



### ON THE INSIDE

☐ ☐ ☐ A puzzle for retailers, one that is receiving closer and closer scrutiny, is the typical woman consumer, the key to appliance sales. Do you understand the whys and wherefores of her buying? For results of the latest research, see......p.11 Car tape recorder market.....p.7 Fall housewares pricing.....p.25

### AT PRESSTIME

□□□ RCA color at \$349.95: the next salvo RCA is expected to fire in the color tv battle will be a \$349.95 price leader in the new line the company introduces next week in Las Vegas.

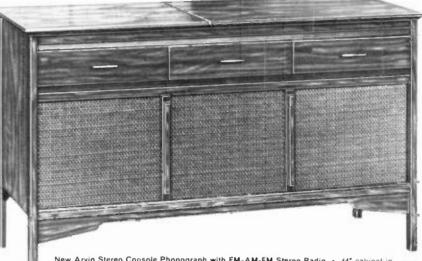
If RCA makes the move, it will be the second time in two years the company has dramatically lowered floor prices on color tv receivers. Little less than a year ago, RCA created a new floor price for color sets with a \$399.95 leader table model.

Clearly, color has entered a new and more competitive phase. After 10 years of pioneering in color tv, RCA has decided that it will no longer hold a protective umbrella over the industry. This was the thinking behind the tube allocation plan with which RCA hit the industry last week.

RCA is simply not going to supply rival manufacturers with color tv tubes, if such operations cut into its own share of market. RCA undoubtedly will cut tube supplies more sharply to those set manufacturers who have their own tube sources, such as Zenith and Motorola. RCA put it bluntly: "There are other sources to which manufacturers now can and should look to meet their color tube requirements."

"Dealers couldn't understand why continued on p.3

# helps you get a bigger share of STEREO'S D **UNDER \$200** R 1/1/2/2/7



New Arvin Stereo Console Phonograph with FM-AM-FM Stereo Radio • 44" cabinet in Genuine Walnut Veneer • Automatic FM/Stereo radio operation • 6 dynamic high fidelity stereo speakers • Diamond needle in ceramic cartridge. Arvin Model 76P88, suga, retail stereo speakers • Diamond needle in ceramic cartridge. Arvin Model 76P88, sugg. retail

You're on top in the big volume "under \$200" stereo market with Arvin. Three new 1965 Arvin consoles give you a big edge over competition. Each is a quality instrument that sets a new standard of value in its price class. The distinctively designed solid wood cabinets, finished in genuine walnut veneer incorporate stereo phonograph plus FM/AM/FM Stereo Radio. Quality components are matched for brilliant high fidelity stereo. Plus-features make it easier than ever to "step up" your prospects.

Contact your nearest Arvin distributor now . . . ask to see and hear the complete Arvin stereo console line including Solid State models . . . the same consoles your customers see nationally advertised in Life, Time, Newsweek and Sports Illustrated.



Arvin Stereo Console Phonograph. Solid Wood 40" Cabinet in Genuine Walnut Veneer, AM radio4-speakersystem, Model 76P48 sugg. retail \$139.95



Arvin DELUXE SOLID STATE

FULL FEATURE CLOCK RADIO

lic State silicon rectifier, 6 transistors and diode. SOLID STATE circuitry means cocler operation, longer life, trou-ble free performance. Clock features include "Repeat A Call" alarm, "Slumber Switch" and night light. 4" Velver Voice speaker, built in antenna, lighted slide rule dial.

Velvet

Sugg. retail \$39.95

Elegant Walnut Wood Grain Cabinet
 Time Controlled 1100 Watt Appliance Outlet

Arvin Model 55R58, Walnut Wood-Grain Finish

sole Phonograph. Solid Wood 44" Cabinet in Genuine Walnut Veneer. FM-AM radio • 4 speakers. Model 76P68, sugg. retail \$169.95



Arvin Stereo Con-



Arvin 16" ALL-CHANNEL PORTABLE TELEVISION WITH "ROLL-ABOUT" STAND All channel UHF-VHF, channels 2 through 83
 16" aluminized picture tube • 25 lbs. light
 Arvin "memory" VHF fine tuning for one-time

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• Telescoping FM Whip Antenna Smooth Indirect Slide Rule Tuning

Arvin MIGHTY MITE 9 TRANSISTOR

Dynamic Velvet Voice speaker, reliable copper-photo circuitry, earphone jack. Attractive high impact plastic case. Complete with batteries, earphone and carrying case. Arvin Model 65R69, Black. Song. retail \$26.95 9 TRANSISTOR FM AM "PERSONAL" PORTABLE Arvin Model 65R79, Black. Sugg. retail \$29.95

FM/AM PORTABLE



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### FOUR-SPEED AUTOMATIC PHONOGRAPH WITH FIVE-TUBE RADIO IN **NEW SLIM LINE CABINET**

· Complete amplifier shuts off after last record · 45 RPM spindle included.

This compactly styled combination features the performance of much higher priced sets. Auto-matic VM 4-speed changer. 9" turntable with rubber mat. Dual sapphire needles. 5" front-facing speaker. "Copper-photo" radio circuit. 7" high, 16" wide, 17" deep.

Model 73P16, Mint Green & Ivory Sugg. retail \$59.95



Arvin AUTOMATIC CLOCK RADIO Automatic Wake-to-Music Control
 Separate Volume Control

The lifting strains of full bodied music from this compact beauty wake you gently, automatically. Built-in loop an-tenna assures clear, steady reception. Big, easy-to-read clock face lets you tell fime at a glance. Attractively designed, chip-resistant plastic cabinet looks smart in any setting. Low temperature tubes for longer set life. Powerful 31/2" speaker.

Arvin Model 55R07, Off White. Sale priced to retail at \$15.88

### **PRESSTIME** continued from p.1

they couldn't get RCA 25-inch color," said one company official, "when they could get competitive brands using RCA tubes."

In the midst of this battle, sales of color sets are soaring beyond expectations. RCA already has jacked up its sales estimates for 1965 to 2,325,000 units. But the question remains: Will there be enough tubes?

□□□ **Admiral and the RCA color tube allocation:** Ross Siragusa, Admiral board chairman, assured shareholders last week that his company will produce twice as many color sets this year as it did in 1964, despite the RCA cutback in 21-inch color tubes. But he also said that without the RCA cutback, Admiral might have sold 15% more color sets this year. Admiral plans to start producing its own 25-inch color tubes this fall, 19-inch tubes in late 1966.

 $\Box$   $\Box$   $\Box$  Still more color from CBS, ABC: CBS, color tv's original reluctant dragon, waded more deeply into the battle last week with an expanded fall color programming schedule. The network stirred up the industry a little over a month ago by announcing its first regularly scheduled color shows. Now CBS has decided to go even further. The happy prospects: nine regularly scheduled evening series, representing 28% of the total nighttime schedule, will be broadcast in color next fall. This means CBS will have at least one color show on the air every night of the week except Saturday. In addition, CBS will colorcast a considerable number of one-shot specials, including CBS News documentaries.

In the fall of 1966, CBS will go whole hog, colorcasting its entire nighttime programming, as well as sports events.

ABC, too, boosted its fall color schedule to 7½ hours a week. It added two Saturday shows (*The King Family, Hollywood Palace*); will colorcast on Sundays from 7:30 p.m. to 11 p.m., and plans to do at least five episodes of its Wednesday *Ozzie and Harriet* series in color.

NBC, with 97% of its prime time in color, will add the majority of its Sunday American Football League games to the color parade.

Dominion's replacement program is being changed—away from over-the-retail-counter to backto-factory control. The new program takes effect June 1. Customers will mail products to the Mansfield, Ohio, factory for replacement. Currently, retailers can make immediate replacements.

 $\Box$   $\Box$   $\Box$  **Universal-Landers repair service ends** May 30, and authorized service dealers are awaiting word from GE on how it plans to handle servicing of Universal products. GE, meanwhile, ran into a snag last week with the union at the Landers' New Britain, Conn. plant. The purchase of Universal by GE is dependent upon working out satisfactory union pacts; an event-ual agreement is expected.

## Korvette joins private-label party, votes for majors

E.J. Korvette tossed its hat into the private label ring last week and today the appliance industry is asking which way the company will run its sales campaign.

A private-label line of majors dubbed Leonard-Korvair—will be sold by the ever-growing discount giant. The line will be manufactured for Korvette by the Kelvinator Div. of American Motors. Leonard is Kelvinator's second brand and is reputed to be sold in less than 1,000 stores. (It is well-known in the industry that the Leonard line has been declining, and that the number of dealers handling the brand has been dropping.)

The number of models in each product category of the new private label entry has not yet been finally determined, but, according to Kelvinator, the line will be shorter than either the current Kelvinator or Leonard lines. In addition, final details on the physical appearance of the line have not been completed.

First glimpse of the new line will probably come when it reaches Korvette sales floors in June or July, with the introduction of the 1965 laundry equipment. Other Leonard-Korvair products—refrigerators, freezers, ranges, and air conditioners—will probably follow in the fall.

Korvette has long considered private-label merchandising. In December, 1963, Jack Schwadron, now pres-

ident of Korvette and at that time vice president and general merchandising manager, told MERCHANDISING WEEK, "If we do put in private label majors, we'll put them in side-byside with branded white goods." And last year Korvette and Franklin Manufacturing were in contact with each other on the possibility of a private-label line, but industry sources say that Korvette turned Franklin down (MW, 14 Sep. 64, p.7).

Korvette's reasons and plans for the move have not sprung forth overnight as a result of Frigidaire's move to fair-trade its products in the New York City metropolitan area market. Frigidaire's move indicates that the manufacturer seems to have finally heeded the pleas of its other dealers in the area, and decided that it could afford to lose Korvette's business.

