrigerator, automatic laundry, and range line. Philco said the 56-page ad campaign will be aimed at housewives, who, the company feels, have the last word about appliance purchases.

□□□□ **"Two Guys" multiplies:** Vornado Inc., operator of Two Guys stores, opened the largest link yet in its 22-store chain last week, in Jersey City, N. J. The new store covers 190,000 sq.ft. and is the first unit to be completed as part of a planned 55-acre shopping complex.

The FM radio boom: the fateful days lie ahead

From its low point in the mid-1950s, FM radio has come a long way—far enough, in fact, for broadcasters to feel nostalgic about the bad old days when they fought to keep FM alive.

The figures tell FM's thriving story. Electronic Industries Assn. reports that there are now 28.5 million FM sets in U.S. homes, and that 3% to 5% of all car radios produced here are FM receivers.

Over 200 FM stations started broadcasting in the past year, and the number of FM stations on the air has doubled in the last six years. Today, there are over 1,200 FM stations on the air, and more than 300 of these broadcast stereo signals.

The outlook for sales promises even greater growth. With obvious relish chairman Ben Strouse, of the FM Radio Committee of the National Assn. of Broadcasters (NAB), last

week passed these figures on to his fellow FM station owners: "Manufacturers are projecting that by 1967, annual sales of AM-FM receivers will surpass the sales of AM-only sets, and a year later will reach a total of over 11 million."

But new problems face FM and how the industry copes with these new difficulties, could affect future sales.

The FCC ruling on programming may create major changes in FM before the year is over. Because of a Federal Communications Commission (FCC) decision, single-ownership AM-FM stations in cities of over 100,000 must offer separate FM programs 50% of the time. The new rule, which affects about 200 stations, takes effect Oct. 15. The FCC's aim, as explained by Commissioner Kenneth A. Cox: give the public a wider choice of programming.

Station owners are divided over what the FCC's rule means to FM. Said Oliver J. Keller, president and general manager of WTAX (Springfield, Ill.), it is: "good to have separate programming," adding that the public voted for this in the way it has bought FM receivers.

After his station began separate AM and FM programming, Keller said, retailers reported that 70% to 80% of all sets sold, other than transistorized portables, were AM-FM units. "There is no question that this resulted from separate programming," he said.

But not everyone agrees with Keller. NAB's FM chairman Strouse argued that "forcing all stations to run separate programming in large cities . . . must lead to a competitive situation that may very well sound the death knell of some stations."

FM owners were also divided over what emphasis to give programming. FM is now in the "mass-class" stage, according to Everett Dillard, president of WASH-FM (Washington, D.C.) Dillard calls this the transition period between limited class audiences and the unlimited mass audience. In this advance stage of development, he said, "The worst mistake that can be made is to slough off FM's program potentials by limiting it to only 'longhair' music."

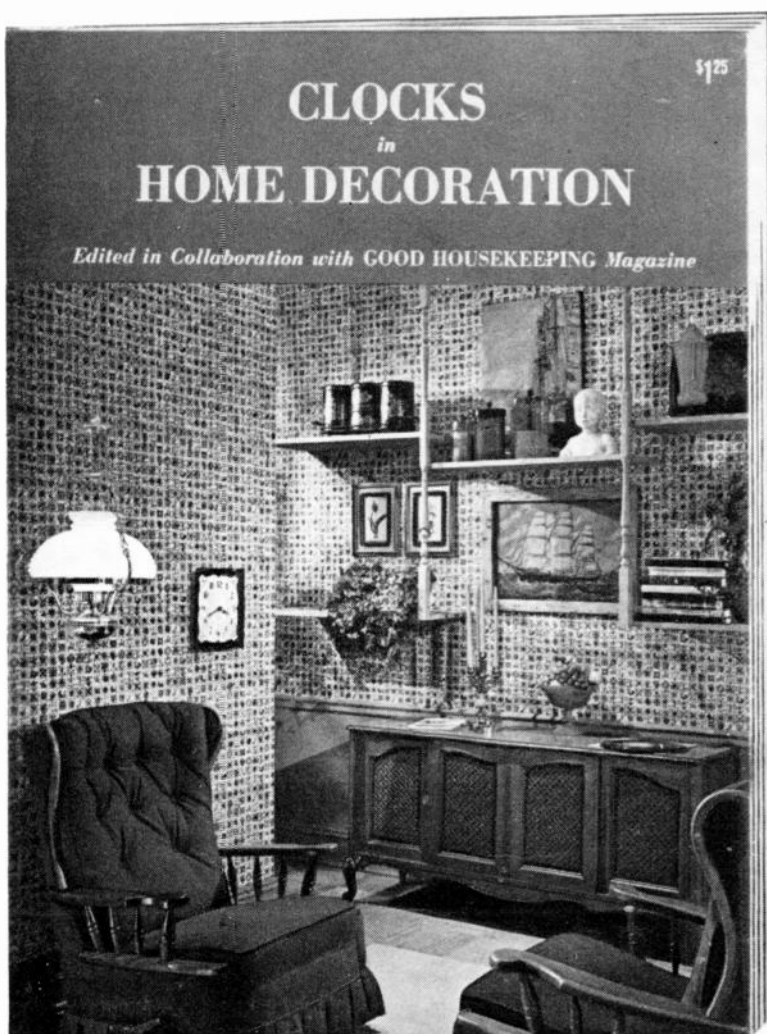
David Pollinger, vice president and general manager of WTFM (New York City) took the opposite point of view. The "FM medium is a class medium," he said, pointing out that "class" does not mean only demographic superiority. "The FM audience," he said, "is an adult—not teenage audience. This class is sprouting mature and cultural wings."

Swing into Spring with WESTCLOX

Bright new promotion, fresh as the season, brings new life to clock sales.

FREE! WITH EVERY BEN PURCHASE
A FABULOUS NEW BOOK FOR YOUR CUSTOMERS!

THE WORLD'S MOST GIFTED CLOCK LINE—THE BENS.



CLOCKS IN HOME DECORATION—a full-fledged, 100-page book, filled with exciting decorating ideas. Edited in collaboration with *Good Housekeeping Magazine*. 80 pages in full color. Sells for \$1.25—worth much more—**free** to your customers with every Ben they purchase. It's the hottest offer ever made to move...



BENS—the best-known, best-selling, biggest profit-making name in clocks!

Assortment No. 19106. New fast turnover assortment includes 3 Baby Bens, 2 Big Bens, 1 Ben Electric—**PLUS 6 FREE** Decorator Books and big full-color display.

OR buy any 6 Bens (open stock)...get 6 Decorator Books **FREE**, with colorful sales-making counter easel.

AND THE SWINGIN'EST WESTCLOX ADVERTISING SUPPORT

TELEVISION

"TODAY." A Westclox "SPECIAL" on trends in home decoration...Full network sponsorship of NBC's "Today" Show on April 23—Time Change Weekend! 7 million viewers for this popular daytime program.



"TONIGHT." Network sponsorship of NBC's "Tonight" Show, too! Same date, another 7 million viewers will be entertained by Johnny Carson and his special guests.



PLUS: Continuing commercials on the regular "Today" Show programs, right through the entire Spring gift and home decorating season.

RADIO

Network Radio saturation, April 21, 22, 23, 24, and 25! 150 million listener impressions on "Emphasis" and "Monitor," top-rated NBC radio programs.

Spot Radio campaign throughout the Spring in key markets on 100 major stations.



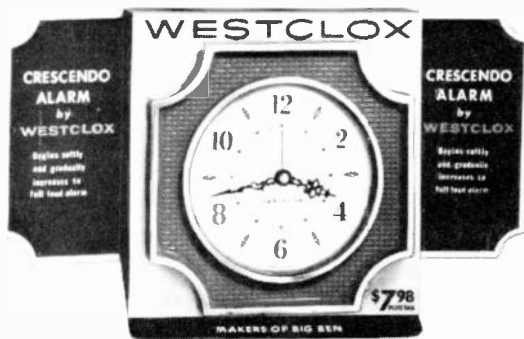
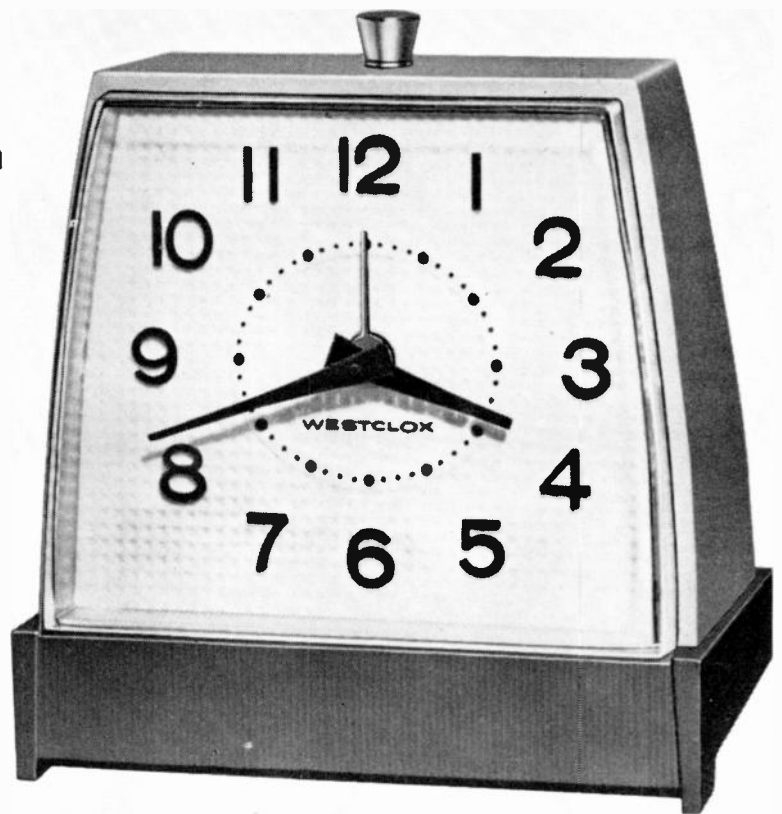
WESTCLOX FIRSTS! WESTCLOX EXCLUSIVES!



A Keywound Lighted Dial Alarm

NEW FAYETTE. The industry's first and only keywound clock with lighted dial. Just tilt and it lights to show the time in the dark! Operates on single penlight battery. Convenient top shut-off alarm. Contemporary design in White and Parchment finish. \$5.98.

Assortment No. 19108 contains 4 Lighted Dial Fayettes in sparkling FREE display which illustrates the feature.



AN ALARM THAT BUILDS FROM SOFT TO LOUD

NEW CRESCENDO. Another first from Westclox—the keywound clock with a mind of its own! From soft and low, alarm automatically builds to a loud, insistent ring. Traditionally styled in lovely Wedgwood Blue and Cameo White. Individually packed in self-display carton. \$7.98.

FREE! INTRODUCTORY OFFERS!



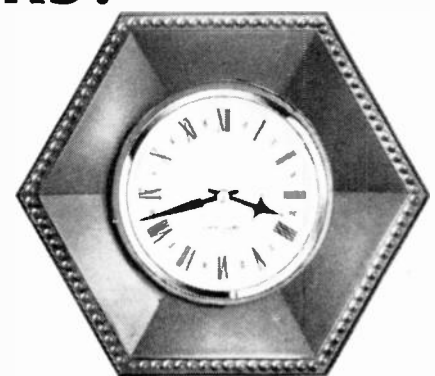
New! Exquisite CONTESSA (BUY 5, GET 1 FREE!)

Distinctively-styled electric alarm. Tilted oval face, sparkling with feminine appeal. Exotic decorator colors: Burnt Orange, Champagne Gold, Pastel Blue, and Antique White. Plain dial \$6.98. Antique White with luminous dial \$7.98. **Assortment No. 29034** includes 6 clocks and FREE colorful display.



New! Elegant BRANFORD (BUY 5, GET 1 FREE!)

A classic, new electric alarm in the traditional mode. Subdued charm and elegance of Wedgwood Blue or Green will enhance any decor. Plain dial \$5.98. Wedgwood Blue with luminous dial \$6.98.



New! WOODBRIDGE (BUY 11, GET 1 FREE!)

Enrich the Colonial look of Early American kitchen, den or dining rooms. Woodtone finish with the luster of cherished antique. Runs up to a year on standard flashlight battery. \$12.95.

Model 25199. Woodbridge Electric, with sweep second hand. \$8.98.

BUY 5 WOODBRIDGE ELECTRICS, GET 1 FREE!

PROGRAM YOU EVER SAW, HEARD AND READ!....

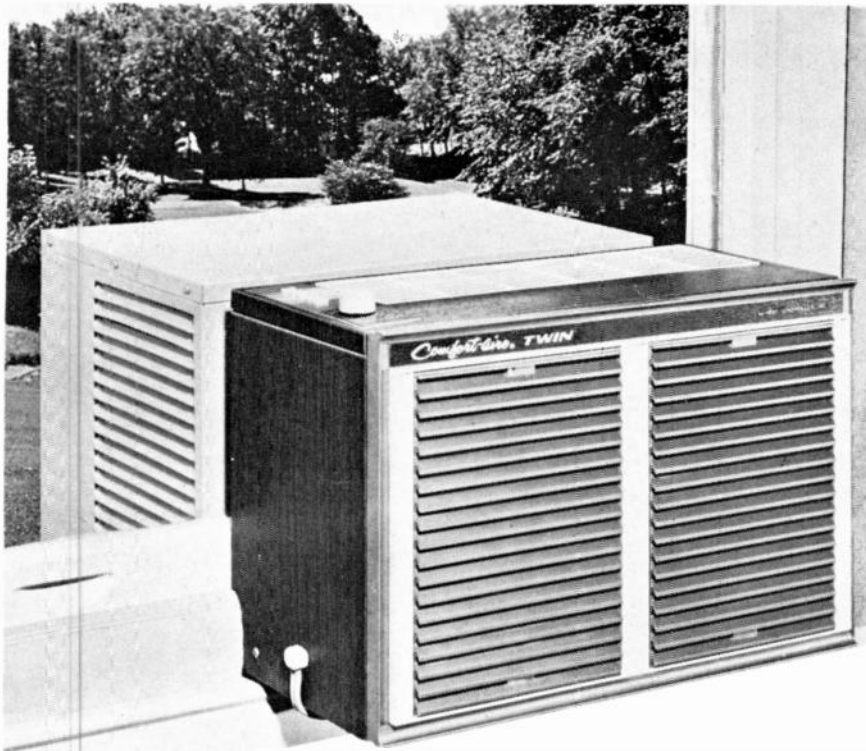
MAGAZINES

Biggest consumer magazine campaign in the industry—the biggest in Westclox history! Dominant 4-color ads, April, May and June! "Reader's Digest," "Good Housekeeping," "Better Homes and Gardens," and "McCall's." 100 million combined circulation! 250 million reader impressions!