While Korvette may have been upset to see its number one line go on fair-trade in the calloused, but highly lucrative, New York market, the company still had other problems and thoughts about its future in other markets around the country—particularly, Detroit and Chicago. In these areas, Korvette has been trying to carve out a piece of the appliance sales pie for some time now. And according to Jules Steinberg, executive vice president of the National Appliance Radio-TV Dealers Assn. (NARDA), Korvette has not made a dent in the Detroit, Chicago, or any other market. "NARDA has not gotten any indications that Korvette has bothered any of our dealers," Steinberg told MERCHANDISING WEEK. And in MERCHANDISING WEEK's comprehensive Detroit market story (MW, 1 Mar., p.13), dealers and distributors laid it on the line, concluding that Korvette was not making any headway in that market. As one distributor said, "You've got to remember that Korvette is a brandnew name to consumers in the Midwest."

**Two big industry questions** have not been answered, however. What type of line will Korvette have? How will it be promoted? There are two possible answers:

Korvette could use the lowball approach with the line; the new merchandise could be ticketed very promotionally to compete with other private-label strong-boys, particularly Sears. Using this tactic, Korvette could wedge into the Detroit, Chicago, St. Louis, or Washington markets, in addition to New York. This would be in keeping with the discount store image on which E.J. Korvette has built its reputation.

The company could reverse its field by introducing a prestige line with high styling. This possibility is more intriguing, and insiders feel that this is what Korvette will do; and there are factors that indicate this is the route Korvette will follow. **One factor:** Kelvinator has been trying to reverse the low-price syndrome in the industry by putting emphasis on the upgrading of appliances. The company's striking Orginals line is proof positive of this latest attempt.

A second factor: discount stores have lately been trying to upgrade their images, while increasing their profits. This is being done by upgrading merchandise, and by opening more attractive stores that serve more and more as the complete department store.

Is Korvette "image-building?" There is a strong possibility that this is the case, and that Korvette will attempt to sell a quality line of its own, while still selling brand names products that can be price-footballed. As one industry spokesman said, "Korvette is not about to become a Sears overnight."

Furthermore, it is understood that Kelvinator does not want to sacrifice its dealer structure for the sake of its private-label business. Kelvinator also does not want to build a line for anyone that wants to do battle with Sears.

As E.B. Barnes, vice president of sales at Kelvinator, said, "The Leonard-Korvair program is designed as a profit opportunity for both companies and not as a weapon in fighting a price battle."

# Private meat markets for your customers from Westinghouse



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# RCA Solid Copper Circuits



# replace old-fashioned "hand wiring.". for fewer service headaches.

RCA Solid Copper Circuits give greater dependability... better TV performance... fewer service headaches. Remember and sell these Space Age advantages and both you and your customers will profit.



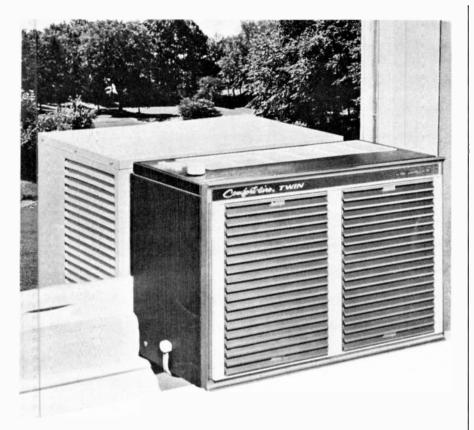


The Most Trusted Name in Electronics

Tmk(s)#

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





# sell the NEW concept for living comfort . . .



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.



# WASHINGTON

□□□□ Fast action is expected on excise tax cuts. Both the Administration and Congress are ready to act on the reductions, which would become effective on July 1. Next Monday (May 17), the Administration's proposal for cuts totaling \$1.75 billion will go to Congress; the House Ways & Means Committee is set to begin hearings on the bill, and could get it to the House floor for a vote in a week.

□□□□ **The bill will be tightly managed** by Ways & Means Chairman Wilbur D. Mills (D.-Ark.) and by the Treasury Department as it progresses through Congress. Together, they hope to keep Congress from caving in under intense industry pressure to increase the size of the cuts. The final bill is still expected to be on the order of \$1 billion larger than the recommendation of President Johnson.

□□□□ Appliance retailers seem to have won their point—that they should get a tax refund on floor stocks on hand when the cuts go into effect. But the feeling in the Treasury Department and in the Ways & Means Committee is against any consumer refund plan. Officials argue that bookkeeping would just be too complex to make it worthwhile; retailers, on the other hand, argue that air conditioner sales may be hard hit during the peak selling season, between mid-May and July 1, without consumer refunds. But it now looks as if retailers will have to rely on the basic Administration strategy of getting the cuts enacted so quickly that consumer sales will not be much affected in the interim.

□□□□A scheme that might have stalled action on the cuts has been squelched by Chairman Mills. The Treasury Department hatched the idea of coupling unpopular user charges on transportation—barge lines, airlines, and truckers—together with the excise reductions, in hopes that the user charges would then win easier acceptance. But Chairman Mills has quietly told Treasury that the excises and user charges will have to be in separate bills.

 $\Box$   $\Box$   $\Box$  **Sears is negotiating** to supply the welfare programs to the District of Columbia government. D. C. procurement officer Bexford G. Wessels is in negotiations with Sears over a deal that would represent catalog purchases of some \$3 million in merchandise a year. Wessels solicited bids from catalog sales firms and department stores; Sears topped all bids by offering items at catalog prices, minus 25%, with free delivery.

The D. C. purchases are for welfare programs, and will include small purchases of housewares and clothing for welfare patients. Department heads will order from the catalog.

 $\Box$   $\Box$   $\Box$   $\Box$  A guide for interior store display is available at field offices of the Small Business Administration. Entitled *Interior Display: A Way to Increase Sales*, it is No. 111 in the agency's series of aids for small marketers. The book includes the compilation of a survey made by the National Retail Merchants Assn. and offers advice as to colors and arrangements of consumer goods displays.

# **APPLIANCE-TV**

### Car tape players sales climb: should you ascend with them?

The sound made by automobile tape players on the market a year ago was barely audible, but that was last year. Since then, consumer demand has increased and several manufacturers have stepped in to meet this demand.

This is definitely an opportunity for retailers: a new product, an expanding market, and profit margins between 24% and 50%.

And if you have a service department, it is a definite advantage. Tape players for automobiles do need service. Installation, if the unit is stereo, takes time and know-how. Monaural units are quick to install; manufacturers claim they are almost a do-it-yourself job.

**Consumer demand is great** enough that Ford Motor Co. has asked Motorola to manufacture a tape player that can be offered as an extra in the 1966 models. General Motors and American Motors have both made moves in this direction. This delights the other manufacturers of automobile tape players because they are well aware of the fruits of an after market.

Here are the major manufacturers that are satisfying this market demand today:

Lear Jet Corp. is making an 8track cartridge and an automobile tape player that can handle it.

Most of the industry feels that an 8-track unit has too many technical problems, but Lear is sure it is doing the right thing. James Gall, director of marketing for Lear's Stereo division says, "Four-track cartridges are outmoded!"

Lear presently manufactures between 3,000 and 5,000 automobile tape players a day. Consumer cost of its unit is \$150; installed, it comes to \$179.95. Normal retail margin is 35%-40%. Distributor markup is better, but Lear did not disclose how much better.

**Craig-Panorama** sees the market this way: "Right now there are 55 million automobiles in this country that do not have tape players," says Robert Craig, board chairman.

For Craig-Panorama the business is three years old. "We anticipated a \$1 million dollar a year business in the West through a captive distributor group associated with the company. Now the outlook is that we will triple our sales this year as we are operating on a national basis," projected Jerry Golden, national sales manager for C-P.

Presently, C-P has two units: Craig Car Stereo model C501, with a suggested retail of \$99.50. Model C502, not available until June 1, will have a suggested retail of \$119. Installation of both is \$15 maximum, and installation time is 15 minutes, according to the manufacturer. Retailers can make a 33% margin when they buy through a wholesaler.

**Telo-Pro Industries,** Division of Defiance Industries, has been in the business since January, 1965. It is known mainly as the prime manufacturer of Fidelapak, a continuous tape cartridge. Its tape player is a monaural unit with a suggested retail price of \$69.95. Future plans include stereo unit. Retail margin on the present unit is 25%; distributor, 40%.

Metra-Electronics makes two stereo tape players, model MTP-C, which lists at \$169.95, and MTP-5, at \$149.95. Metra-Electronics is also designing a home tape set that can handle the same cartridge as the automobile unit. "Some of our retailers make as much as 50% profit," says Bill Kohler, sales manager of Metra-Electronics. This company has 40 distributors.

North American Philips, (Norelco) has chimed in with an adapted unit. Norelco's model 150, a battery-operated portable unit, fits into a specially designed dash-rack. The 150 uses the car battery for power and plays through the radio speaker. Retail suggested price of this unit is \$149.50. Norelco says sales of this unit climbed 35% from 1963 to 1964.

Muntz Auto-Stereo, the granddaddy in this market, introduced car tape players in 1962, and of the reported 100,000 in use today, Muntz lays claim to 60%.

The Muntz Auto-Stereo unit has recently dropped in price to \$69.95, perhaps the start of a price war.

**Other manufacturers** with automobile tape players are: Auto-Train Co., Bel Air, Calif.; Automatic Radio Co., Boston, Mass.; Orrtronics, Opelika, Ala.; Viking of Minneapolis, Minn. Trans-World and Martel Electronics are importers of Japanese units.

What is in it for the retailer? Here are two retailers' experiences: A.I.D., a strictly automotive products retailer in the New York City area, started selling Tele-Pro tape players only three weeks ago. Murray Kline, sales director, reported that sales began slowly, but he expects them to grow. A.I.D. charges \$10 for installation in any car.

Kline added one important point: "Cartridges might be one of the major problems in marketing this product. You never have the right one for a customer. And if he buys a unit from you he has to come back to you, and you only, for his cartridges." For this reason, Kline feels that car record players will outpace the tape player market.