CALL YOUR WESTCLOX WHOLESALER NOW. PREPARE FOR THE BIGGEST PRESELL AND CUSTOMER DEMAND FOR YOUR WESTCLOX LINE EVER!

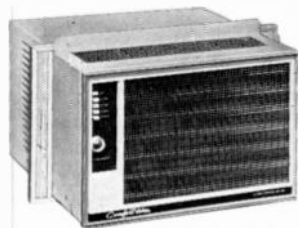
WESTCLOX®
DIVISION OF **GENERAL TIME**
Progress in the World of Time



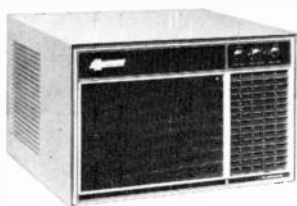
sell the *NEW* concept
for living comfort . . .

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

□ □ □ □ **More competitive network programming** was the big bone of contention this year at the annual convention of the National Assn. of Broadcasters (NAB).

The discussion was precipitated by the tentative decision of the Federal Communications Commission (FCC) to reduce network ownership of entertainment shows on evening prime time 50% from its present 90% and above level.

The FCC's idea is to force the networks to accept more independently produced programs and to curtail the obvious conflict of interest inherent in program selection that exists when a network itself owns a particular show and stands to profit from airing it.

□ □ □ □ **FCC's interest is anti-monopolistic.** The commission does not at all contend that the change would result in better tv fare.

Networks and others opposed to the change argue—and there is some concurrence at FCC—that in reality over-all program deterioration would be the end result. Some of these opponents even contend that FCC is exceeding its legal jurisdiction in making its pitch for the change. The precedent on which the FCC is basing its approach is the famous anti-trust case that forced movie production companies to divorce themselves from their theatre operations.

□ □ □ □ **CATV was the other "hot" topic** at the NAB convention. With the exception of equipment exhibitors, the occasional advocate of CATV was a voice in the wilderness. Former FCC Commissioner Fred Ford, now president of National Community Television Assn., got some rough handling when he sought to defend the present CATV practice of lifting broadcast tv programs off the air to serve paying cable clients.

FCC is moving toward regulation of all CATV companies with some initial decisions in this direction only weeks away. It is a virtual certainty that regulation will come, but there are grounds for belief that it will not be severe enough to stifle the rapidly growing industry in a way that would close out the potential it carries for first-time tv set sales.

□ □ □ □ **Far outweighing these squabbles** were evidences of positive advances in the art of telecasting. Improved color tv broadcast devices—better station equipment, lighter portable tv cameras, and automated programming devices—cannot but attract larger national audiences for television. Improved UHF transmitters and CATV equipment will play an important role in opening up many of the remaining barren areas in the nation and in stimulating tv interest in marginal markets that are now only partially served.

□ □ □ □ **Tv is moving into its golden era.** This, in a word, sums up the future of the industry as it was laid out at the NAB's annual meeting. Intra-industry squabbling over pending FCC rules changes tends to overshadow the long-range promise. But there is a solid and well-financed base from which to build an entertainment and information medium that would hold far greater public appeal than at present.

Despite tv's phenomenal growth so far, the next decade should make the present state of the art look like the horse-and-buggy era.

Caloric checks its dealer list: are those 12,000 really real?

Caloric Corp. is gunning for more dealers, with 3,000 as a rough target figure, according to a MERCHANDISING WEEK interview with Bruce Bradway, Caloric director of creative services.

To back up its drive, Caloric is now working on plans for a new franchise program, which probably will be introduced in June.

Queried about the current number of Caloric dealers, Bradway said, "Like all manufacturers in this field, we have a large list—around 12,000—of dealers. But it's only a list of names. Right now, we're in the process of taking stock of that list to identify these dealers.

"We want to find out what kind of dealers they are, if they promote Caloric products, whether they buy from spec sheets only, and what other types of products they sell. When that's done, we'll have a better idea what our new dealer structure will look like."

Bradway emphasized that Caloric is not in the process of reducing its dealer organization, but only identifying the dealers to establish a broad working base.

Caloric sales are 40% ahead for the first part of this year, as com-

pared to a year ago, Bradway reports. "We think we can sustain and possibly even improve on this rate of gain during the rest of the year," Bradway said. "In any event, we're certainly looking for a 35% sales increase over 1964."

There are no electric ranges in Caloric's future, Bradway stressed. "There's probably nothing further from management thinking," he said. "We're convinced that gas is the fuel of the future."

Nor does Caloric plan to go into microwave ovens. "Last year, we introduced our Ultra Ray infra-red broiler, which converts gas energy into infra-red rays for cooking," Bradway pointed out. "We expect it to be one of our major products and selling tools for 1965."

To help meet its sales forecast, Caloric is counting on its new gas grill, announced last month. "It is now being introduced on a market-by-market basis," Bradway said. "We're convinced that it is going to be a tremendous seller."

Bradway also indicated that new products are in the offing and told MERCHANDISING WEEK that several items will be introduced at the company's June sales convention.

Looking ahead to June's new tv: the patter of little transistors

Is television on the brink of another revolution? MERCHANDISING WEEK polled the wizards who hold the key to the future at last week's Institute of Electrical and Electronics Engineers Show in New York to find out what they will be pulling out of the bag next. And the word was transistors—more and more of them—in a wave that will match their past growth in radio and phonos.

Summing up the prospects, a Sylvania expert said, "This year, you'll see a lot more transistor sets, including some possible hybrids in the new models introduced in June. And this is only the beginning, the year in which we'll get experience. I think most companies are going to have them this year. Everyone wants them."

Motorola's transistor men were even more definite. "The transistor has just started in tv. The holdup at present is in technical problems. Conversion is awaiting developments in transistor technology that will allow manufacturers to make transistor tv sets on a par with tube sets. This is in the process of development now.

"Once this has been done—by the end of the year—there will be rapid development. In two-and-a-half-years the major portion of black-and-white tv will be transistorized. Color will follow."

And right on the heels of this revolution the electronics engineers already have another waiting: molecular electronics, with new benefits in compactness, lighter weights, and the benefits of integrated circuits that can be produced more economi-

cally by automation. How soon will this come? Motorola's man got the answer down off Cloud Nine by predicting, "Maybe three years in tv."

Most intriguing reply to questions on integrated circuits came from a spokesman from RCA, rumored to be giving the new field a rapid push to cut the costs of consumer products. Ample cooperative while discussing transistors, the RCA man abruptly switched to a terse "No comment."

Tv sets and tubes on display at the Show added little to the picture of what is ahead. RCA is displaying its new 19-, 21-, and 25-inch tubes using the rare earth Europium phosphors. Company spokesmen declined to cite any percentages for gains in brightness. All RCA tubes currently being shipped use the new phosphors. The use of Europium has not increased tube prices, RCA says.

Both RCA and Sylvania reported widespread interest in the 19-inches from other manufacturers that had been sampled. RCA says it will have the 19-inch tubes ready for delivery in small quantities late in the fourth quarter.

The word at the Show was that Philco is making progress on its own 19-inch tube.

Another new screen size for color attracted considerable attention. Sony was showing a 12-inch Chromatron that unquestionably hits a new low in size for color sets. American experts who saw the set rated it highly for both color and brightness. According to a Sony engineer, the new set is aimed at the industrial, not the consumer, market. It will, he said, have "a low price."

□ □ □ □ **A test case for CATV is in the offing.** A petition—the ultimate aim of which is to have all of the nation's community antenna television systems (CATVs) regulated by the Federal Communications Commission as common carriers—has been filed with the FCC by the Philadelphia Broadcasting Co. and several tv accessory companies. The petition asks that CATVs be regulated just as interstate telephone systems are now regulated.

The CATV named in the petition is Rollins Broadcasting Inc., in Wilmington, Del. However, because this is a test case, if the FCC grants the petition, it would apply to all other CATV systems. Should the FCC decline the request to assume jurisdiction, the petitioners said, they will appeal to the courts.

□ □ □ □ **Four new Sony tape recorders**—the ESP 560, an automatic reverse changer, the solid-state 260; and two new AC-battery portables, the 800 and 900—are scheduled to go on display today in Sony's New York City showroom, according to Fred Tushinsky, Super-scope sales vp. Sony also announced that the U.S. Patent Office has issued it registration for the "Micro" trademark for use on television receivers.

□ □ □ □ **Motorola's spring promotion plans** are to push three b&w portable tvs (models 19BP103, 19BP104, and 19BP105), three b&w compact tvs (19BT120, 19BT121, and 19BT122), and five portable radios (XP73, X60, V61, X64, and XP68). A four-piece tray table serving set, and a roll-about cart table will be used as traffic builders for the television promotion. A tote bag with a plastic liner will be used for the radio promotion.

□ □ □ □ **Ready-made tape library:** Ampex is giving away \$100 worth of pre-recorded stereo tapes to each purchaser of one of its 1000 Series stereo recorders. Buyers may order their free tapes from a selection of 50 Ampex recordings. The promotion will run through April.

□ □ □ □ **A new grain-like stainless steel finish** has been developed by Jones & Laughlin Steel Corp. and is being used on range hoods built by Vent-a-Hood in Dallas. The company says that the finish reduces glare, camouflages fingerprints and minor soil marks, and complements natural wood kitchen finishes.

□ □ □ □ **Admiral has a new training program** to update servicemen on refrigerator-freezer developments through one-day training sessions.

□ □ □ □ **Sears' expansion boom continues:** the ever-multiplying giant, Sears, Roebuck & Co., has opened a new store in Natick, Mass. The 256,000 sq.ft. store has a sales area of 127,000 sq.ft. and a 40-car automotive center totaling 58,000 sq.ft.

And in Bloomington, Ind., and Valdosta, Ga., Sears has replaced catalog sales offices with new "medium-sized" (95,000 and 52,000 sq.ft.) stores.

□ □ □ □ **A Motorola display rack,** which can be adjusted to hold nine portable radios, is available through its distributors.

□□□□ **Interest in color tv hit a new peak** at the annual convention of the National Assn. of Broadcasters (NAB) in Washington, D.C. last week. Broadcast equipment manufacturers happily reported that station owners were not only looking at equipment—they were buying.

Prime interest in color was focused on a pair of new color cameras that RCA and Philips were touting as “breakthroughs.” The Philips Plumbicon camera, which is being purchased by the Columbia Broadcasting System, will help overcome the main limitation color tv encountered in the past, according to James B. Tharpe, president of Visual Electronics Corp., which will market the camera here. “With normal lighting levels and completely stable equipment of this conventional size (the new camera more closely resembles a monochrome camera), both the difficulties and cost of color television production will be greatly reduced,” Tharpe said. RCA claims its new 4-tube camera doubles sensitivity.

And General Electric, reflecting this new interest in color by broadcasters, reported that it has increased its production rate twice in the last month for its color film cameras and, even so, was sold out through July. One important sale: CBS.

Even the American Broadcasting Co. got back into the color act with the announcement of its 1965-66 program schedule. What ABC made official: its Sunday prime time schedule, from 7 p.m. to 11 p.m. EST, will be all color.

Color tv even attracted a favorable notice from the Federal Communications Commission. Said Chairman E. William Henry: “. . . color, adding brilliance and sparkle to the basic product, is about to come into its own.”

□□□□ **A voice-activated remote-control unit** for tv was predicted last week by W. Walter Watts, RCA group executive vice president. “Imagine,” he said, “just speaking to your tv set with commands such as ‘Turn to Channel 4,’ ‘A little less audio on that commercial, please,’ or a tv set that shuts off when you say good-night to Johnny Carson.”

Such a unit is possible, said Watts, with circuits and devices that translate the voice into electronic signals that operate the tv set controls. RCA engineers already have a patent for a syllable analyzer that takes spoken words apart and compresses them into electronic code. In its present form, the analyzer can recognize about 200 syllables as spoken by several persons, according to Watts.

□□□□ **Whirlpool's Tech-Care service program** has spread to 40 states in its first six months of operation, says Al Porter, general manager of Whirlpool field service. More than 225 service organizations have taken Tech-Care franchises, he reports. Purpose of the franchise is to identify those RCA Whirlpool home appliance service agents and dealers who meet company service standards.

□□□□ **Key moves . . .** Hicks B. Waldron is named general mgr of GENERAL ELECTRIC's Audio Products Dept., in Syracuse, effective May 1; he will succeed Charles J. Coward, upon his retirement.

EEI members huddle in Chicago to call plays for the future

Last week appliance makers and utilities got together for mutual pats on the back in anticipation of a successful 1965. They also met to discuss mutual problems and future goals. The occasion was the 31st annual sales conference of the Edison Electric Institute in Chicago. Here are some of the problems and solutions discussed.

“The purchase of a new appliance was a status symbol at one time,” said J. M. Tenney, Kelvinator's general sales manager. “Having a modern appliance has lost its glamour; appliances have become workaday items to be replaced only when they wear out. For example, in 1956, the white goods industry was getting 2½ cents out of every dollar spent for consumer goods and services; it has now dropped to 1.7 cents.”

Successful industry promotions are an encouraging step toward correcting this situation, Tenney said. “Utilities alone,” Tenney suggested, “are in a position to pull all the retailers in their communities together and give these programs the needed local push.”

Tenney's outlook for the major appliance industry is not at all bleak, however. “The major appliance industry should be America's No. 1 growth industry in the next 15 or 20 years,” he said. “Looking at the projection for total household appliance volume—including radio, tv, and stereo—we see that this group of products accounted for \$8 billion in sales in 1960; by 1970, this group is expected to reach \$13 billion in sales, and by 1980, it will be \$23 billion, or double what it is today.”

Strong dealer organizations are necessary to promote public acceptance on low-saturation and newly devel-

oped major appliances, Tenney said. “Dealers have learned,” he explained, “that ads can pull without the use of comparative price or overemphasis on price. The consumer has the money to afford the better appliances and the willingness to purchase them when the merits of the product are properly presented in good retail advertising and salesmanship.”

Better salesmanship also was stressed by Herman F. Lehman, Frigidaire's general manager. “Effective communication is the only way we will be able to reverse the past trend and gain a larger share of the consumer dollar,” he said. “There are 30 million families in this country with one or more out-of-date appliances; and there is a need for over 200 million new products in American homes. We must sell the consumer on recognizing and wanting new design innovations.”

Sell the difference, said G. Worthington Hipple, marketing consultant for Fedders Corp. “That is what people are buying,” he stressed. “The customer will never know about your product or idea unless you tell them and tell them. We can no longer live on selling price—price has never been the big factor. People are buying the difference.”

Sell comfort, said Robert Williams, manager of refrigerant sales at E. I. DuPont. “If people don't want comfort in their homes,” he pointed out, “why have they purchased more than 17 million air conditioners in the last 10 years? Central air conditioning has now become that industry's largest single source of business. If we are to successfully capture these markets,” Williams said, “we must bring all the benefits to the attention of the consumer.”

Philco's president eyes prices: if they go up, how much?

Prices will rise faster in 1965 than they did in 1964. This is what Robert O. Fickes, president of Philco Corp., predicted before a meeting of the National Industrial Conference Board in St. Louis last week. But Fickes also predicted an 8% increase in sales of consumer electronics and major appliances this year.

“However,” he declared, “that cut in excise taxes, which looms so promisingly on the horizon, would, if approved, result in a somewhat smaller increase in prices. If it totals as much as \$2 billion in direct pass-on to the consumer, the excise tax reduction could push the consumer price index down by about half a point on an annual basis.” Fickes predicted a 1.6% rise in the Consumer Price Index, compared to an average price rise of 1.3% in 1964.

The economic outlook was the theme of the conference. On this tack, Fickes said that he expects consumer electronics and major appliances to reach \$7.3 billion in sales in 1965. “We expect another \$400 million increase next year,” he added.

Fickes noted a cautionary sign in

a 1964 fourth quarter decline in capital appropriations. “To that particular point,” he said, “we at Philco now have under consideration, and expect to complete our plans by mid-year for, a plant expansion program designed to make us fully competitive with any other appliance manufacturer in the country. Obviously, we would not be making plans as ambitious as this if we had any fears, or even reservations, about the future of our business and the American economy.” (For Fickes' earlier comments on Philco expansion see MW, 26 Oct 64, p.7).

The basis for optimism, Fickes said, comes from three areas. The great numbers of young adults entering the marketplace. And, in addition to new families buying new appliances, Fickes noted that great quantities of appliances bought in the early and mid-1950's will soon be due for retirement. He also added, “For many of today's affluent families, replacement will involve stepping up in size and quantity.”

Finally, Fickes noted a growing demand for appliances overseas.

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Admiral Malden, LG5311, 23" overall diagonal.

25," 23," 21 " All in a variety
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Plus all the Admiral Exclusives!

- **Exclusive Tilt-Out Control Center**
(pat. pend.)
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- **Exclusive Automatic Degausser**

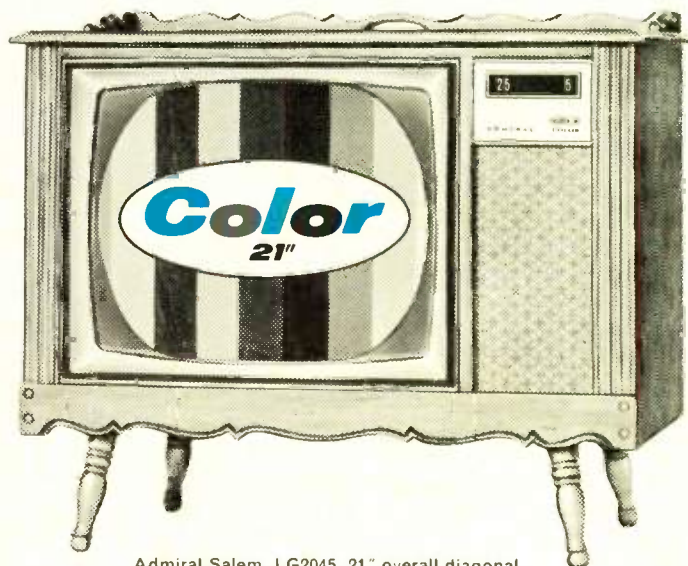
Whatever size Color TV your customer wants . . . only Admiral has them all! 25", 23", 21" . . . and all with the three Admiral exclusives: exclusive Tilt-Out Control Center (pat. pend.), exclusive Color Fidelity Control (pat. pend.), and the Admiral Automatic Degausser. And all in a popular variety of fine-furniture styles.

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Admiral Salem, LG2045, 21" overall diagonal.

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MERCHANDISING WEEK

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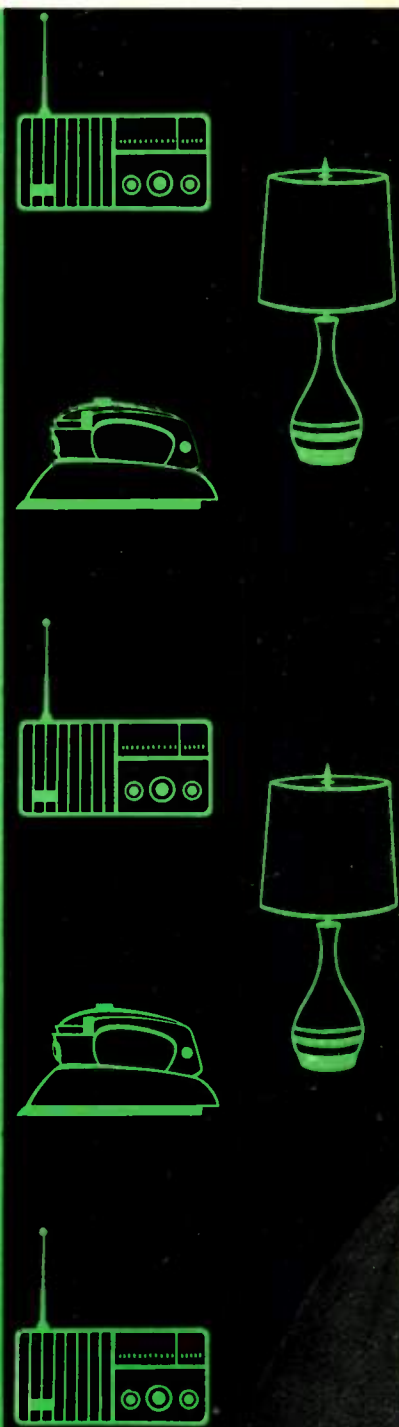
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Hardwick built-ins

Hardwick Stove's 1965 gas and electric built-ins are color-matched to provide the builder or remodeler with one-stop shopping for the en-

tire kitchen. Included in the 1965 line are three series of built-in ovens, four varieties of range tops, an undercounter dishwasher, vented and ductless range hoods, and food waste disposer.

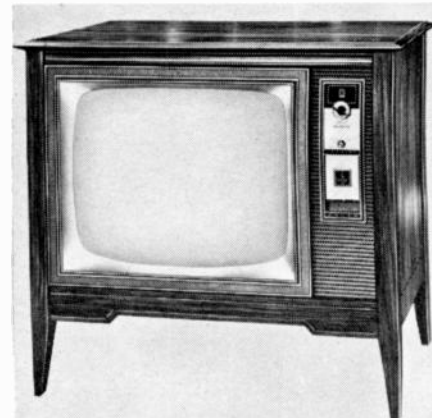
New control panel styling, one-piece brushed chrome front frames, and resilient door seals to lock heat out of the kitchen are features of the built-in ovens. Luxury models feature chrome-lined, lift-off, patterned-glass window, and chrome-and-glass control panel with concealed indirect backlighting. Control panels on deluxe models are color-keyed to ovens and range tops, and have mounted clock and timer. Standard ovens are equipped with gold-trimmed gray porcelain control panels.

The new gas range tops include: luxury models, with die-cast aluminum control panels; deluxe models, finished in porcelain enamel; and two- and four-burner units, with separate front-mounted control panels. Luxury and deluxe series have lift-up tops for easy cleaning, and are shallow enough for installation above cabinet drawers. Electric range tops come with lift-up tops only in the luxury series. Built-in ovens and range tops are available in antique copper, pink, yellow, turquoise, white, and brushed chrome.

The dishwasher features jet-tower wash action, low-heat continuous air flow drying. Front panel and end panel kits match all Hardwick colors except brushed chrome. Sinks and

vent hoods are offered in all Hardwick porcelain enamel colors.

Rounding out the Hardwick line for new homes and remodeling are 20- and 30-inch slide-ins for economical installation of free-standing ranges with a built-in look. *Hardwick Stove Co., Chattanooga, Tenn.*



Emerson color tv consoles

Emerson announces one 25-inch and two 21-inch color tv consoles for delivery at the end of March.

The 25-inch set, No. 25C01 (above) is equipped with a rectangular, short neck, bonded shield, color picture tube with rare earth phosphors for brightness. It has Emerson's automatic color monitor (degausser) and 25,000v picture power color tv chassis with Perm-Lok control. It is housed in a contemporary-styled cabinet custom-crafted of genuine walnut veneers and hardwood solids; it has a suggested retail price of \$650.

The two 21-inch consoles—No. 21C-13 in Early American maple veneers and solids, and No. 21C14 in French provincial fruitwood veneers and solids—are both equipped with automatic color monitor and 25,000v picture power color tv chassis; they carry suggested retail prices of \$519.95 and \$529.95, respectively. *Emerson Radio Inc., 680 Fifth Ave., New York, N.Y. 10019.*



Sub Zero modular refrigerator

A compact, custom-decorated, modular refrigerator named Credenzette is announced by Sub Zero. Completely self-contained, it is equipped with a two tray ice cube evaporator. It is designed so it can be used in a credenza, night stand, or telephone stand, and is powered to operate effectively even with the door of the cabinet closed. It features a compressor-type system.

The door folds down to act as a serving area. This model can also be installed in a wall divider or used as a free-standing refrigerator that can be enclosed as a piece of furniture. It uses the Sub Zero removable door panel feature, which allows the user to match the decor of any room. It will be available in May. *Sub Zero Freezer Co. Inc., Box 4130, Madison, Wis. 53711.*

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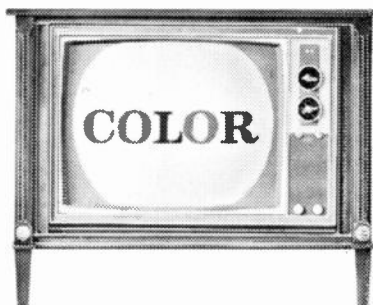
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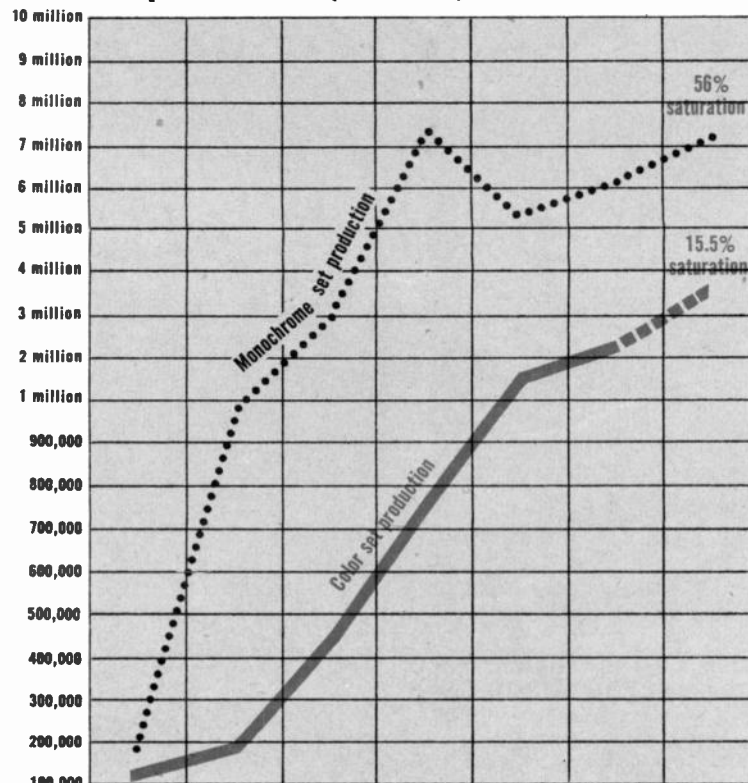
More TV servicemen own RCA Victor Color TV than all other leading makes combined

Close-up on color television: the story behind the soaring sales

***"Color tv is our salvation.
It's 1950 all over again."***

—Bob Graham, appliance dealer, Minneapolis

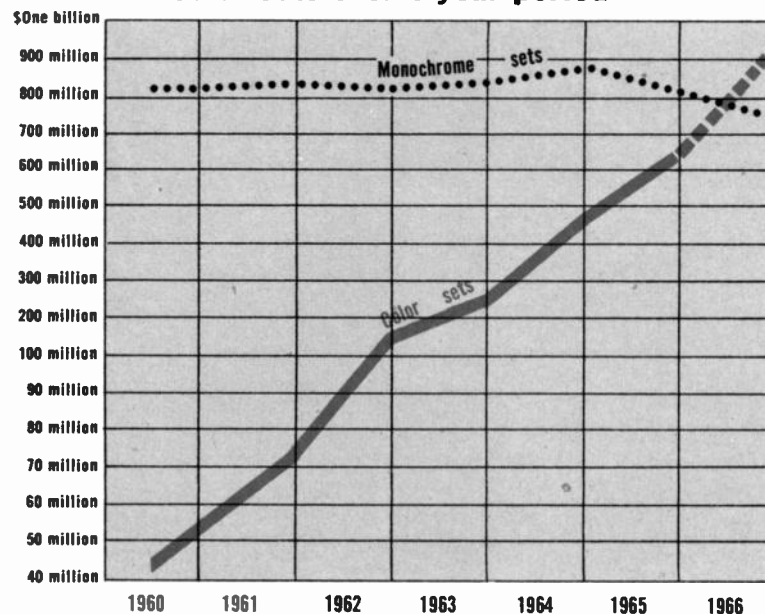
Comparing 7-year trends in b&w and color set production (in units)



Monochrome set production	Color tv set production
1947.....178,000	1960.....110,000
1948.....975,000	1961.....185,000
1949.....3,000,000	1962.....438,000
1950.....7,463,000	1963.....747,000
1951.....5,384,798	1964.....1,458,000
1952.....6,096,280	1965est.....2,200,000
1953.....7,215,827	1966est.....3,500,000

Source: David Lachenbruch; EIA

Comparing factory dollar sales value of b&w and color sets over 6-year period



Year	Color	Monochrome	Year	Color	Monochrome
1960.....42,460	1,350,000*	1963.....257,700	832,682		
1961.....70,300	825,000	1964.....474,500	893,200		
1962.....154,400	835,423	1965est.....636,300	810,000		
	822,000	1966est.....915,000	750,000		

Source: David Lachenbruch; EIA

*record high

Bob Graham may be wrong. It could be even better than 1950-all-over-again. The graphs on this page tell the story.