Michigan Mobile Radio in Detroit is a converted car wash, operated by Jack Frankfort. He installs between 50 and 75 tape players a month. Markup for him is 35%-50%, "depending upon how you split the labor," he says. Frankfort considers the most important thing in selling tape players is having a decent library of pre-recorded tapes. It takes his men, two men to a car,  $1\frac{1}{2}$  hours to install one stereo tape player. Monaural systems take 20 minutes.

A final word to retailers from manufacturer Robert Craig of Craig-Panorama: "Any retailer familiar with consumer electronics products can handle automobile tape players. But he must seek quality. Repairs are high; this makes service important. Manufacturers will have to, and undoubtedly will, strive for quality control and uniformity of product, particularly in the acceptability of a common cartridge by both auto and home units."  $\Box$   $\Box$   $\Box$  **Fedders white goods will be fair-traded** in New York City and in New Jersey by L&P Distributors of New Jersey Inc., of Palisades Park, N.J. Robert Lidsky, vice president of L&P said that, "to make a break into the saturated New York white goods market and survive, we need the support of the independent retailer." To that end, the retailer's profit percentage for all products ranges from 17% to 22.8% under minimum resale price. L&P also is offering retailers retroactive rebates of 1% to 4%, based on total net purchases. In addition, L&P offers retailers trip incentives based on net purchases. Retailers also have a choice of free floor planning or cash discounts. Service for the first year is included in the dealer and fair-trade price.

Last week in New York City, L&P showed Fedders' 15-lb. washer and dryer lines. The four-model washer line kicks off with one-speed model WD156, at \$189.88. Top of the line model is WI156, a two-speed machine with a fair-trade price of \$259.88.

There are four electric and four gas models in the dryer line. Low-priced electric dryer, DD156E, with three drying temperatures, sells for \$139.88. At the top of the line is model DI156E, which sells for \$179.88.

The gas units start with 5-cycle dryer model DD156G, which sells for \$169.88. At the top of the line, model DI156 sells for \$209.88. Both washers and dryers are available in coppertone at an additional cost of \$4 to dealers.

At a recent meeting of the board of directors, Salvatore Giordano Jr. was elected vice president of marketing. Fedders also announced the appointment of Ed Hart as its director of sales.

 $\square$   $\square$   $\square$  **Motorola tv sets are being featured** this season at the House of Good Taste, one of the exhibits at the New York World's Fair.

□□□ ■ May Company has expansion plans: the giant retailer expects to build and open enough new department stores to have a total of 85 to 90 stores in operation by 1970, compared with its present 59 stores, says company president Morton D. May. Last week, May Co. acquired control of the Meier and Frank Co., a leading department store in Portland, Ore.

□ □ □ □ Hamilton's Extra Bonus spring promotion offers customers a free 12-piece Teflon-coated cookware set with the purchase of a Hamilton washer and dryer. The aluminum cookware set regularly carries a suggested retail price of \$19.95.

□□□□ Fair-trade prices on brown goods, the first in northern California, have been announced by W.J. Lancaster Co., San Francisco Motorola distributor. Starting June 1, all Motorola products distributed by Lancaster, except such selective items as radios and portable stereos, will be subject to a fair-trade retail price and a fair-trade allowance under the California Fair Trade Act.

 $\Box$   $\Box$   $\Box$  Hotpoint is enlarging and modernizing its Chicago storage and shipping facilities. The improvements will include the addition of a new 117,000 sq.ft. warehouse and installation of an electronically controlled conveyor system.

### Through NEMA's crystal ball: a rosy future for majors

The subject is sales, and they are coming up roses.

According to a five-year forecast prepared by the National Electrical Manufacturers Assn. (NEMA), manufacturer shipments of electrical major appliances will gain in seven out of eight categories; dishwashers and disposers are expected to gain 30.44% and 27.54%, respectively.

In fact, NEMA estimates that in 1969, shipments of all major appliances will total a whopping 16,603,-000 units, or a 14.95% increase over the 14,444,000 total projected for 1965.

Some of the predictions (see table at right) appear to be on the conservative side. For example, NEMA says shipments of room air conditioners will not vault the three million mark until 1967. But if 1965 sales continue strong, shipments could top that magic mark this year.

This forecast was a NEMA statistical committee project; the committee will compile five-year forecasts every six months. This new effort at crystal-balling replaces the 10-year table dropped by NEMA about two years ago. Two-year forecasts will be issued quarterly.

1965	1966	1967	1968	1969	% change 1965-1969
4,695,000	4,782,000	4,888,000	5,013,000	5,138,000	+ 9.44
1,134,000	1,155,000	1,180,000	1,207,000	1,230,000	+ 8.47
434,000	435,000	440,000	447,000	450,000	+ 3.69
700,000	720,000	740,000	760,000	780,000	+11.43
2,030,000	2,092,000	2,176,000	2,260,000	2,400,000	+18.23
1,190,000	1,227.000	1,276,000	1,330,000	1,400,000	+17.65
840,000	865,000	900,000	930,000	1,000,000	+19.05
1,017,000	1.035,000	1,058,000	1,081,000	1,103,000	+ 8.46
1,140,000	1,225,000	1,315,000	1,380,000	1,487,000	+30.44
365,000	390,000	415,000	430,000	452,000	+23.84
775,000	835,000	900,000	950,000	1,035,000	+33.55
1,380,000	1,500,000	1,595,000	1,700,000	1,760,000	+27.54
198,000	181,000	178,000	186,000	185,000	- 6.57
2,850,000	2,975,000	3,100,000	3,200,000	3,300,000	+15.79
	4,695,000 1,134,000 434,000 700,000 2,030,000 1,190,000 840,000 1,017,000 1,140,000 365,000 775,000 1,380,000 198,000	4,695,000       4,782,000         1,134,000       1,155,000         434,000       435,000         700,000       720,000         2,030,000       2,092,000         1,190,000       1,227,000         840,000       865,000         1,017,000       1,225,000         365,000       390,000         775,000       835,000         1,380,000       1,500,000         198,000       181,000	4,695,000         4,782,000         4,888,000           1,134,000         1,155,000         1,180,000           434,000         435,000         440,000           700,000         720,000         740,000           2,030,000         2,092,000         2,176,000           1,190,000         1,227,000         1,276,000           1,017,000         1.035,000         1,058,000           1,140,000         1,225,000         1,315,000           365,000         390,000         415,000           775,000         835,000         900,000           1,380,000         1,500,000         1,595,000           198,000         181,000         178,000	4,695,000         4,782,000         4,888,000         5,013,000           1,134,000         1,155,000         1,180,000         1,207,000           434,000         435,000         440,000         447,000           700,000         720,000         740,000         760,000           2,030,000         2,092,000         2,176,000         2,260,000           1,190,000         1,227,000         1,276,000         1,330,000           840,000         865,000         900,000         930,000           1,017,000         1.035,000         1,058,000         1,081,000           1,140,000         1,225,000         1,315,000         1,380,000           365,000         390,000         415,000         430,000           1,380,000         1,500,000         1,595,000         1,700,000           198,000         181,000         178,000         186,000	4,695,000         4,782,000         4,888,000         5,013,000         5,138,000           1,134,000         1,155,000         1,180,000         1,207,000         1,230,000           434,000         435,000         440,000         447,000         450,000           700,000         720,000         740,000         760,000         780,000           2,030,000         2,092,000         2,176,000         2,260,000         2,400,000           1,190,000         1,227,000         1,276,000         1,330,000         1,400,000           1,017,000         1.035,000         1,058,000         1,081,000         1,103,000           1,140,000         1,225,000         1,315,000         1,380,000         452,000           1,140,000         1,225,000         1,315,000         1,380,000         1,487,000           365,000         390,000         415,000         430,000         452,000           1,380,000         1,500,000         1,595,000         1,700,000         1,760,000           198,000         181,000         178,000         186,000         185,000

Source: National Electrical Manufacturers Association

### Home electronics from the Far East: first quarter report

Television receivers and transceivers led the export parade from Japan in the first quarter of 1965, reports McGraw-Hill World News from Tokyo. The report also shows the transistor radios — the long-time mainstay of Japan's exports to the U.S.-were up a healthy 15.65% in the first quarter of 1965, as compared to the first three months of 1964.

Tv set exports zoomed to 206,249 units for the three-month periodup 77.46% over a year ago. During this period, the U.S. grabbed off 72.4% of Japan's total tv exports to

Japanese exports to the U.S.

date

March 3 Months

3 Months

3 Months

3 Months

March

March

March

3 Months

March

March

March

March

Transistor radios\*\*

Toy tr. radios

**Tube radios** 

Total tr. radios\*\*\*

Total tube radios

Television

Radio-phonos

Tape recorders

Transceivers

Chassis/kit. tr. rad. March

Chassis/kit tube rad. March

UNITS

1964

36,918

91,409

614.201

918 59

13,450

20,227

35.025

225,154 + 18.88

45,205 + 34.14 116,221 + 77.46

276,467 — 14.63 629,321 — 10.15

1,705,641

% chge

+ 60.52 + 45.42

+ 48.23

+ 15.65

21 98

+ 16.87 + 87.07

+ 279.96 + 290.98

1965

659.419

182,245

188,955

59,262

132,930

910.454

100,103

229,725

14.334

37,935

114 437

267,660

60,638

15,719

37,838

236,028

565,475

133,081

330,189

206,249

1,972,491

1.628.834

the world. March figures show ty set exports totaling 60,638-up 34.14% over March, 1964.

In additon, the average price of the tv receivers keeps creeping up. The average price for the first quarter was \$53.89, compared to \$52.94 a year ago; the March price this year was \$58.13, compared to \$53.14 for the same month in 1964.

Transceivers continued strong, as the Japanese chalked up a 290.98% increase in the first quarter exports. The total through March, 1965, stands at 330,189 units as compared to 84,452 in 1964.