Look at the chart on "comparative trends of set production" and note that the curves show that production of monochrome tv began to level off after 1950, b&w television's big year (following a spectacular three-year climb), while production of color tv has ascended steadily for the past five years. If this upward spiral continues, as all signs indicate it will, color production is destined to pass monochrome production easily within this decade.

When saturation figures are compared, color's future looks even rosier. Look at the chart on "comparative factory sales value." The dollar value of color sets produced will overtake monochrome within the next year.

Coupled with the soaring production totals, the dollar figures complete the story: color television is the industry's new champion.

But do the figures tell the entire story? How are profit margins on color tv sets? How are dealers—large and small—financing the costly units? Are the big sets eating up floor space and operating funds?

MERCHANDISING WEEK talked with retailers and distributors throughout the country to uncover answers to these and other questions about selling color television. Here is the story:

Color sales are sky-rocketing. Statistics and charts tell that story, but proof-positive comes from the retail floor. In Philadelphia, Herman Benn, co-owner of Nate Ben's Reliable, said, "January was the biggest color month in our history. We moved some 60 pieces." In Fargo, N.D., C.L. Mitchell of Mitchell's TV & Appliance, said, "In 1964 we sold more color television sets than in the previous five years put together." In Minneapolis, a salesman at Groveland's said, "Color moves faster than anything we have here." Moreover . . .

Color is gaining full acceptance from consumers, and industry. One of the last barriers to a big-time color movement toppled this month when CBS, the major hold-out on color broadcasting, announced a color program schedule for next fall. And NBC, the major color broadcaster, will show all but two of its prime nighttime shows in color next fall.

Here are some of the statistics:

- It took only six years—from 1956 to 1962—for the number of homes with color television to reach a million.
- By the end of 1965 (in just four years) it is estimated that the number will be quintupled to 5 million.
- Color tv set sales from manufacturers are expected to more than double this year—and to double again next year.
- The starting price of color tv has been reduced to less than \$400, from \$500-\$600 in 1962.

The picture is not all bright, however. "Sales are good, the supply is short," a distributor in Sacramento said. And, from a distributor in Atlanta: "We started out with an empty warehouse the first of this year and won't fill it by the end. In fact, the shortage of supply will get worse in the fall months. At the rate we're going now, we can't see it leveling out even by the end of 1966." Almost consistently,

by Bruce Pfau; cover photo by Wallis Wood

Close-up on color television salesmanship: and how retailers, distributors

retailers and distributors are troubled about supply shortages. And . . .

"Margins are real frail," drawled NARDA president Billy Yates, owner of General Appliance & Furniture Co. in Dyersburg, Tenn. Yates said that a good b&w set for half the price gives him as much margin as a color set, so "there's not much inducement to sell up." However, he admitted that when customers come in to look at a color set they "just won't have anything else." Throughout the country, responses on margin ranged from satisfied to disgruntled.

"Financing is a problem," a Philadelphia dealer said, "but we turn over our stock so fast that the money is in long before it's due." Other merchants are having more trouble with color financing than this one; some are having no problem at all. Most are using distributors' free-flooring plans, with varying success.

"Space is always a problem," a Toledo retailer said, "but, as compared with an item like refrigerators, color represents more dollars for the space." Distributors often disagree with dealers on how many color sets should be on the floor, and there is no agreement between dealers on this question. Each has particular problems, particular solutions . . .

"Forget about the money that you need to invest in color."

"What difference does it make what you have to invest compared with b&w," Roger Betesh, of Betesh's Inc. in Philadelphia, went on to say, "if you can turn quickly and make a good profit?"

First, it means that a retailer must sink more money into inventory. "Money is available for financing color," a Midwest merchant said, "but I'm kept cash-poor because my time options are expiring before the slower moving color sets are sold and collections are made." Dealer Billy Yates, in Dyersburg, Tenn., said, "Three times the dollars or credit are tied up in color."

A large color investment also means that retailers may have to cut back on other lines in order to push color. For instance, according to an Atlanta distributor, "Retailers have cut back on the number of b&w sets in order to sell more color consoles."

And the increased costs mean that retailers may not be able to display a reasonably complete line, although many are showing 20, 30 and even 40 color models. Credit men at Forster Co., a Motorola distributor in Minneapolis, have found that it is very easy for a store to overbuy

when it is dealing in color television.

A large stock is necessary to successfully retail color sets, most sources agree. Carroll McMullin, of DeVeaux Television & Appliance in Toledo, Ohio, attributes much of his success to showing a large variety of models and styles—he carries Zenith, Motorola, and Magnavox—which has established his store as a color center.

"Any dealer can sell color tv with only one set on the floor," a New York distributor claims, "but he will do a much better job with a better selection. There is a trend toward dealers carrying a limited number of lines because the color sets are so big and expensive. It is wrong for them to carry three lines so that no one line is adequately shown."

"If we want an adequate selection on the floor," said Moe Claver of Central Utilities & Furniture Co. in Chicago, "we have to use floor planning."

Floor planning is the answer for most retailers, with the exception of the large department stores. (The buyer at a large department store chain in Chicago claims he does not know of any bona fide department store that has its color tv operation working on a floor-plan basis.) "It means you don't have to plunk down a bunch of cash," explained Glenn Hardin, advertising sales manager for Handy Andy in Sacramento.

Many retailers are having trouble financing, said Pete Pettit, sales manager for RCA Distributing Co. in Atlanta. "They can't stock all the sets they need to sell it. We have done a pretty good job with the tools we had, but not 75% of the dealers are financially sound; you have to have terms for them and ways to help them or they couldn't stay in business."

Many distributors are becoming more competitive. "This accrues to a dealer's advantage as well as to his customers," said Philadelphia's Betesh. "Where we have bought good deals we have been able to make good profits. That's the game. You've got to buy the good deals."

"Trouble with credit is — need it, you can't get it; if you don't need it, you can get anything."

"Floor planning is one answer," dealer Mort Farr, of Upper Darby, Pa., continued, "but it is not the whole answer. With floor planning, the dealer owes the distributor as soon as he sells the set. This causes problems when a dealer wants to put out a set for demonstration, or when he sells a set on Saturday night and

the distributor's salesman comes in and wants money Monday morning.

"Another problem," Farr said, "is with the dogs that don't go in 90 days. The 1% or 1½% interest can be a drag and can eat up any savings a guy may have made by buying a special deal. One solution to this is to have distributors who will take a dog off a guy's hands when somebody else happens to need that set. Of course, if nobody needs it . . ."

How does floor planning work? R. C. Woltemate, sales manager of Pierce-Phelps, Zenith's Philadelphia-area distributor, has a typical plan. Arranged through a local bank, it is a six-month program. The first 90 days are interest free. For the second 90 days, dealers pay interest and 1% of their original balance. At the end of the six-month period, the balance is due.

A distributor for Motorola in Denver, William Lujan, president of Allied Appliances Inc., said about 75% of his accounts use the 90-day free floor plan. This requires a dealer to pay 10% of the invoice and immediately pay off a set that is sold. The plan can be extended another 60 days, but on this period the dealer has to put up another 10% and pay interest on the amount involved.

An Admiral distributor in Albuquerque said that his 90-day free floor planning is extended a second 90 days on occasion. This distributor says a dealer can get extra credit for handling color.

A Zenith distributor in Fargo, N.D., Jim Hart, branch manager of Reinhard Bros., said the normal period on floor planning is 90 days but in a few cases this has been extended up to five months.

Another plan is dating. "We sell goods to the distributor," explained Jud Albers, of RCA Sales Corp., "ship them on, say, the 15th of March. He then has to pay for them on the 30th of June, and it is the same as if he had paid cash. We give him 60 days and he can then give his dealers 45 days." This is different from floor planning where the dealer has to pay as soon as he sells the goods, and different from consignment where there may be no time limit at all—or a six month or a year time limit—and the goods may be returned if they are not sold.

Albers advises that dealers should shop their credit sources: finance companies, banks, credit corporations. "Banks are getting into retail paper more and more," says Albers. "Bank rates are often better than the finance company rates. A captive credit corporation—like Philco—may be a little more generous with time."

It's the big boys who have little trouble financing. As the spokesman for a large Atlanta department store said, "The department store really writes its own ticket."

The free-period trap, this large Atlanta store calls floor planning. "It is much to a dealer's credit to sell and pay beforehand," he advises. "Otherwise there is the temptation to turn money to other uses. But the smart dealer will put himself on a pay-as-you-go basis to avoid owing a distributor a substantial amount of money and being refused a supply of stock. If he has not paid, unless he can meet his obligations when they're called for, he may not be able to get additional sets from the distributor. And, it is, after all, immaterial to the distributor who they go to in an up-moving market. The distributor won't concern himself with having lost that man's business. It is the distributor's business, as long as sets are moving as well as they are, to move them. So these sets the negligent retailer needs, will have to be sold to some other dealer."

"If a dealer's credit is limited," a Midwest GE distributor said "we have to hold down the number of sets he can show. About 75%-80% of all independent dealers use floor planning, I would say." A New York Motorola distributor said, "You have to do things for the small guys you don't do for the large guy. You have to give him floor planning, you have to give him signs and banners, you have to help him plan his business. There are some abuses on floor planning. Guys who do not pay as soon as they sell something." This distributor feels, however, that the real abuses come about because the distributor is sloppy, so he tries to keep the pressure on to keep his dealers honest. He feels they are more honest than not; they really do want to pay their bills, but they just get tempted to hold on to the money.

"Floor plans could be better if they were on the basis of so-many dollars," argues Jim Taylor, partner in Fraser & Taylor Appliance-TV-Stereo Center in Denver. "That would give the dealer more flexibility. You can't always guess right on your stock, and if the credit was in X-number of dollars—rather than on a time basis—we might be better off." It is not the amount of credit available that most dealers see as the problem—but, rather, the length of time to pay.

The package deals from distributors are not free from complaints either. A spokesman at Groveland's, in Minneapolis, said, "Fast-moving sets move out quickly, but the dealer is left with a couple that don't sell quickly. After buying several of these deals, the showroom starts to fill up with the slow-movers. This complicates the dealer's financial picture, builds up his slow-moving inventory. If the dealer hand-picks sets from the distributor, the better discounts are not offered to him. In order to get his costs down he is persuaded to take the package."

today's problems and manufacturers are solving them



You need space to sell color television sets, most retailers agree. This small "country store" in Hall County, Ga., has found a solution to the space problem. Owner-dealer John C. Wofford built



shelves and stacked the television sets three high. He tripled his space; now has room for 16 color television sets and 30 black-and-white portables.

(Photos by Reck Johnson)



When you have space, how can you best use it? Macy's, in New York City,

has created this special Color TV Salon. (Photo by Wallis Wood)

"If there's only a \$50 bill for the dealer in a \$700 color set, that's lousy."

"Margins on color television are ridiculously low," continued Roger Robohm, sales manager for Robohm Appliance-TV in Denver. Perhaps other dealers are not doing quite so badly on color margins, but they certainly are not joyous about them.

"Margin is pretty low in relation to price," said dealer Arvid Benson in Moorhead, N.D., "and we can make as much on a good black-and-white set as a low-end color set, percentage-wise." And from dealer Bill Smith in Albuquerque: "Margins are adequate except on leader models, which are the prime targets of competitive price-cutting." From a Boston dealer: "At the lower end of the line, we're not making much money. On a RCA set at, say, \$449 or \$459 we make \$30 or \$40. Also, we're giving 90 days free service, absorbing the \$29.95 RCA service contract, taking a chance that nothing will go wrong."

Some dealers, however, are a little more satisfied with the margins. "We'll have to learn to live with them," said Carroll McMullin, owner of DeVaux TV & Appliance in Toledo. Dealer Bob Graham, in Minneapolis, said he is getting "decent margins on color"—15-20%—but he sees a rising trend of customers shopping for quotes and playing one dealer against the other. The pressure is getting heavier, he reported, and he is afraid margins will not hold up beyond a year or two. Glenn Hardin, at Handy Andy in Sacramento, said, "Margins have remained fairly adequate, but they have shown a slight decrease from last year. We do everything we can to keep margins up. It is not necessary to cut prices, as would be done in other areas of the trade like, say, with washers." Benn's Reliable in Philadelphia comes right out and says margins in color are better than in b&w sets.

A distributor, RCA's Pete Pettit in Atlanta, said he thinks margins are adequate; see them at 25-31%. "Of course, dealers would like them back up at 40%," he said, "but there is no such hope—not even that they'll return to the 35% level, which would be a more realistic wish than 40%." A distributor in Boston commented: "Retailers tell us there is sometimes the problem of trade-ins where a customer expects a substantial return on an old black-and-white set because the color set costs in the vicinity of \$500." Craig Pinyon, manager of Cawthon & Hollums Appliance Store in Atlanta, said, "The problem is that the client comes in with an old set, with two or three years of use in it. The trade-in allowance cuts your

profit. Another problem is discounts. You've got to meet your competition or you don't sell."

To sell color television no hard pitching is needed, most of the merchants interviewed agree. "When a prospect comes in to look, he is already more than half sold," said a salesman at Groveland's in Minneapolis. "It is easier to sell a \$600 color tv set than a \$200 washing machine."