DOLLARS

1964

61,097

138,994

12,999,701

054 211

2,119,166 + 15.42

2,401,991 + 46.76

6,153,287 + 80.64

288,140 + 42.49

538,411 + 102.39

3,151,665 - .98

7,332,335 + 2.86

1,176,551 + 197.04

480,866 + 205.36

4,768,674 + 8.61

% chge

+ 30.61

1 20 E/

1.91

1965

4.928.186

12,194,955

32,650

63,758

79.800

180,367

5,179,030

925,394

175,297

420,774

1 200 691

2,445,964

3.525.186

11,115,529

410,583

1,089,698

3,120,671

7,541,966

1,468,375

3,494,818

2,025,190

12,751,757

Transistor radios also gained, racking up a 48.23% increase in March (910,454 units). This helped swell the three-month total for this category to 1,972,491 units. The average three-month price for transistor radios dropped to \$6.46, compared to \$7.62 last year.

In the transistor radio race, Japan's neighbors and main rivals in the transistor radio all gained. U.S. imports from Hong Kong in the first quarter were up 187.64%; imports from Okinawa were up 50.12%, while imports from Taiwan ran up a 100.72% gain.

Average prices kept sliding, as usual. The price of Hong Kong radios in March slipped below \$3-to \$2.97, and the three-month price fell to \$3.10, compared to \$3.69 a year ago. In Okinawa, the average price for the three-month period was \$3.33, 44 cents less than a year ago. And Taiwan radios averaged a low, low price of \$2.48, in March, compared to \$2.97 in March, 1964. In a business where pennies really count, the average first-quarter price for a Taiwan radio fell to \$2.52, a drop of 52 cents from the average first quarter price in 1964.

U.S. imports from Japan	1.00
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March	675,280	635,173	+ 6.31	4,640,875	4,410,490	+ 5.22
3 Months	1,763,130	1,674,099	+ 5.32	12,559,222	11,846,299	+ 6.02
March	121,916	77,123	+ 58.08	958,914	632,305	+ 51.65
3 Months	334,834	241,481	+ 38.66	2,809,736	1,994,267	+ 40.89
March	12,638	2,042	+518.90	321,000	53,146	+ 504.00
3 Months	23,176	12,167	+ 90.48	751,964	288,261	+160.86
March	81,974	31,125	+ 163.37	4,212,526	1.521.896	+ 176.79
3 Months	218,060	103,511	+110.66	11,547,914	5,050,851	+128.63
March	235,754	219,998	+ 7.16	3,496,975	2,949,155	+ 18.58
3 Months	593,166	602,803	- 1.60	9,231,960	7,670,763	+ 20.35
	3 Months March 3 Months March 3 Months March 3 Months	3 Months         1,763,130           March         121,916           3 Months         334,834           March         12,638           3 Months         23,176           March         81,974           3 Months         218,060           March         235,754	3 Months         1,763,130         1,674,099           March         121,916         77,123           3 Months         334,834         241,481           March         12,638         2,042           3 Months         23,176         12,167           March         81,974         31,125           3 Months         218,060         103,511           March         235,754         219,998	3 Months         1,763,130         1,674,099         +         5.32           March         121,916         77,123         +         58.08           3 Months         334,834         241,481         +         38.66           March         12,638         2,042         +         518.90           3 Months         23,176         12,167         +         90.48           March         81,974         31,125         +         163.37           3 Months         218,060         103,511         +         110.66           March         235,754         219,998         +         7.16	3 Months         1,763,130         1,674,099         +         5.32         12,559,222           March         121,916         77,123         +         58.08         958,914           3 Months         334,834         241,481         +         38.66         2,809,736           March         12,638         2,042         +         518.90         321,000           3 Months         23,176         12,167         +         90.48         751,964           March         81,974         31,125         +         163.37         4,212,526           3 Months         218,060         103,511         +         10.66         11,547,914           March         235,754         219,998         +         7.16         3,496,975	3 Months         1,763,130         1,674,099         +         5.32         12,559,222         11,846,299           March         121,916         77,123         +         58.08         958,914         632,305           3 Months         334,834         241,481         +         38.66         2,809,736         1,994,267           March         12,638         2,042         +         518.90         321,000         53,146           3 Months         23,176         12,167         +         90.48         751,964         288,261           March         81,974         31,125         +         163.37         4,212,526         1,521,896           3 Months         218,060         103,511         +         10.66         11,547,914         5,050,851           March         235,754         219,998         +         7.16         3,496,975         2,949,155

### **U.S. imports from Hong Kong**<sup>····</sup>

Transistor radios	March 3 Months	273,329 592,678			812,901 1,836,480		+ 137.69 + 141.51
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### U.S. imports from Okinawa""

Transistor radios	March 3 Months	50,080 129,548		+ 23.51 + 50.12	166,634 431,761	144,462 + 15 325,607 + 32	
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### U.S. imports from Taiwan<sup>\*\*\*\*</sup>

Transistor radios         March         29,254         13,000         + 125.03         72.           3         Months         63,988         31,880         + 100.72         16t	639 38,630 + 88.04 404 96,786 + 66.76
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84,452 \*Source: McGraw-Hill's Tokyo News Bureau \*\*Three or more transistors \*\*\*Includes transistor car radios

\*\*\*\*Source: U.S. Customs

# **APPLIANCE-TV**

□□□□Economic blue skies, no clouds for a long time to come, is the picture painted in the monthly business outlook produced by McGraw-Hill's Department of Economics. Summing up the prospects, the report says, "With the present long-range plans for capital spending, research, new products and sales, it is entirely possible that the longest peace-time expansion we have ever experienced—51 months through May—will turn out to be only the start of the greatest surge in U.S. business activity ever. This will be so if industry accomplishes its present plan for 1966-1968. We could miss these goals by quite a margin, and still have four very good years ahead."

 $\square$   $\square$   $\square$  **McGraw-Edison offers a new display** to its central air conditioning equipment dealers. The countertop display holds give-away booklets and provides space for the dealer to feature his price.

□□□□Shipments of unitary air conditioners in 1964 jumped 22% over 1963, reports the Air-Conditioning and Refrigeration Institute (ARI). (This increase follows a 24% gain in 1963 over the year before.) ARI also reported that the area of greatest increase during the past year has been in shipments of year-round air conditioners, including roof-top units, which gained 55% in 1964 over the previous year. Central station air-conditioning systems also gained last year. Installed value of these systems in 1964 totaled \$962,230,000-a 5% increase over 1963.

 $\Box$   $\Box$   $\Box$  **Gibson makes 60% of its annual sales** at its dealer conventions, according to W. C. Conley, president of Gibson Refrigerator Sales Corp. Speaking before the New York Sales Executive Club, Conley said his company believes in the trip method of motivating its dealers. "We view travel as a greater service to the dealer than, for example, spiffs, which have become too commonplace . . . in fact downright cutthroat . . . with one company trying to outbid the other. So, Gibson capitalizes on a service to dealers."

□□□□A \$46.66 three-motor tape recorder has been introduced in the Japanese domestic market by Hayakawa Electric. The all-transistor unit, tagged the "Campus 33," is slated for export to the U.S. before this summer, reports McGraw-Hill World News from Tokyo. The export price has not yet been set.

□□□ An air conditioner promotion for May is being conducted by W. R. Light Co., distributor for Chrysler Airtemp in the New York City metropolitan area. Franchised dealers can offer a \$19.95 Toastmaster hair dryer for \$3.99 to the first 12 customers who buy Imperial line air conditioners. Suggested retail prices in the Imperial line range from \$224.95 to \$334.95. Dealers must buy 12 air conditioners to qualify for the 12-dryer premium.

□□□ Ampex's compact video tape recorders and closed circuit tv recording systems are now being delivered against a backlog of approximately \$1 million in orders, says Arthur H. Hausman, Ampex operations vice president. The 95-lb. VR-303 video tape recorder is priced at \$3,950.



NEW DENOMINATION



9

# **Gibson** Goes All Out For ACTION with

firostæclear sweepstakes



# An exciting new traffic-building product-selling combination for **YOU** to use to kick off a record

**Spring Season.** If you're a Gibson dealer, you'll soon be getting all kinds of action as prospective customers come into your store to try for one of the 5000 big, big, big prizes Gibson is offering for you. The secret to the sweepstake's all-out selling action is a really exciting prize list, plus big LIFE exposure in a full page ad with a new kind of dealer listing card insert, that could include *YOUR* name.

### **100 FIRST PRIZES** All-expense paid, deluxe trips for 2 to San Juan & St. Thomas

100 lucky couples will join us for the Big Show in Puerto Rico with a V.I.P. itinerary planned and hosted by Gibson! Who wouldn't get up and go for a once-in-a-lifetime vacation opportunity like this!





### AND 4900 2nd PRIZES Beautiful Gibson Frost Clear Refrigerators, Model 3912

Think what this means — as your salesmen describe the prizes, they are actually doing a complete selling job for Frost Clear and for your store as Frost Clear headquarters. What better way to point up the tremendous comparison in Gibson quality and value versus competition.

# PLUS AN INCREASED SCHEDULE

The magnificent ''President's Choice'' model 9316 refrigerator-freezer will be featured throughout the

ON N.B.C.-TV's TODAY SHOW !!

entire Spring Promotion.

What a vehicle to tell the Frost Clear sweepstakes story to women everywhere! Hugh Downs and Company will be delivering action-producing messages to this tremendous morning audience. This heavy schedule of Gibson spots begins May 4th and keeps on selling throughout the heart of your Spring and Summer Season.

HUPP

CORPORATION





### And timely tie-in with NEMA-EEI promotion Frost Clear Sweepstakes is timed to coincide with this important industry-wide effort to sell frostless refrigeration. (Frost Clear)

Gibson the big I is really on the move!

GIBSON REFRIGERATOR SALES CORPORATION GREENVILLE, MICHIGAN Manufacturers of quality Refrigerators, Freezers, Air Conditioners, Ranges, Dehumidifiers



## A puzzle for appliance retailers: what makes today's woman buy?

Appliance buying is a woman's world. It is the little lady who decides when she needs a new appliance, what features are important to her, and what brand she wants.

Retailers are recognizing the woman's influence in appliance purchases and admit that they practically ignore her husband—especially when they are trying to sell white goods. According to a survey of retailers conducted by McCall's magazine, the wife is the target of the sales pitch 77% of the time when the dealer is trying to sell refrigerators, 88% for automatic laundry, and an overwhelming 91% for ranges.

Why do dealers concentrate on the woman? Not because she is easily swayed by emotion or taken in by a fast, factless pitch. On the contrary, retailers today are looking at the woman as a smart shopper—one who is getting smarter and sharper because she *knows* what features she wants. They think that she determines what features she wants in refrigerators 89% of the time, in automatic laundry 90% of the time, and ranges 92% of the time.

She knows what she wants, retailers say. And in four out of 10 cases, she actually tells her husband how much he is going to pay for the appliance she wants.

Dealers may say that they concentrate on the little lady and know how to present a product so she buys. But what about the dealers' salesmen? Can today's typical appliance salesman be counted on to present product pitch—a pitch that sells to women?

What about that lady who just walked out of your store? What will your salesman say when you ask him what happened? Will he mumble something like "she was just looking," or merely shrug his shoulders and say, "well, that's a woman for you . . ."

The workings of the feminine mind are always a mystery. When you add that volatile ingredient—a woman—to today's complex appliances, plus a salesman who does not understand either women or appliances, you not only have a problem—you have a puzzle on your hands. Before you can take this appliancesalesman-woman puzzle out of the talking stage and do something about it, you need some facts. You need to know more about this woman shopper and her buying habits. You need to know what she is looking for in appliances. And you need to determine how your salesmen can present a successful product pitch to women.

For the answers to these questions, MER-CHANDISING WEEK talked with Professors Schuyler Otteson and Donald Granbois at the University of Indiana's Graduate School of Business. These men-are putting the finishing touches on a depth study that probes the interaction of woman consumer and salesmen in major appliance purchases.

To define today's shopper, MERCHANDISING WEEK talked with McCall's magazine, which has just finished a study on the woman's influence in appliance purchases.

And for suggestions on how to handle the woman shopper and what kind of sales presentation works for major appliances, MER-CHANDISING WEEK reviewed Loren Dunton's just published book, *How to Sell to Women* (McGraw-Hill, \$6.95).

To find out what you can do to help your salesmen sell to women, turn the page.

by Margaret Edin cover photo by Joe Ruskin



### What does a woman think is important?

The preliminary results of a recent study show that the woman consumer's questions are not fully answered—if answered at all by appliance salesmen. Salesmen either overemphasize or under-emphasize, in a woman's eyes, the importance of five basic product attributes-service and warranty, ease of use, price, style, and step-up features.

The idea that your salesmen may not be telling the customer what she most wants to know about major appliances is the result of a depth study of the Indianapolis, Ind., market. This study was conducted by the University of Indiana's Graduate School of Business and financed largely by General Electric. While the final results are still being tabulated, the men who supervised the research, Professors Otteson and Granbois, feel that some major insights into appliance buying already have been revealed.

Otteson explained that the consumers and retailers were studied in the same market at the same time (in the spring and winter of 1964) to determine how they interact. On the consumer side, a carefully selected sample of 300 household units were interviewed. Otteson said that these women were asked what they considered important in their appliance purchases. At the same time, Otteson said 90 major appliance retailers were asked what they thought a woman considers when she buys a major appliance.

Otteson said: "On one side, we were finding out what dealers thought they were doing to cause potential customers to buy their merchandise. On the other side, we were discovering from potential customers how they were reacting to dealers and their various activities. "The \$64,000 question: how closely do cus-

tomers and retailers agree?"

Service and warranty. Retailers in the Indianapolis study, as shown in the five product charts below, were not getting their service and warranty story across to the consumers. Otteson said that the women wanted more information on appliance servicing.

Except for washers, retailers underestimated the importance of service and warranty on every product we studied," Otteson said. 'Service was significantly underestimated in the case of refrigerators and dishwashers and very strongly underestimated in the case of ranges.

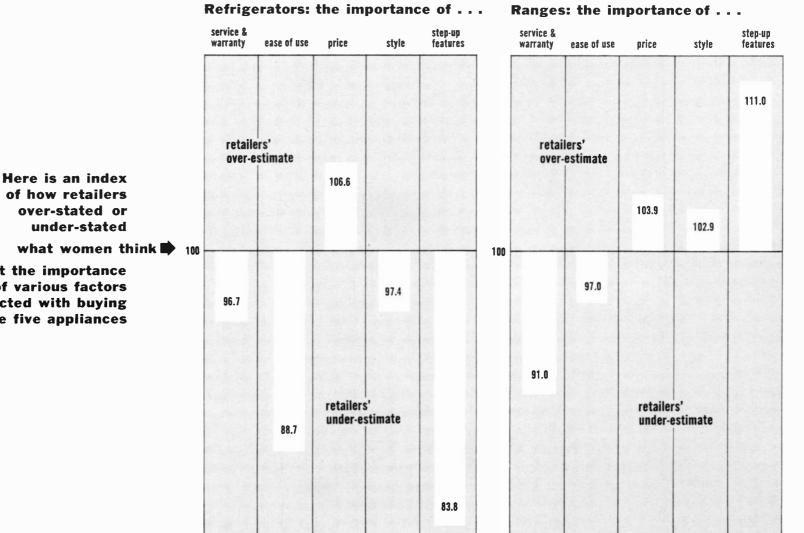
One reason that immediately comes to mind to explain such under-estimation is that many salesmen probably avoid the service issue because they feel that it is a mistake to admit possible appliance breakdown. These salesmen do not know that women look upon appliances in a very personal way. Every appliance a woman owns is an ally that she depends upon to help run her home smoothly. If that ally fails, she wants to know who will fix it, how long it will take, and how much it will cost--even though she often does not ask the salesman.

Otteson said that the service and warranty story is an important one-one that was not being emphasized by retailers in Indianapolis at the time the study was made.

Otteson said: "At the time, there were all too many retailers pushing price when their customers really wanted assurance of service."

Ease of use. After service and warranty are assured. Otteson feels, women next look for ease of use. Otteson explained that the women were asked to rate product attributes:

"Service and warranty stood out at the top of the list for all five products. Next and closely associated with this is 'ease of use.' I cannot help but think that these are interrelated variables and both reflect a strong desire on the part of customers for sure and easy product service."



about the importance of various factors connected with buying these five appliances

Otteson pointed out that the women and the retailers agreed fairly closely on the importance of ease of use for dishwashers, clothes washers, and ranges. However, Otteson said, this attribute was not emphasized for air conditioners and seriously underestimated for refrigerators.

That the salesmen neglected to emphasize ease of use for refrigerators is surprising. Today's average homemaker is probably using a model that resembles new models in shape and size only. Because a woman is typically a very unmechanical creature, she tends to avoid highly complex products that she does not understand. Unless a salesman can convince her that the no-frost unit, the icemaker, and the other features on today's refrigerators are easy to use, she may decide not to buy. After all, her old refrigerator still works-and it is easy for her to use.

"On this matter of price, while it is important, of course, it is not as important as most retailers think," Otteson said.

As the charts below illustrate, Indianapolis retailers overrated price for each of the five products. This would tend to prove that what retailers suspect and what many women say is true. Although many salesmen begin their pitch with price, talk price, and try to close with price, price is not the prime consideration for many women.

"A segment of the market is obviously very price conscious and responds to a price appeal," Otteson added. "But other segments of the market are much more conscious about other matters that relate to the product."

Price, as the charts below show, was most overstated for clothes washers. Otteson explained that because the price situation was so overrated, the study was broken out by type and size of store. Otteson said:

"We found that large retailers put much more emphasis on the importance of price than

Dishwashers: the importance of . . .

small retailers did. Department stores and tire stores placed more emphasis on price than appliance or furniture stores. Non-owner managers emphasized price more than owner managers did.'

Style. Retailers and customers agreed quite closely on the importance of style in range, refrigerator and air conditioner purchases. This means that salesmen, in the Indianapolis market, were telling the customer what she wanted to know about style when she was considering a purchase of these three products. For dishwashers and clothes washers, how-

ever. Otteson said that customers and retailers disagreed. "In the customer's eyes, style was over-emphasized for dishwashers and understated for clothes washers," he said.

For example, a salesman might think it is important to stress the variety of colors available in dishwashers. But what the customer most wants to know is whether she can put in egg-stained dishes-without rinsing-and get them clean. This is a benefit which relates directly to her needs.

In the case of clothes washers, the customer may be planning to redecorate her laundry room or want to move her washer upstairs. According to the study, this customer is not getting information about style and colorwhich is important to her-from the salesman.

Step-up features, according to Otteson, are the area of biggest disagreement and the area where women consumers and retailers vary the most in their opinions of what features are important.

"You will note a tendency for retailers to overemphasize the importance of features for ranges, dishwashers, and air conditioners." Otteson said. "On the other hand, customers considered features more important than retailers do for washers and refrigerators."

Otteson said that step-up features in refrigerators, for example, might not be the most important factor in closing a sale. But he pointed out that the customer considers features more important than the retailer does. In other words, a salesman first must qualify a woman, and after he has determined what a woman needs and wants from her appliance, he can explain features to her as benefits.

The preliminary results of the Indianapolis study cannot be applied as a point-by-point cure-all for your market. However, the general conclusions, such as how women rated the five products' attributes, can be used to help your salesmen.