However, price is still holding back many customers. "The price has been one of the big drawbacks as far as the customer is concerned," said one Midwest merchant. "They have to spend about \$300 more for a color set than for black-and-white. Not that color isn't worth it—they get a lot more for their money than they did four or five years ago." Another dealer says he had complaints on color tv prices, but adds that he thinks color offers more for the money than b&w ever did.

Display—and selling—space is another problem for color television dealers. "You know yourself," commented one retailer, "that you don't spend \$750 on a crowded floor with people knocking you around."

RCA offers some suggestions on how to arrange the store and where to put color sets. If possible a retailer should put his sets in a separate room, like a stereo room, the corporation says. It is best to have sofas. The company also strongly recommends subdued light, but points out that the room should be readily accessible to the heavy-traffic areas. On the selling floor, sets should be highlighted by putting some on permanent display. Wieboldt's in Chicago and Macy's in New York (see photograph), for example, have followed this display philosophy.

As Pennsylvania dealer Mort Farr commented, "You can't put one on top of the other." Or can you? John C. Wofford, owner of a "country store" in Hall County, Georgia, (see photograph) is doing what "can't be done." He has stacked color tv sets, portables, b&w sets in his small store—and makes \$325,000 a year, gross. By building racks, and stacking sets three high, Wofford has tripled his display space—and, evidently, is selling sets like hotcakes. He carries two lines—RCA and Admiral—but handles only RCA in color.

Shortages are also a problem, plaguing dealers and distributors alike. Most sources reported at least some shortages by model, and one distributor said, "I don't have nearly enough sets. Waiting periods of four weeks are not uncommon. We have a constant backlog of orders, and we always sell out as fast as the sets come in." Many dealers and distributors are waiting anxiously for increased color production facilities to be completed by several manufacturers.

Close-up on color tv's future: what is next and how soon

"We've got a virgin market with color; she's beautiful all the way."

Pete Pettit, Atlanta distributor, elaborated on his statement: "I see nothing but booming sales and a continuing increase for the rest of 1965 and beyond. The prediction is 1.9 million sets this year, and we're on an upward spiral." Jim Carney, a representative of Broili-Parks Co., Sacramento's Zenith distributor, backed Pettit up: "It's a steadily climbing business, a new market. When you look at it from a saturation point of view, there's a 90% market."

Are color sales seasonal? "Television to a certain extent is seasonal," a Philadelphia distributor affirms. And Ray Brunacini, partner in Brunacini Appliances in Albuquerque agrees: "Business will slack off this summer but will increase notably this fall, when cooler weather will keep people at home and baseball fans watch the world series." However, in Sacramento, where 8,000 out of 30,000 sets sold last year were color, Glenn Hardin at Handy Andy said, "All indications on sales this year show there will be no letdown in the spring and early summer months as there has been in the past. Color is catching on more and more."

Where are color prices going? In a word: down. The graph on this page tells the story. From an average pre-excise tax price of \$386 in 1960, factory prices have dropped to an average of \$325 in 1964, will fall to an estimated \$303 in 1965. By the end of the decade, average factory price on color sets should be well below \$250. For what it is worth, taking the difference in set sizes into account, the price drop on b&w units during the 1950-60 period was 19.9%, while the estimated price drop on color sets from 1960 to 1970 will be 35.5%.

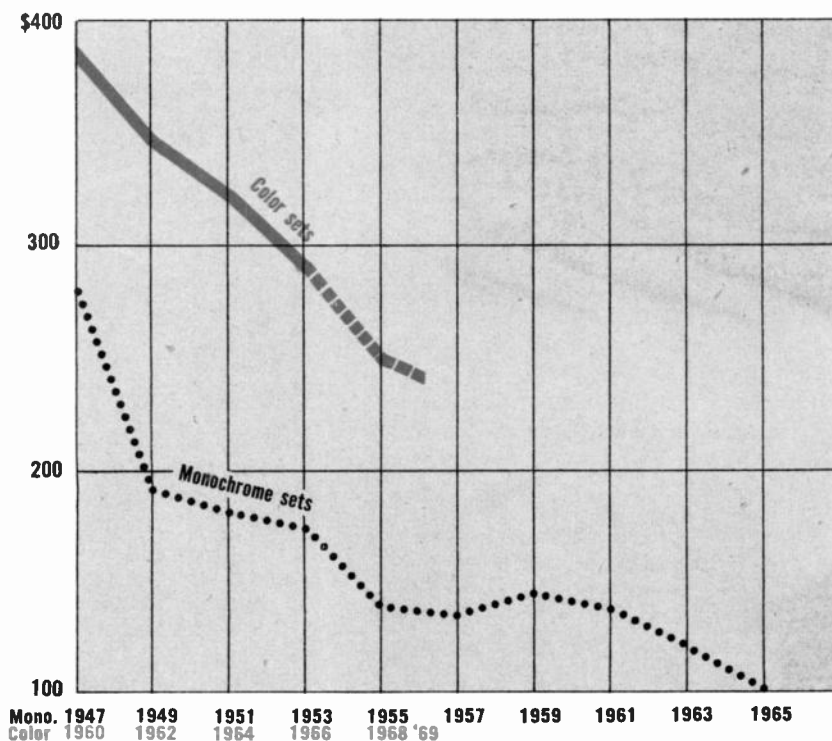
Retailers note that price still is a formidable hurdle in making color sales. As dealer Roger Betesh in Philadelphia said, "We find prices are too high for our type of customers." However, as prices continue to drop, sales are going to surge even further ahead.

Can supply meet demand? A distributor in Philadelphia said, "Shortages now are more pronounced among those models that are more popular sellers, but in some cases even the higher priced sets have been hard to get." And from a West Coast distributor: "Since January color television inventory has been short. So far only samples of 25-inch sets have been received." A mid-west distributor said, "Many customers are holding back, waiting for the 25-inch square tube, which they've been told will have a narrower cabinet, trimmer design, and greater viewing area. Yet the factory is going at full pace and then some."

The 25-inch square tube, the 19-inch, the 23-inch: announcement of new color tube sizes, and increased production facilities, are coming fast and furious. For example, both Zenith and Sylvania are expanding their plants and expect to double their color tube output this year. Zenith hopes to develop an annual production capacity of 1 million color tubes. And RCA has dumped \$4.6 million into increased color production.

But with demand so high, some industry observers are predicting a longer-than-expected

Comparing trends of average factory prices for monochrome and color tv receivers



Average factory set prices pre-excise taxes

Year	Monochrome	Year	Color
1947	280	1960	386
1948	236	1961	380
1949	193	1962	348
1950	181	1963	345
1951	178	1964	325
1952	172	1965est.	303
1953	171	1966est.	290
1954	140	1967est.	270
1955	138	1968est.	250
1956	127	1969est.	240
1957	130		
1958	136		
1959	141		
1960	145		
1961	135		
1962	128		
1963	118		
1964	110		
1965est.	100		

Source:
David Lachenbruch
EIA
U.S. Census Bureau

ed life for the standard 21-inch round color tube. Manufacturers, they say, can not halt production to convert to new tube sizes. Demand for color sets—of any size—is too heavy. Industry estimates hold that about 20% of this year's production will be in square tubes, divided equally between 23- and 25-inch sizes. The 19-inch square tubes will probably be extremely rare this year.

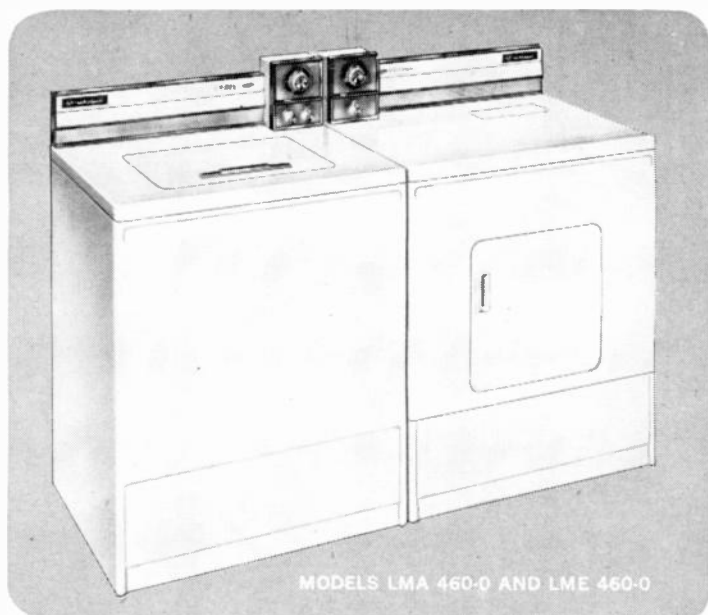
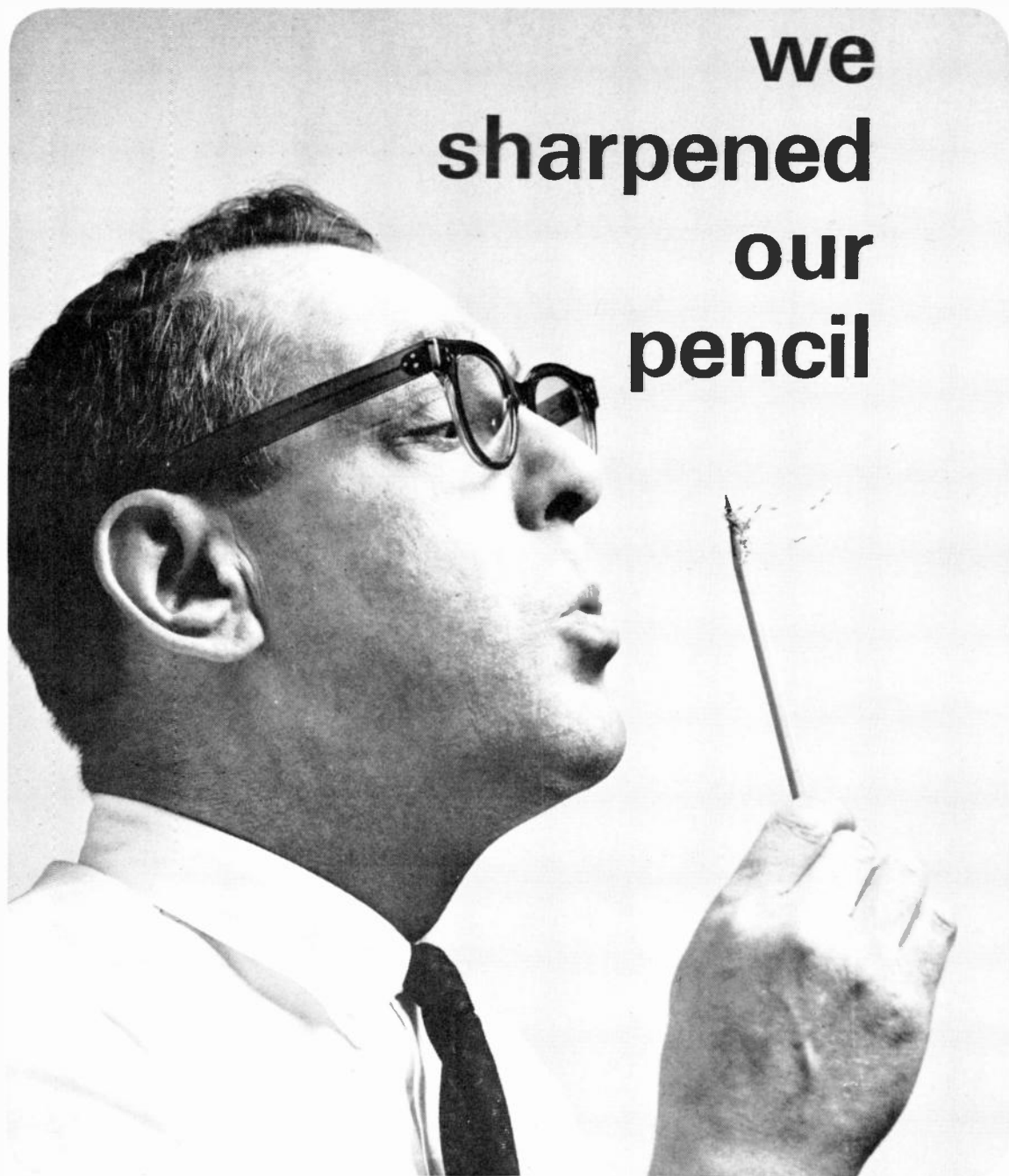
In another twist on the problem, a salesman at Grovelands' in Minneapolis said, "It is harder to sell the rectangular tube types because prospects buck at the \$125 premium."

Is this the death of b&w? From all reports, the b&w console is on its last legs, and one Midwest dealer notes that there has also been

a slowdown in stereo consoles. "If a customer has \$500 to spend, he'll put it in color television rather than a stereo," he says. Clearly the emphasis in b&w has shifted from consoles to portables. But portable business is booming. Until color begins to appear in smaller sets, as portables, as transistorized units, the b&w portion of the industry need not sound the death knell. There are also hints on the horizon of new things yet to come from monochrome manufacturers. Talk of thin-screen, wall-hanging sets is one case in point. Such an innovation could set off still another black and white explosion that would have dealers saying, "It's just like 1950 all over again."

to
sharpen
your
profits,

we
sharpened
our
pencil



Here are sharp models to start a sale!



Now a more profitable way to close it!

First of all, you're going to like the arithmetic your RCA WHIRLPOOL distributor can quote on the 670 laundry package. And, also, what a convincing step-up story you have to sell! **The 460 pair** continues to offer 2-speed washing with 3 separate cycles and Magic-Mix* filter plus a dryer with 4 cycles, 3 heats and a separate cycle for wash 'n wear garments. **The 670 pair** steps them up to 2-speed, 4-cycle washing including SUPER WASH for heavily soiled clothes and exclusive suspension cooling that "irons" wrinkles out of wash 'n wears. Matching dryer features 2 drying speeds, MOISTURE MINDER® control, Automatic Dryness Selector and 5 automatic heats. Call now, find out how sharp your distributor's pencil is on the sharp 670 pair.

*Tmk.