Otteson explained that the women were asked to rate attributes on a scale from "O", indicating no importance, to "7", representing a top limit of importance. Otteson said that the attributes appeared in the same order for all five products.

Service and warranty was ranked first. This indicates that women consider the product's service story the most important factor in appliance purchases.

Ease of use followed service by only a few one-hundredths of a point. Before women buy an appliance, they want to be assured that the new and complex features are easy to use.

Price was ranked a full point below the first two attributes. This fact indicates that women consider price after they have been assured of a product's sure and easy use.

Style was ranked fourth, and step-up features ended the list.

### service 8 service & step-up ease of use style features price warranty warranty retailers' 107.8 over-estimate 107.1 103.0 102.8 100 100 95.5 retailers' under-estimate

### Washers: the importance of . . .

orice

110.2

ease of use

100.8

retailers'

101.1

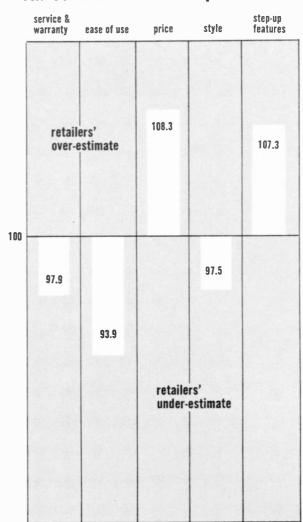
over-estimate

style

step-up features

94.8

### Air conditioners: the importance of . . .



93.7

retailers'

under-estimate

### All of these women had definite plans to purchase; but salesmen thought that . . .



27% were just browsing, or engaged in some other non-shopping activity

42% were checking specific prices or features 31% were ready to buy

13% were

not able

to be

judged

All of these women were planning to purchase, although not sure when; but salesmen thought that . . .

6 were checking ready to	
	nifine

21% were

checking

specifics

All of these women were just slightly, or not at all, interested in buying; but salesmen thought that . . .

### Do you know your customers?

What about that lady . . . the one who just walked into your store. Is she just browsing? Is she checking prices and product features? Or is she ready to buy an appliance? How well do your salesmen judge customers' intentions? According to Otteson, your salesmen prob-

ably misjudge customer buying intentions about seven times out of 10. Otteson said:

"There is a definite need for improving the salesman's techniques for judging a woman's intentions to buy. Altogether too many people come into the store with a definite intention of buying but then are judged, and I dare say, treated like they are merely browsers."

Otteson draws his conclusion that your salesmen probably cannot recognize a customer even after they have talked with one from a separate pilot study conducted during the Indianapolis market survey. Otteson explains that this pilot study cannot be considered highly conclusive because the sample size was small. But he feels that the study can provide some valuable insights.

53% were just

browsing

For example, look at the chart above and assume that 10 women said they were ready to buy a major appliance. Your salesmen would talk with these 10 women and judge that three of the women were just browsing. Four of the women would be classified by your salesmen as shoppers---checking specific prices or looking at product features. Only three women would be classified as prospective buyers and be given any sort of sales pitch. If your salesmen treat these 10 women in the same manner as they have judged the women's buying intentions, you have just lost seven sales.

13% were

ready to

buy

Otteson pointed out that the salesmen did slightly better when judging shoppers—women who planned to purchase at a later date—and browsers—women who had no interest in buying. Otteson explained that the salesmen's judgment of the women was made after the women had either left the store or bought the appliance. Otteson said:

"The salesman recognized only 31% of the buyers as such. And even this 31% inflates their judgment because it includes those women who actually made a purchase. This points out that salesmen are doing a very poor job in evaluating buyer intentions."

### How to sell to women in seven easy steps

What about that old phrase "you don't sell women with logic, you sell them with emotion?" According to Loren Dunton, you cannot sell today's highly educated women with emotion alone. Dunton, in his book *How to Sell* to *Women*, suggests using a seven-step plan to sell today's women.

Sell yourself. Experts say that a salesman has just 30 seconds to establish himself as a trusted consultant in a woman's eyes. Women, unlike men, do not separate the salesman from the product he is trying to sell. She has to like you before she even considers buying.

Sell your company. The smart salesman stresses his company's service and warranty story. Between 60% and 77% of the women in the Indianapolis study were one-stop shoppers. If the women like the salesmen and trust the store, they will not shop other stores before they buy a major appliance—whether your store carries private or national brands.

Sell your product. In the Indianapolis study, between two-thirds and three-fourths of the women said that they had not selected a brand before they went into a store. Even when a woman has selected a brand, the sharp salesman still sells his product without running his competition down. When a woman hears you run down the competition, she starts thinking: "If he's so afraid of the other product, maybe I should take a look at it before I buy . . ."

Sell the benefits. A washer to a woman is not just a piece of machinery. It is sorting and loading and hot and cold water and soap and detergents and suds and agitation. She does not want a quick list of product features. She wants to be assured, or better yet, to actually see, that this model will wash today's new fabrics without any worrying on her part.

Sell her that it is for her. Each woman selects one or two features in an appliance that meet her needs. By this time in the presentation, the salesman will have qualified his customer and determined her needs. The salesman is not selling to this woman; he is selling with her. The salesman and the woman have teamed up to bring her husband around to buying the model she wants—regardless of price.

Sell her the price. According to the *McCall's* magazine survey of appliance retailers, husbands have a strong veto power over price. The salesman should help the woman justify price to her husband. The salesman helps her sell her husband with phrases like "with \$1.00 more a month, you can have this feature that Mrs. Jones just mentioned, and with 50 cents more you can have that extra space."

Sell her the idea of buying now. Toward the end of the sales presentation, women some-

times become fickle. They tell the salesman that they have decided to wait and buy later. The salesman should move smoothly in and get this woman to make a series of *yes* decisions. He can use the "and if" approach: "And if you were going to buy this washer right now, Mrs. Jones, would you like . . ." After a series of yes answers, it is much easier to get that final okay and a sale.

Dunton admits that all seven steps are not necessary to close every sale. He feels that using a defined approach, such as the "seven little sales" plan, helps the inexperienced salesman organize his sales presentation.

Dunton also points out that in dealing with women it is just as wrong to overemphasize her sex as it is to ignore it completely. The right attitude: "just one of appreciation."

If your salesmen stress the points brought out in the Indianapolis study, the woman consumer will be able to find out what she wants to know before she buys a major appliance. If your salesmen use Dunton's suggestions for working up a product presentation, the product facts will be presented in a logical, organized form that appeals to women. At that point you will be able to say that you are selling appliances because of your well-informed salesmen, not in spite of your uninformed and uninforming—sales staff.

# Admiral. portable TV gives you the Sizes that make the sales!

WRH

WITH THE INTRODUCTION of the brand new Admiral 15" and 17" Portable TV sizes, you may ask: "Why all the tube sizes?" From your viewpoint, there are three excellent reasons.

First, *it attracts attention from customers* who have different desires or needs for different-size TV sets, gives them a size for every room, use and budget.

Second, it gives you the opportunity to step up sales, by a visual demonstrable feature, instead of odds-and-ends such as trim and other additions made for show. Your customer can see the bigger picture he gets for his extra money. Result: bigger sales, bigger profits.

And third, the multiplicity of screen sizes *helps* you combat the growing competition you and American manufacturers face from overseas, and it helps you take the initiative and put them on the defensive, always a good battle (or marketing) strategy.

From the Admiral viewpoint, the very variety of sizes has helped make Admiral a world leader in Portable TV. With the just-announced 15" and 17" flat-faced, slimmed, squared portables...the salesleading 13"...the industry-standard-setting 19"... and the exclusive new 21", Admiral has sparked interest by customers, provided sales and step-up ammunition for dealers, helped make the two-and three-TV home a booming reality.

It's another example of American engineering ingenuity in action, one that allows your customer greater freedom of choice, one that gives him an exact size to fit every room, use and budget, one that offers him bigger values

at lower prices.

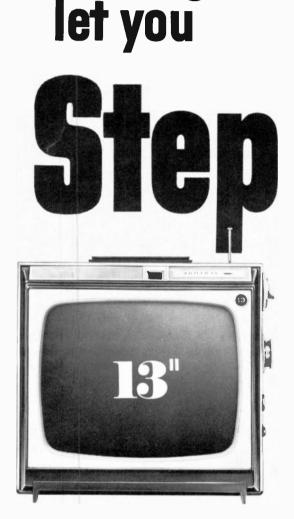
See the new Admiral 15" and 17" Portable TV...stock them ...display them. See the most complete line of all, a line that can help you step up to still greater sales and profits.



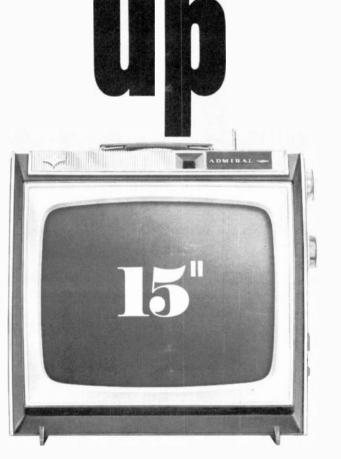
Vice President—Marketing and Sales ADMIRAL CORPORATION

15

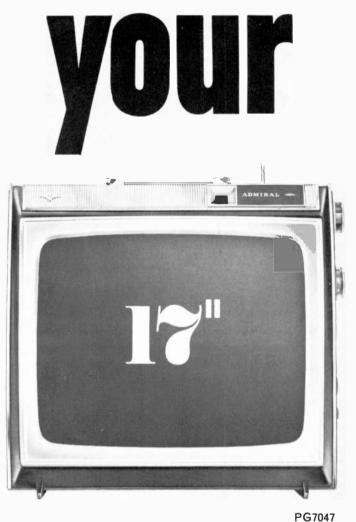
# **Admiral**. engineering and ingenuity



PG1320



PG1541



1

Who but Admiral gives you all the new sizes in Portable TV, the new sizes that fit your customers' needs... the new sizes that let you step up your portable profits?