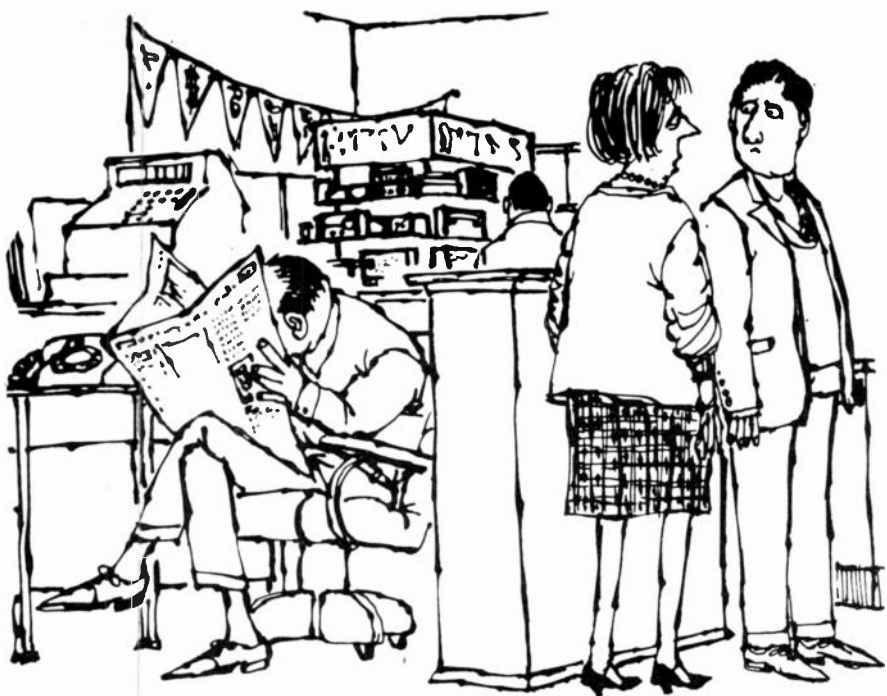
Whirlpool

WASHERS AND DRYERS ARE EASIER TO SELL THAN SELL AGAINST!

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rodriguez looks at demonstrations



"Joe, Mr. Folger wants you to demonstrate the electric shoe polisher on his shoes again. He's got a Rotary meeting in an hour . . ."



"I don't know why the distributor bothered to send her over. Even I can sew pieces of cloth together . . ."



"I don't think I like this idea of having a weekend growth just to put on electric shaver demos. We look like a bunch of bums."



"... Okay, low man has his head used all this week for the home barber kit demos."



"... Which one of you guys told a Mrs. Crawley to go to the Mary Jane coin laundry when she asked for a washer demo?"

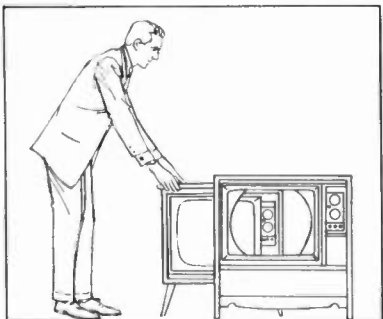
NOW Motorola announces Rectangular Color TV in compact cabinets



Motorola Rectangular Color TV Console

Motorola Round-tube Color TV Console

Motorola has already moved on to the next plateau
in Color TV—rectangular Color TV in compact cabinets!



Now, a rectangular-tube Color TV cabinet so compact it could fit inside this Motorola round-tube Color TV cabinet shell—with space to spare!

First, Motorola introduced the rectangular picture color tube that's over 5 inches shorter, front to back, than the round color tube . . . so cabinets fit closer to the wall.

Now, Motorola has come up with a compact Color TV chassis size that also makes the cabinet narrower, side to side.

Motorola already has twenty-nine rectangular models to choose from—eight in the new compact cabinets. Another example of how Motorola helps dealers make top retail profits!

Why wait for your other manufacturers to get around to delivering rectangular color TVs?

Your customers can choose from
8 Motorola Compact Color TVs...



Compact Swivel Console. Model 23CS307B. Push-button demagnetizer helps clarify color picture of magnetic interference.



Compact Contemporary Console. Model 23CT311B. Has automatic color synchronizer circuit. Also automatic "color killer" system.



Compact Early American Console. Model 23CU306B. Color indicator light tells you when color signal is being transmitted.



Compact Table Model. Model 23CT310B. Has 23" rectangular tube (23" overall diag. tube meas.; 274 sq. in. viewing area).

MOTOROLA
new leader in the lively art of electronics

Those G-E Dealers
think our
1964 sales act
was wild.

Only a
warm-up.
Wait till they
see our '65
performance!

How come G.E. is Number One in Personal Portable* TV sales? Because we're the Number-One innovators in the industry. Everything about G-E Personal Portables is right—right sizes, right shapes, right weight, right price.

Here are a few reasons why we think we'll be the continuing leader in 1965:

G.E.'s got the only complete line of Personal Portables in the industry.

An all-transistor set that plays on house current, car current, boat current, its own current. The first (and still the top-selling) Personal Portable—with *four* step-up models, including the only lightweight clock/radio/TV.

G.E.'s got the only lifetime circuit board guarantee in the industry!

The General Electric Company guarantees the Etched-Circuit board to be free of manufacturing defects for the lifetime of the television receiver. The General Electric Company will, at its option, repair any defects or accept claims for such repairs provided repairs are made by one of the following:

- a. General Electric Distributor
- b. Franchised General Electric Dealer
- c. Authorized Independent Service Agency

And now

G.E.'s got the only parts and service warranty that's good from coast to coast.

The General Electric Company warrants to the purchaser of each "A" Line General Electric Personal Portable Television Receiver**... Free repair (including labor and parts) in the event of manufacturing defects occurring during the first ninety days from the date of original purchase, provided the receiver (including proof of the purchase date) is brought to and picked up from an Authorized General Electric Television Service Agency anywhere in the U.S.A.

Being Number One in portable TV sales can get habit-forming. We intend to keep ahead of the pack with more innovations, more new models, more exciting changes in the months ahead.

*Screen size of 14" or less.
**9" or 11" screen (diag. meas.) only.
Television Receiver Department, Syracuse, N.Y.



GENERAL  **ELECTRIC**



Similar handles, styling, and color give Tufam pieces a line effect.

Tufam jumps out of the frypan into a complete cookware set

Shipments of a new six-piece Tufam cookware set should begin about May 1, according to Marketrations, the national sales rep for the line. (Tufam is cast aluminum with DuPont's Teflon permanently embedded in its surface.)

The new pieces are an 8-inch skillet without cover, three saucepans, and a 5-quart Dutch oven, all with covers. Prices are: \$7.95 for the frypan, and \$2.20 for the frypan cover;

\$7.95 for the 1½-quart saucepan; \$8.95 for the 2-quart saucepan; \$9.95 for the 3-quart saucepan; \$14.95 for the Dutch oven. The cover for the oven also fits the 10-inch Tufam frypan now on the market, and can be bought separately for \$2.50.

Selective marketing in leading department stores is planned, along the lines now being used to market Tufam's 10-inch frypan.

Decorating book is Westclox sales aid

Westclox is using a 100-page book entitled *Clocks in Home Decoration* to spur clock sales during its second quarter promotion. Prepared jointly by Westclox and *Good Housekeeping* magazine, the book has more than 80 full-color pages that show possible uses of clocks in decorating.

Publication price for the book is \$1.25, but Westclox is offering it free to consumers with the purchase of any Big Ben, Baby Ben, or Ben Electric clock; the company's name does not appear on the outside covers.

In addition to decorating ideas, the book includes an article on the history of time-keeping, as well as an article by Mary Kraft, of *Good Housekeeping*.



Multi-purpose skillet is new from GE

An electric Dutch Skillet with deep-dish design is a featured product in the second quarter program of the General Electric housewares division.

Finished in bright aluminum, the unit is square and has buffet styling to make it practical for entertainment use. The handles and trim are black. The unit has a 5½-quart capacity. The probe control has a temperature range of from 150 to 400 degrees F., has a signal light, and is removable, so that the skillet can be completely immersed for cleaning. A tilt-top lid is included. It has two adjustable steam vents in the lid and a cooking chart on one of the handles. GE has designated the new skillet as No. C-129; it carries a suggested retail price of \$29.98.



□□□□ A Sunbeam manicure set was introduced last week. A Sunbeam spokesman said the unit is flat, round, and "very feminine" in design. Turquoise is the only color being offered at this time. The unit carries a suggested retail of \$22.50.

□□□□ GE is lowering prices on four products: EC-8 can opener (reintroduced) now has a suggested retail price of \$22.95; EC-9 can opener, \$12.98; EC-10 can opener, \$14.98; M-17 mixer, \$10.98; T-1028 toaster, \$14.98.

□□□□ Shetland's "One Cent Sale" is extended to May 31. The offer, set to end Mar. 31, allows dealers to sell the model 9046 blender for \$19.99 and model 9292V can opener for one additional cent. General sales manager Ray Finburg says heavy response and subsequent delay in filling orders prompted the decision.

□□□□ Oster's spring and summer ad program will concentrate on one-minute radio and tv spots, as well as consumer magazines. The Classic VIII Osterizer blender will receive major emphasis in the campaign.

□□□□ GE is promoting its rechargeable lighter with a free retail ownership plan and a display program. Sales people who sell 18 lighters by May 21 get one free. A plastic counter display, into which the recharger units can be plugged in, is available. Also from GE: customers who buy any GE housewares product will be entitled to a free set of five parchment replicas of American historical documents.

□□□□ Westinghouse will push portable appliances, concentrating its magazine and tv ad campaign on seasonal gift-giving occasions: Mother's Day, graduations, and June weddings.

□□□□ Will vac prices steady this year? R. C. Connell, vice president-sales for Eureka-Williams, thinks the decline already is slowing, and points to excellent sales of his high-end Empress canister as both an indicator and a reason. Connell also points out that the Eureka gain in lightweight sales in 1964 was 81.1%, not 8.1% as reported in this column last week.

□□□□ Rival's Kitcheneer counter display shows the combination salad-maker/meat-grinder amid a colorful setting of plastic fruits and vegetables. The display is free with an assortment of two Kitcheneers, two Shred-O-Mats, and two Grind-O-Mats.

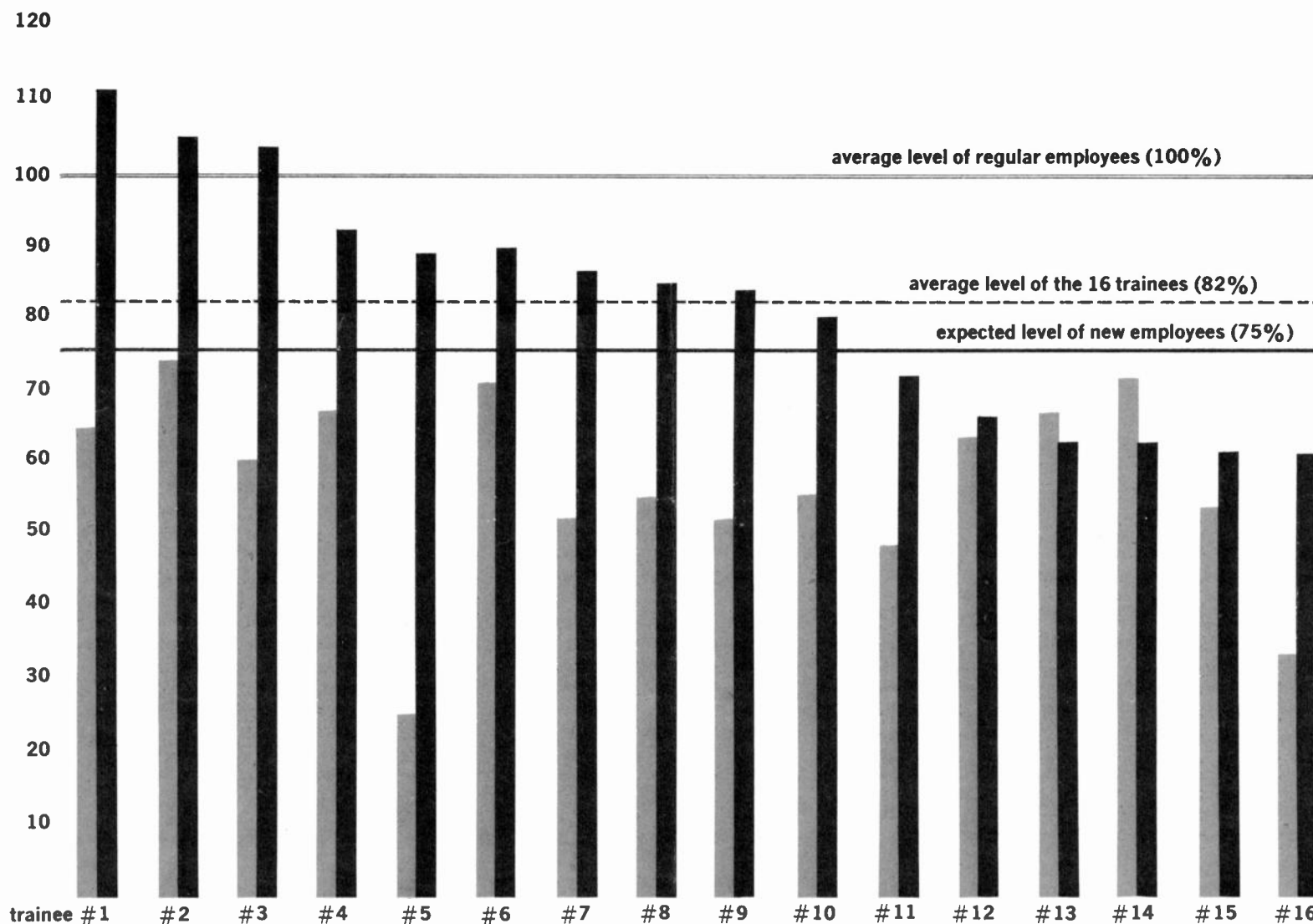
□□□□ Corning Ware has added Menu-ettes: Two small saucepans and a skillet. Each dish is made of glass-ceramic and the covers are clear glass. The new products are: 1-pint saucepan, \$3.95; 1½-pint saucepan, \$4.95; 6½-inch skillet, \$4.95.

□□□□ Key moves . . . Harry G. McDavitt moves from Norge to EUREKA WILLIAMS as merchandise mgr in charge of advertising, public relations, sales promotion, and market research . . . John H. Mullen is named assistant product mgr, electric housewares department, for WESTINGHOUSE.