And who but Admiral gives you all the Exclusives to sell with, the exclusives that mean "Only Admiral has it"... and only Admiral Dealers can profit from it?

From the sales-leading Playmate 13...through the brand new flat-faced, slimmed, squared 15" and 17" Portables... the industry-standard-setting 19"... and the exclusive new 21" flat-faced rectangular picture portable... you have all the ammunition you need to draw customers in, step customers up, send customers home with Admiral Portables.

See your Admiral Distributor...make sure you're stocked with the sizes that help you get more traffic, more volume, more profits. Admiral Portable TV, of course!



overall diagonal measurement

Famous Admiral Playmate . . . bigger picture than any 12", 30% bigger than ordinary 11-inch sets but in the same small cabinet size. Rugged, lightweight, most powerful personal portable made. 82-channel tuner. PG1308 retails at only \$99.95\*.

Brand new screen size just recently added to the Admiral line. Features flat-faced, slimmed, squared, rectangular tube, 14,000-volt horizontal chassis, private listening attachment, monopole telescopic antenna, all-channel UHF/VHF tuner. From \$114.95\*

Another brand new Admiral screen size just introduced. Features flat-faced, slimmed, squared, rectangular tube, power-reserve Admiral horizontal chassis, front-mounted speaker, UHF/VHF, monopole telescopic antenna, polarized line cord. From \$124.95\*

The size that set an industry standard, was copied both here and overseas. Big picture, compact design, 20,000 volts picture power, all 82 UHF/VHF channels. In a variety of colors, cabinet styles, features, some available with Admiral Sonar wireless remote control.

New 21" flat-faced rectangular picture tube makes this slim new Admiral 21" Portable possible. 40 sq. in. more picture area than 19" TV, but in the same size cabinet as most 19's. UHF/VHF tuner, Dipole antenna, Admiral 21" Steelbond<sup>1</sup>" picture tube. From \$169.95\*

•Mfr. suggested list price, slightly higher some areas.

WRH



PG9637







### Gibson's traveling sales show wins raves

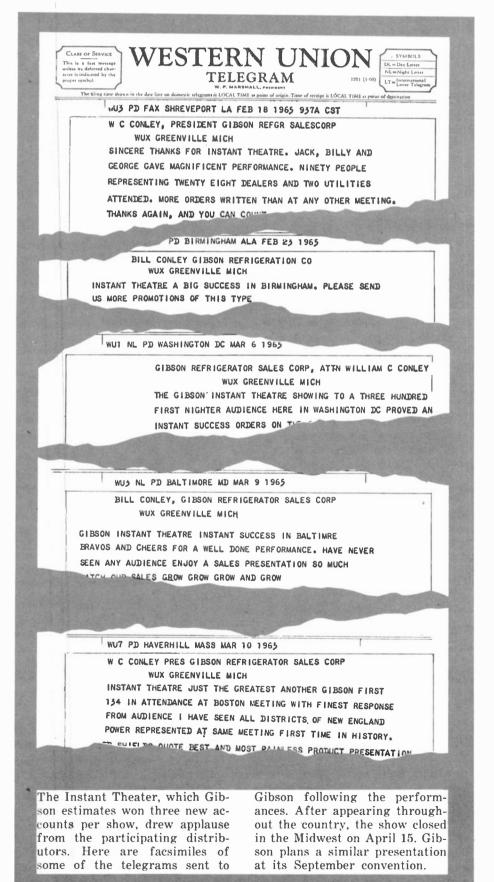
Gibson's Instant Theater,

during the last two months, starred New York actors Jack Washburn (left) and

The song-dance-and-sales-pitch show was seen by more than 7,500 dealers, says Gibson.

which played to dealers in 45 cities

Billy Pierson.



The reviews are in. The critics have spoken. Gibson's traveling sales show, the Instant Theater (MW, Feb. 8, p.8) is a hit.

The Instant Theater, which played one-night stands to dealers in more than 45 cities, may herald a new direction in sales training and line introductions. Gibson, evidently aiming for more grassroots support, broke with the tradition of a single large annual meeting and went out to the dealers and distributors with the show. According to all reports (see telegrams on the left), the show was a success.

The 40-minute show was prepared for Gibson by Wilding Inc., a leading producer of industrial shows. The show's advance man, George Hendrickson, who is also Gibson's director of sales training, says, "The day of the dealer coming in to watch a bunch of slides and hear a tape recorder is a little passé. Dealers are bored with the same bill of fare everywhere they go.

"This all started with an experiment between Wilding Inc. and Gibson Refrigerator Sales to try to get the Instant-Sell message across. The dealers have so many distributors and manufacturers catering to their salesmen that you couldn't possibly draw them in with a straight sales pitch."

W. C. Conley, president of Gibson Refrigerator Corp., comments, "There aren't enough hours in the average working day for the independent dealer to receive good doses of sales training. In Instant Theater we combine business and pleasure to get our message across pleasantly and profoundly."

How the show worked. Gibson hired two New York actors, Jack Washburn and Billy Pierson (see photo above), to deliver the pitch. The show cost the distributor a flat minimum fee. He also footed the bill for cocktails, food and use of an auditorium, if one was rented. (In San Antonio the show was held in a circus tent.)

The distributor sponsoring the show was furnished with a pre-meeting check list. A look at this check list gives some idea of the show's organization: (1) plan menu if refreshments are to be served; (2) mail out invitations, RSVP card and tickets (all furnished by Gibson); (3) determine whether you will offer door prizes. If not, use the tickets anyway to keep up the appearance of a real stage show; (4) set up a "live food display" well ahead of time so the frosty model will be well frosted. This consists of one Gibson top-mount two-door Frost Clear refrigerator and a matching frosty; (5) on the day of the show, the Frost Clear and the frosty refrigerators, plus an Air Sweep air conditioner should be placed on the stage and wired to operate; (6) if you intend to build your own sales or product meeting around the Instant Theater presentation, be sure your props and products are ready; (7) arrange to. distribute carry-home show folders.

The actors took the ball from there—and Dr. Gibson's Magic Elixir Show was on.

**Response to the show** was enthusiastic. Some of the comments which Gibson gathered from divisional sales managers include:

"The show accomplished in 40 minutes what it would take a distributor salesman three months to do."

"Great image-builder for Gibson." "We noticed that considerably more of our dealers now are setting up and using live food displays showing the difference between a frosty model and a Frost Clear."

"It gave us a chance to present our message to people with whom we never could have made contact otherwise."

"In some of our areas, a good deal of business was generated right then and there."

Gibson estimates that approximately three new accounts were opened at every show.

The show's producer, Wilding Inc., is now working on another presentation for Gibson's September convention in San Juan, Puerto Rico. More than 7,000 dealers are expected there.

Actor Washburn says, "This is going to be a new approach in selling. It's going to be copied." He may be right. Wilding Inc. says it is now preparing a similar program for another "large client." Gibson's show played in Des

Gibson's show played in Des Moines, Kansas City, Tulsa, Oklahoma City, Dallas, Fort Worth, San Antonio, Houston, Jackson, Shreveport, Memphis, Atlanta, Birmingham, Miami, Raleigh, Richmond, Roanoke, Philadelphia, Pittsburgh, New York, Providence, Boston, Buffalo, Cleveland, Detroit, Toledo, Columbus, Chicago, Milwaukee, Minneapolis, and approximately 15 other cities.



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#### DISTRICT MANAGERS

NEW YORK: George Neuner, 500 Fifth Avenue, N. Y., N. Y. 10036 971-3586. PHILADELPHIA: Sherman Davis, 6 Penn Plaza, Philadelphia, Pa. 19103 LO. 8-6161.

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Neither will her two next door neighbors, her three bridge partners, or Mrs. Shultz, her milkman's wife.

For 25¢ it never would have happened. For 25¢ the door-liner could have been made of Kralastic, the extra strength plastic, instead of ordinary plastic.

Nobody complains about Kralastic, because it never cracks, breaks, chips, or scratches like ordinary plastic. Kralastic is also stain resistant. Colorful, too. Almost any shade you want.

For more information on the properties and economics of Kralastic, simply write to U.S. Rubber, Chemical Division, Naugatuck, Connecticut. After all, if Mrs. Scott and all her friends aren't worth 25¢ to you, what is?



OKRALATTIC IS ILS. RUBBER'S REG. TRADEMARK FUR ITE ABP PLASTIC

### **APPLIANCE-TV**



### Modern Maid ranges

Modern Maid introduces the Manor House series, the Town House series, and its new built-in gas double oven to its line.

The built-in gas double oven, designated model GO-107DGR, has two 19-inch-wide ovens with individual thermostat and temperature control. The top oven has a triple-spit rotisserie and a 16-inch broil pan that can be raised or lowered by lever. Food on the rotisseries, or in the broil pan, is cooked by the Modern Maid Infra-Ray burner. Both ovens feature black glass lift-off doors that can be replaced by colored doors. Other features are oven indicator lights and an illuminated control panel with the timing device for both ovens.

The Town House series of 24- and 30-inch ranges are one-piece gas or electric slide-ins designed to give a built-in look. Electric models (left) come with or without lower storage compartments. All models are available in color-matched porcelain with glass or black interchangeable doors.

The 24-inch eye-level Manor House gas and electric slide-in ranges (model ILG-242B right) feature a 21-inch-wide gas or electric oven with black or glass doors. The units have full-size illuminated cooktops. A Custom Line economy model has a coppertone porcelain oven door, cooktop, and backsplash. Tennessee Stove Works, Chattanooga, Tenn.

# He does it for fun; you can do it for profit.

[Demonstrate Blackstone's exclusive



Selling is child's play, when you have a demonstration feature as dramatic as Gyro-Balance . . . the first real product exclusive in automatic washers to come along in years.