Can youths from "deprived" backgrounds be trained to become good retail clerks?

Production ratio "predicted" by tests

Production ratio actually achieved



Source: Federal Dept. Stores, Detroit, Mich.

Can today's 'unemployables' become tomorrow's salesmen?

Despite cries of "where can we find new salesmen," retailers may be overlooking a major source for tomorrow's salesmen, according to results of a recent training program conducted by Federal Department Stores, in Detroit, Michigan.

"It is possible that large numbers of persons are unemployed because they cannot pass the standard aptitude tests given by many businesses and industries," said Joseph Ross, Federal Stores president. "Yet, when these 'unemployables', as they are called by society, are given specially designed counselling and training and placed in an atmosphere of acceptance, they prove to be productive, dependable employees."

Ross was not just talking through his hat. He has good reason to think that society's definition of employable and unemployable youth, as based on usual aptitude and salesability tests, is not valid. Federal Stores has just completed a first-of-a-kind training program for 16 youths from culturally and economically "deprived" areas.

All 16 trainees had failed standard employment tests and were automatically discarded as "unemployable" by prospective employers. But after completing the training program, Ross revealed, 14 had become permanent Federal Stores employees and two were employed elsewhere.

Federal Stores undertook the training program in conjunction with Detroit's Youth Employment Program. Detailed records were kept on each trainee's progress, the experimental teaching methods developed, and the new communications used.

Trainee performance was compared, after the 10-week period, with sales performance of other employees in the department, and a production ratio was developed. For example, if a trainee averaged \$15 worth of sales per hour while older employees averaged \$18, the trainee's production ratio was 15/18 or about 83%.

In the chart above, 100% represents the department average and 75% represents what Federal Stores expects of a new employee within five-to-10 weeks. The grey set of columns shows each trainee's predicted performance as measured by standard sales aptitude tests at the beginning of the program; the black bars show actual sales performance.

The trainees averaged above the minimum Federal Stores expects from new employees, but, as might be expected with any trainee, their production was below the regular-employee department average. Individual performance for the trainees, Ross said, exceeded in 14 cases what was predicted as possible by sales aptitude tests. "All 16 of our young

people had been discarded on the basis of standard tests," Ross said, "but 10 met and exceeded the company's minimum performance standards for new employees—some by unbelievable margins."

Federal Stores drew several conclusions from its training program. One is that standard sales aptitude and ability tests, even those tests known as "culturally fair" because they do not contain vocabulary or reading barriers, are not a valid criterion for hiring and do not accurately measure sales potential. Federal Stores' 16 trainees had flunked all employment tests. Yet, as Ross pointed out, when they had completed their training, "they not only succeeded, some of them excelled."

Some trainees had been rejected by other employers because "they looked lazy" and "lacked ambition." Federal found that 84% of the trainees needed medical attention because many were suffering from nutritional deficiencies. Ross said that after the trainees were given a little help in diet planning, their "apparently disinterested" state disappeared.

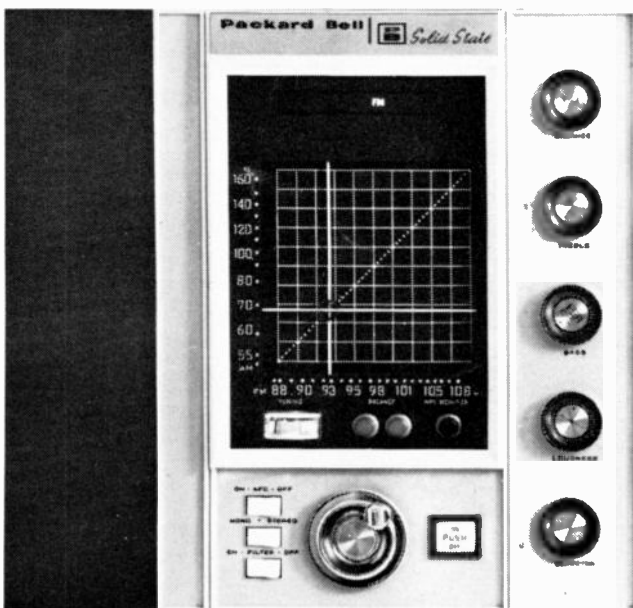
Training is the answer to employing the unemployables and solving the salesmen shortage, as far as Federal Stores is concerned. Ross thinks industry should invest time and money to provide rehabilitation programs. He pointed out that each company

could start by taking a close look at its recruiting, selection and training procedures.

Ross said Federal Stores' program cost \$16,000 and outlined the 10-week course briefly: the first two weeks covered personal guidance with medical help in nutrition and tips on hygiene and grooming. Language, basic math and training in Federal Stores' systems were stressed during the next five weeks. The balance was devoted to salesmanship, communications and human relations. Ross said the program was constantly reviewed by a management team. And when a weakness was discovered, new material was added.

What Federal Stores accomplished does have significant meaning for the radio-tv-appliance retailer. Ask any retailer what his biggest problem is and he'll tell you "trying to get new salesmen." Yet few retailers have any training programs.

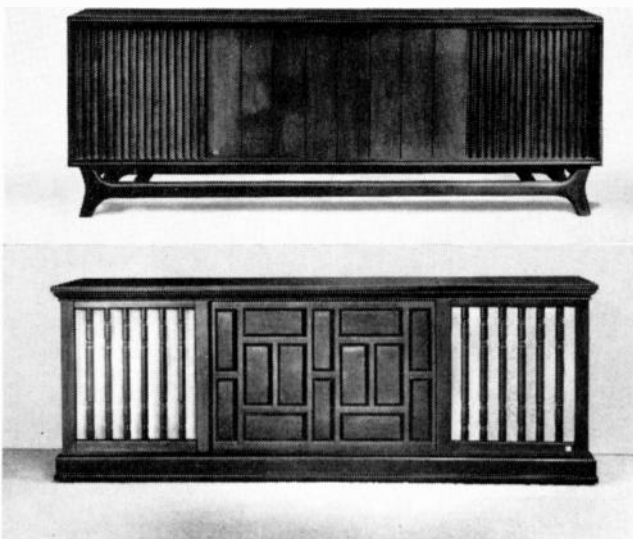
Retailers agree that training would solve the salesmen shortage. But they are waiting for "the manufacturers or the National Appliance & Radio-TV Dealers Assn., or someone" to start the training and recruiting. Meanwhile, hundreds of young men and women who could—with help and training—become the retail salesmen of tomorrow are waiting—unemployed and "unemployable."



1. Exclusive Computer® Control Panel—calibrated and illuminated displays for precise tuning at a glance.



2. Handcrafted hardwood cabinetry — the furniture you'd buy if you were buying furniture alone.



3. Original designs — like the Scandia® and the majestic new Espania that leads the Mediterranean trend.



4. Finest components — like 300-watt solid-state amplifier system and Garrard Automatic Turntable.

Just 4 of the reasons why Packard Bell stereo leads in the toughest markets.

(Example: 1 out of every 4 stereo consoles sold in Los Angeles is a Packard Bell)

If you're a dealer in a tough market, investigate the exclusive profit-protected franchises still open in the East, Midwest and South. Use coupon for full information.

Packard Bell 
WEST'S LARGEST SELLING TV • COLOR • STEREO • RADIO

W. T. Powell, Eastern Sales Manager
Packard Bell Sales Corp.
8745 W. Third St., Los Angeles 48, Calif., Ph.: 273-8660

Please send me more information on exclusive dealer franchises and the complete Packard Bell line.

Name _____
Address _____
City _____ State _____
Name of Store _____
Telephone _____

'No house divided can long survive'

Dear Sir:

The following is an open letter to the manufacturers and distributors of the appliance industry. "Direct sales" have been a major problem with retailers, and there have been no reasonable explanations as to their existence.

As a poor, confused appliance salesman, I have always wondered, "Why a 'builder price'?" Oh, I've heard all of the reasons: that the exposure helps the retail sale of other appliances, that the "other manufacturers do it, and we do it to compete," that a retailer couldn't get the sale

anyway, etc. None of which really make sense.

The industry leaders tell us that our competition is not each other in the appliance business; it's the automobile industry, sports, etc.

Yet I haven't heard of GM or Ford making direct sales when the Police Department wants cars or some company wants several trucks. Instead, some dealer makes a fleet price. Now he may not make much, but at least a dealer makes something. Even the smaller companies do not break the unwritten rule and go direct. Seems as if their franchise is worth something.

If the builder is so important, why don't the cement companies go direct? Why don't the plumbing com-

panies go direct on tubs, stools, etc.? Does it make sense to you?

The only answer I get over and over is that either our leaders, compared to the leaders of other industries . . .

1. . . don't give a damn about anybody but themselves and their franchises hold no meaning or value.

2. . . have let an evil start, and they know it but are too small to stop it.

In either case, our competition is no longer the automobile industry, etc.; it is our own distributors and manufacturers. And, as the old saying goes, no house divided can long survive.

So, in the future as well as now, if you wonder why you don't see

many nice appliance stores and why you have to look behind furniture, hardware, on some side street, or anywhere cheap to find appliances, the answer is self explanatory: no money in them.

The only ones who can cure these evils are the leaders; the manufacturers first, the distributors second. They are the ones who started it and allow it to continue. If and when they want to change it, they and they alone have the power to do so. It seems like a crime, that an industry that can do so much for the housewife and the American way of life has let itself become so sick.

Robert E. Hemmen
Superior Appliance Co., Inc.
Wichita, Kans.

eth / ics

Ethics. Where have they gone?

Ethics, says the dictionary, is "the science of human duty; moral science."

In today's world, so complicated with gadgetry and machines that we often lose sight of others and of our own best selves, it isn't always easy to keep "human duty" in mind.

As life gets more complicated, men lose their sense of identity, value and purpose. Life, in a sense, becomes "cheap" and "unimportant." And with that, it becomes ever easier to take the easy way, to ignore the principles of right—and our human duty to others.

The one place where human values are kept in proper focus is where you worship. Nowhere is the individual more valued. *And if you care*, the place where you worship can become, with your help, a rallying point for lifting all the deteriorating values you see around you. Worship this week—and put your faith to work all week.

Worship this week



RELIGION IN AMERICAN LIFE

Published as a public service in cooperation with The Advertising Council and Religion in American Life

On the EDP study

Dear Sir:

As one who has been an avid student of EDP for three years (and still not well-versed!), I know how difficult it must have been to do your February 1 computer article so concisely.

Great communications!

Dorothy E. Demmy
Kenyon & Eckhardt Inc.
Chicago, Ill.

On the Detroit market

Dear Sir:

I am writing in regard to the recent "in depth" study of the Detroit Market which appeared in your fine publication (MW, 1 Mar., p.13).

I thought that this was one of the finest market reports that I have read in quite some time. It pointed up some very important problems which exist in this market.

I've always felt that this was an area which MERCHANDISING WEEK could get into with strength. It is something which can be most helpful to all of us in the appliance industry in providing a better perspective on individual market situations. You are to be highly congratulated for this type of reporting.

I also understand that you intend to continue with this type of reporting. It is hoped that you will include market reports of this nature on possibly the top 15-25 markets across the country. I feel that this series would point up the fact that, while some conditions do vary market by market, generally there is not enough difference to be noticeable. As you well know, there are two very strong schools of thought on this subject; that of the distributor and that of the manufacturer. If, through your articles on the top 25 markets, you could show a great similarity, I think it would be extremely helpful to both distributors and the manufacturers.

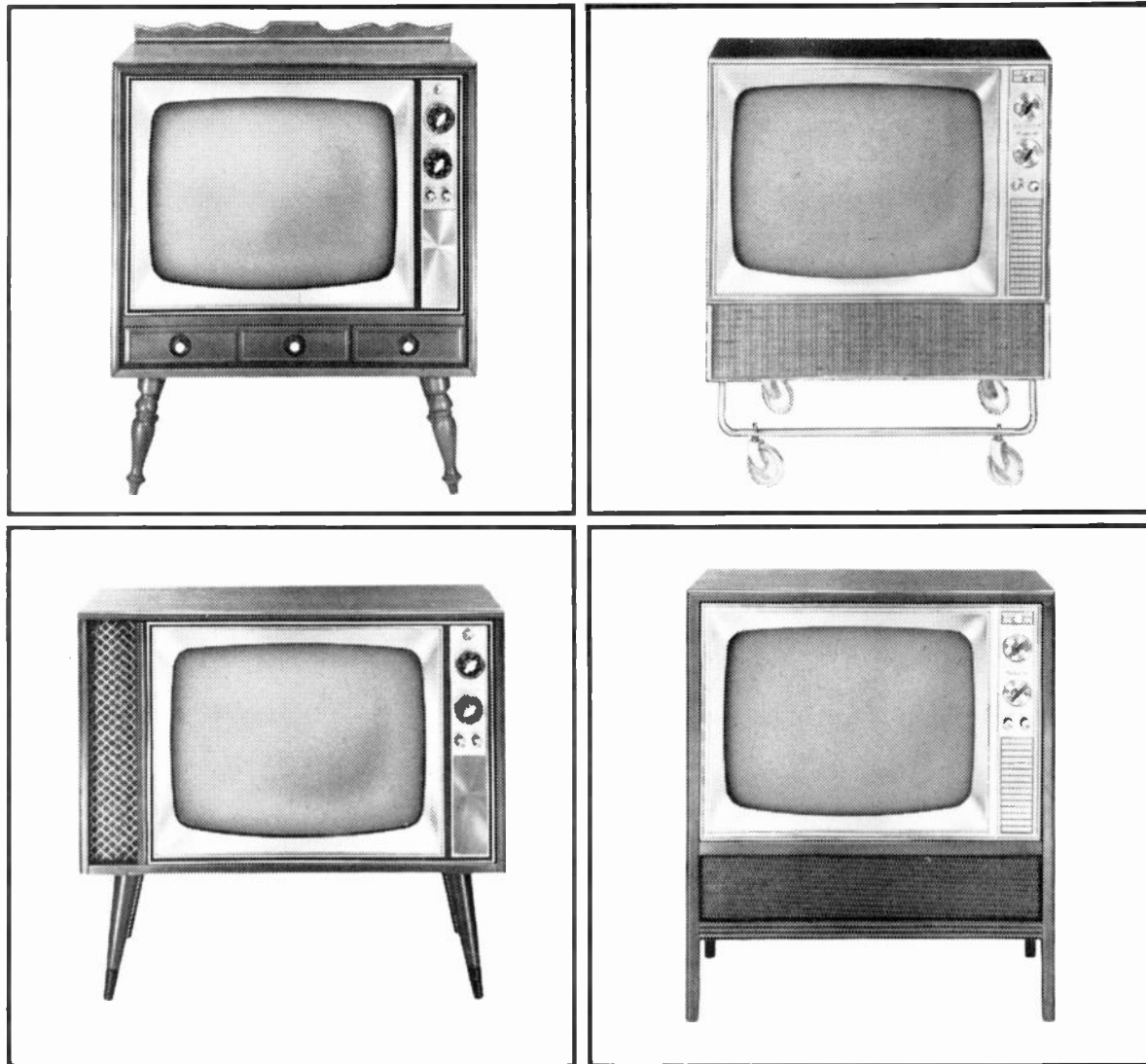
James T. Downey
Vice President Marketing Promotion
Wallace-Blakelee Inc.
Grand Rapids, Mich.

DISTRIBUTOR APPOINTMENTS

Sylvania—W. L. Roberts Inc., Memphis, for 21 counties in Tennessee, 34 in Mississippi, 10 in Arkansas, eight in Kentucky, and two in Missouri. Sylvania's former distributor in this territory was Woodson & Roseman Inc., also of Memphis.

Here now! 1966 Philco TV

The first of the 1966 Philco TVs. Philco 4546 (upper left). Shown in Early American finished to match maple. Also available in Danish Modern finished to match walnut. Philco 4320 with rolling stand (upper right). Special values for spring and summer selling! Black finishes and finishes to match walnut or mahogany. Philco 4540 (lower left). Available in finishes to match walnut or mahogany. Philco 4542 (lower right). Finished to match walnut or mahogany.



New slimmer-than-ever cabinets! New power and sensitivity!

1966 begins this week. Right now you can start selling next year's features—months ahead of the competition.

Philco is giving you these new sets because our comparable 1965 models are all sold out. And if the 1965s moved so fast, the 1966 sets are going to be a sensation!

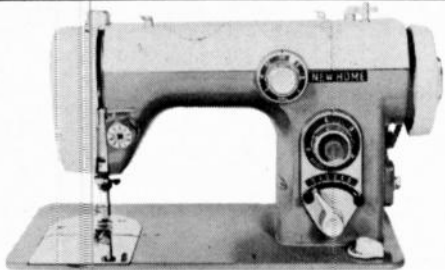
They're miles ahead of their 1965 counterparts. To begin with, there's a new slimmer look. That's because Philco has a new 110° picture tube. And these sets have a new Cool Chassis with 50% greater picture-pulling power and 200% greater sound sensitivity than the 1965 models. Until now, you just couldn't offer this kind of performance in this price range.

You need these profit makers on your sales floor right now. Isn't it time 1966 started in your store?

PHILCO
A SUBSIDIARY OF *Ford Motor Company*

TELEVISION • STEREO PHONOGRAPHS
RADIO • HOME LAUNDRY • RANGES
REFRIGERATORS • AIR CONDITIONERS
FAMOUS FOR QUALITY THE WORLD OVER

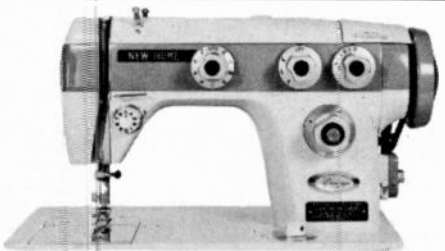
LOOKING FOR EXTRA PROFITS?



MODEL 670 — Deluxe Aluminum Head

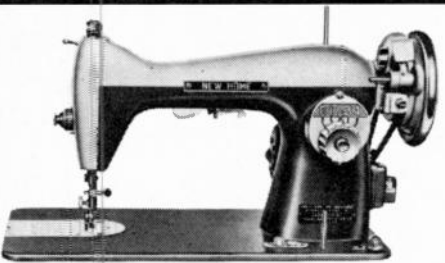
New Home Sewing Machines
Offer You A **PROFIT**
MAKING OPPORTUNITY.

If you need to make extra profits
now... then you will want to
consider selling New Home Sewing
Machines.



MODEL 556 — Automatic Zig-Zag Model

We are looking for a limited number
of appliance dealers that can take
our quality line and convert it into
a profit making proposition. Every
prospect that comes into your store
for your regular line of appliances
is a prospect for a New Home
Sewing Machine.



MODEL 170 — Budget Model

Why not take advantage of these
potential sales by selling New
Home. No experience is necessary
...our simple instructions when
our distributor sets you up will en-
able you to do the job. Write today
for dealership information. Our
authorized distributor for your area
will be in touch with you.

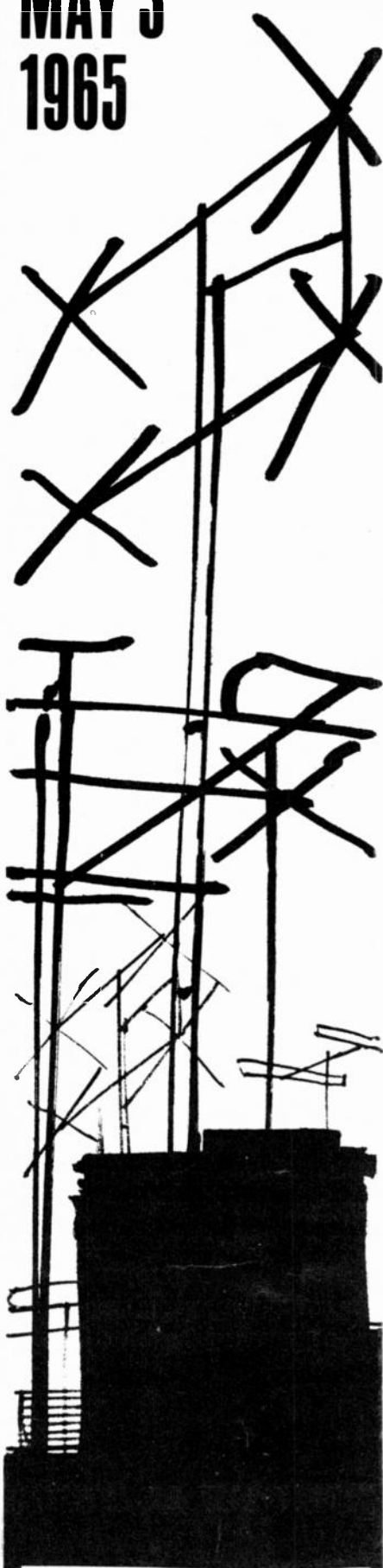


THE
NEW HOME
SEWING MACHINE
COMPANY

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

MERCHANDISING
WEEK

**MAY 3
1965**



**Consumer
Electronics
Marketing**



**Advertising Closes
APRIL 19**

INDUSTRY TRENDS

An up-to-the-minute tabulation of estimated industry shipments of 18 key products.
New figures this week in bold-face type.

	date	1964-5	1963-4	%
FLOOR CARE PRODUCTS				
floor polishers	January	98,152	85,096	+ 15.34
vacuum cleaners	January	377,855	324,728	+ 16.36
HOME LAUNDRY				
dryers, clothes, elec.	January	92,194	93,482	- 1.38
dryers, clothes, gas	January	51,981	49,332	+ 5.37
washers, auto. & semi-auto.	January	263,793	252,378	+ 4.52
wringer & spinner	January	41,971	50,152	- 16.31
OTHER MAJOR APPLIANCES				
air conditioners, room	January	232,200	193,100	+ 20.25
dehumidifiers	January	6,000	6,900	- 13.04
dishwashers, portable	January	26,100	18,900	+ 38.10
dishwashers, under-counter, etc.	January	51,900	45,900	+ 13.07
disposers, food waste	January	87,400	90,700	- 3.64
freezers, chest	January	25,600	30,500	- 16.07
freezers, upright	January	44,500	45,800	- 2.84
ranges, elec., free-standing	January	97,800	89,200	+ 9.64
ranges, elec., built-in	January	53,400	55,200	- 3.26
ranges, gas, total	January	150,300**	156,000	- 3.65
refrigerators	January	344,100	286,700	+ 20.02
water heaters, elec. (storage)	January	76,300	79,400	- 3.90
water heaters, gas (storage)	January	210,000	252,600	- 16.86
CONSUMER ELECTRONICS				
phonos, mfrs. ship., port.-table	December	435,751	330,190	+ 31.97
	12 Months	3,455,084	3,474,216	- .55
distributor sales	December	684,234	583,077	+ 17.35
	12 Months	3,417,614	3,405,420	+ .36
phonos, mfrs. ship., console	December	186,681	176,780	+ 5.60
	12 Months	1,703,970	1,667,883	+ 2.16
distributor sales	December	251,339	261,174	- 3.77
	12 Months	1,738,675	1,623,809	+ 7.07
radio production (ex. auto)	March 12	253,457	168,782	+ 50.17
	10 Weeks	2,447,513	1,808,004	+ 35.37
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	March 12	167,595	157,587	+ 6.35
	10 Weeks	1,617,987	1,624,686	- .41
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	*	*

**January total includes 105,000 conventional free-standing ranges, 12,000 high oven models, 20,000 built-ins, and 13,300 set-ins. Sources: NEMA, AHLMA, VCMA, GAMA, EIA. *Not available.

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in Merchandising Week!

MERCHANDISING WEEK

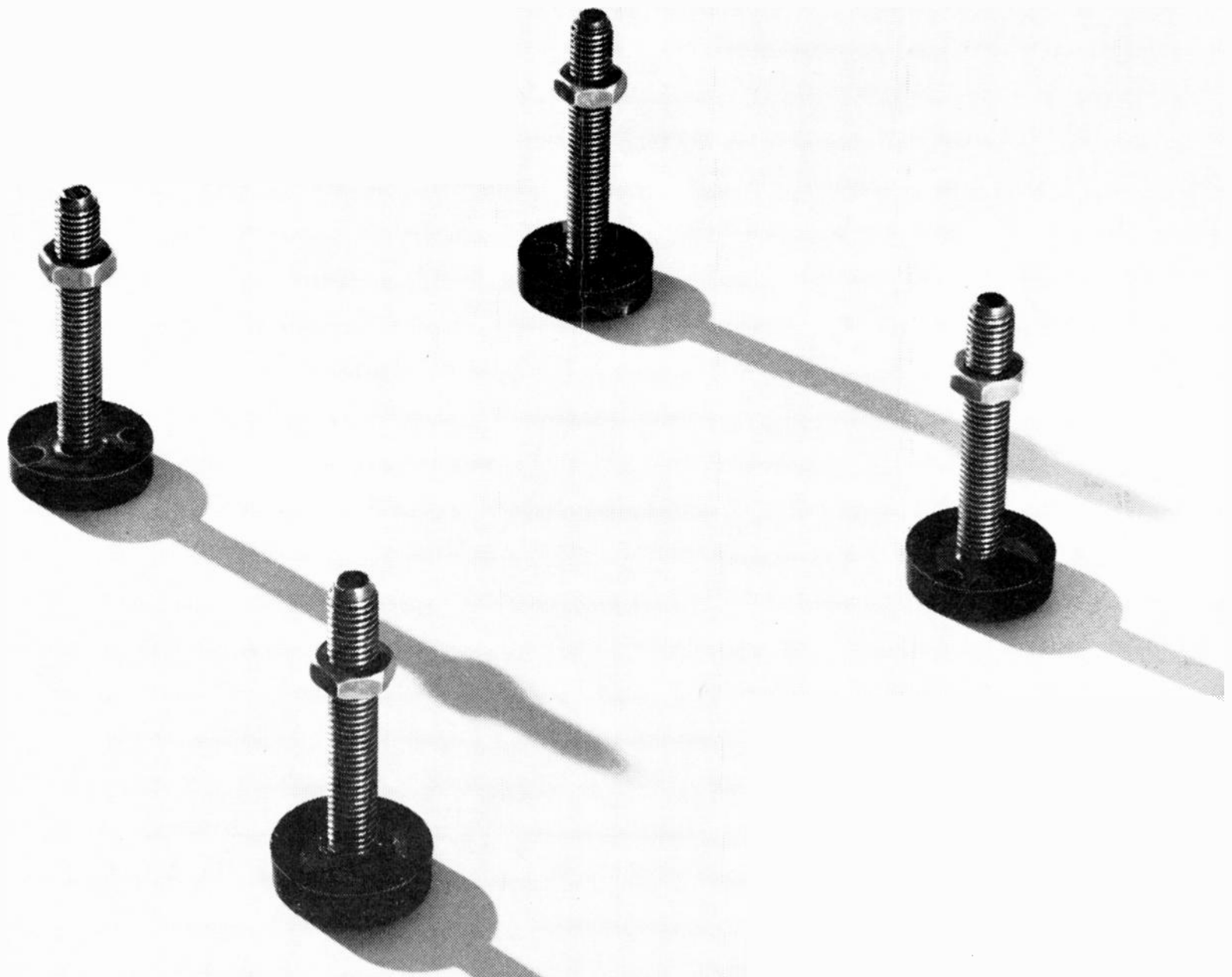


You're enthused about your product, program or promotion...but that's hardly enough. Not *nearly* enough. Spread that enthusiasm! Not thinly, in here-a-dab, there-a-dab fashion...but contagiously in the *one* penetrating publication: Merchandising Week. Action-arousing editorial. Targeted retail coverage, beautifully balanced to blanket the market without waste. Enthuse where? In *Merchandising Week!*

MERCHANDISING WEEK

The Interpretive News Weekly

WHAT MAKES MAYTAG DEPENDABLE

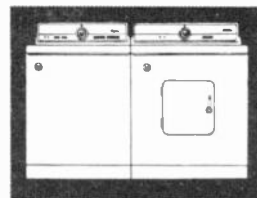


Our legs keep us in good standing

Every Maytag stands on its own 4 legs. Legs that are extra thick. Zinc-coated legs that won't rust or corrode. Legs you can adjust, then lock with a washer to keep 'em put. Legs with rubber feet that grip hard so the Maytag can't creep.

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

MAYTAG



the dependable automatics