Go ahead: put a heavy phone book into the tub... start the spin and prove to your prospect that Gyro-Balance positively stops washday thump, "walk", vibration and premature shut-off. That's a convincer that she'll pay to get.

And she can only get it from you, because Blackstone protects your profits with a territory plan your Blackstone representative will work out with you. selling profit-protected Blackstones with stainless steel Along with a pinpoint promotion plan that'll make you Blackstone headquarters in your neighborhood.

And speaking of child's play, kids can be your best Blackstone salesmen. We've got a 98¢ gyroscope top you can sell Mom for just 19¢, when she comes in to see your "live" Blackstone demonstration. Want to see this little traffic-builder? Just drop us a line on your letterhead.

Why toy around with other lines when you could be tubs? Write, wire or phone and start keeping those profits you've earned.



1111 Allen Street • Jamestown, New York



Trade-Wind range hood

Trade-Wind's Thrustpower range hood has a newly designed ventilator unit powered by a heavy-duty, multispeed, 13 hp motor. It features illuminated push-button controls on the front of the unit, and concealed lamp sockets behind removable diffusing lenses. Aluminum-mesh grease filters snap out for cleaning. The unit is designed for wall mounting, or for peninsula or island installations over barbecues or cooktops. It is available in nine lengths, and comes in pewter or antique copper finish. Trade-Wind by Thermador, 5119 District Blvd., Los Angeles, Calif. 90022.



Rheem Califone economy tape deck

Rheem Califone adds a new playback tape deck to its line. Corsaire (model 3549) features a 4-track stereo-monaural combination playback for speeds of  $1\frac{7}{8}$ ,  $3\frac{3}{4}$ , and  $7\frac{1}{2}$ ips. The unit has a digital index counter and stereo jack connections. It is fawn-and-gold, with a walnut base, and measures  $12\frac{1}{4}$  by  $8\frac{3}{8}$  by 5% inches. Suggested retail price is \$69.95. Rheem Califone Div., Rheem Manufacturing Co., 5922 Bowcroft St., Los Angeles, Calif.

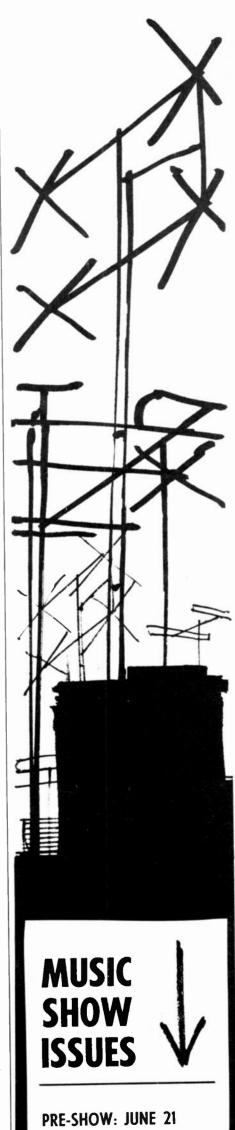
# **HOW'S BUSINESS?**

MERCHANDISING

**Retail sales**, based on dealers' flash reports to power companies are tabulated below. These figures represent retail activity for a significant portion of the U.S. buying public. The figures in black bold type tell you, in percentage points, how sales of 10 major appliances fared in February, 1965, as compared to February, 1964. The figures in light type tell the same story for the first two months of 1964.

**Highlights:** Composite February sales were up 6% over 1964 while the two-month figures show that 1965 sales are 4% ahead of the same period last year. Color tv sales again topped the list, showing a whopping 69% increase for the month and a rise of 66% for the year. B&w tv continued to move slowly up, with a 3% increase for the month. Dryer sales, reflecting strong promotional efforts, were up 17% for the month and increased 14% over the first two months of 1964. Dishwashers also fared well, up 9% for both periods.

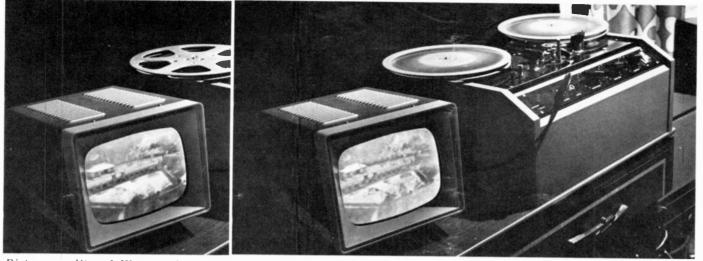
<b>% chg: Feb. 1965 vs. Feb. 1964</b> % chg: 2 mos. '65 vs. 2 mos. '64	Refrig- erators F	reezers	Electric Ranges	Electric Water Heaters	Washers	Clothes Dryers		Room Air Condi- tioners	B&W TV	Color TV
N THE EAST										
New York State Elec. & Gas Assoc.	+29	+ 29	+ 9	+ 34	+12	+37	+27	+ 36	*	*
	+11	+10	+ 5	+ 10	+ 8	+24 <b>+22</b>	+19 + 3	- 73 + <b>65</b>	+ 5	+ 55
Jersey Central Power & Light	+ 5 +12	<b>+ 56</b> + 34	+ 3 +11	+ 12 + 12	+11 + 7	+22+21	+16	+ 78	+ 6	+ 72
New Jersey Power & Light	+26	NC	+ 2	+ 54	+31	+32	+36	NC	+14	+ 69
	+35	+19	- 2	+ 28	+39	+35	+41	+180 + <b>167</b>	+22 - 5	+125
Metropolitan Edison	<b>- 13</b> - 5	-23 - 1	-6 + 1	+ <b>31</b> + 35	- <b>8</b> + 6	<b>-16</b> + 6	-28 - 1	+119		*
Pennsylvania Electric Co.	+12	+ 7	+15	+ 15	+12	+22	+14	+ 53	+14	*
	+14	+38	+ 8	+ 17	+17	+17	+17	+ 65	+18 - 3	*
West Penn Power	- <b>2</b> + 5	<b>-10</b> - 8	-4 + 10	+ 35 + 31	- <b>2</b> + 2	-10 - 6	+ 2 + 5	- <b>64</b> - 17	NC	*
IN THE MIDWEST										
Dayton Power & Light	+14	- 1	+20	+ 7	+ 1	+13	+72	+650	- 6	+101
•	+ 5	+ 7	+15	+ 30	NC - 9	+ 8 +12	+58 + <b>21</b>	+510 <b>+ 90</b>	- 7 + 4	+106
Central Illinois Public Service	- <b>2</b> + 2	-13 - 3	- 7 - 2	– 9 NC	- 9 - 3	+ 12	+33	+ 73	+11 + 11	*
Kansas Gas & Electric	+ 5	-10	+11	+ 3	- 5	+18	+15	+ 20	*	*
	+10	+11	+ 7	+ 2	+ 6	+23	+13	+ 32 + <b>44</b>	*	*
Kansas Power & Light	-14 - 2	- 6 - 4	<b>-27</b> -11	+123 +124	- 9 - 7	<b>+25</b> +11	*	+ 44 + 1	<u> </u>	*
American Elec. Power System		*	+24	+ 40		+39	\$	*	*	¢ *
	*	*	+23	+ 34	*	+31	*	* + 55	* + 8	+145
Nebraska-Iowa Electric Council	<b>+21</b> +10	<b>23</b> 19		- <b>33</b> - 32	+ 1 - 2	- 7 + 1	<b>+ 6</b> + 1	<b>+ 55</b> - 2	+ o +15	+139
IN THE SOUTH										
Chattanooga Electric Power Bd.	<b>+ 34</b> +33			+ 12 + 20	<b>+17</b> +24	<b>+ 55</b> +48	<b>+32</b> +10	-1 + 6	*	*
Nashville Electric Service	+ 9 +32			– 4 NC	¢ *	+ 8 + 6	*	*	*	*
Florida Power Corp.	+ 5 +10	+24		<b>- 9</b> - 5	+ 7 + 8	- <b>16</b> NC	+10 + 7	- 3 - 5	+ 1 + 9	¢ *
Florida Power & Light				- 18	+ 9	+31	- 3	+ 58	+19	+ 57
	- 6			- 12	- 2	+14	+ 5	+ 15	-11 *	+ 17
Tampa Electric Co.	– <b>25</b> NC			- <b>18</b> - 20	- 6 - 1	<b>27</b> 17	<b>47</b> 44	+ 22 + 25	*	*
IN THE SOUTHWEST										
Dallas Power & Light	+29	) NC	+ 2	- 56	+ 1	+ 6	+ 4	+ 88	-20	+ 203
_	+ 4				- 7 *	- 3	+ 8	+ 43 + <b>42</b>	-14 -11	+149
El Paso Electric Company	+ <b>2</b> 5 +27			- <b>23</b> - 10	*	+11 +22	– <b>9</b> +34	+ 42 +114	- 2	*
Southwestern Public Service				+184	- 2	+41	+90	+ 16	+ 7	+ 47
	+18			+ 78	+ 2	+26	+31	- 18	+ 5	+ 54
New Orleans Public Service	e + 38 + 28			*	<b>+ 33</b> + 18	<b>+43</b> +18	+28 +17	<b>- 39</b> - 48	<b>+74</b> +26	<b>+ 432</b> + 282
Southwestern Electric Power		-35	5 -63		- 6 NC	NC + 3	<b>-33</b> -20	+ 7 - 8	- <b>26</b> - 6	
IN THE WEST										
Idaho Power Company	/ + 8	3 + 8	3 +13	+ 6	+ 4	+ 6	+63	+		4
idano Fower Company	+10			+ 2	+ 2	+ 2	+35	*	*	1
Pacific Gas & Electric					+ 1	+ 8	+14	+ 20 + 22	- 6 - 3	+ 63 + 67
Sacramento Municipal Utility Dist	- 6 . + 2 + 8	2 - 34	4 - 30	- 55	+ 4 -13 + 3	+13 -11 NC	+ 8 <b>+ 5</b> +33	+ 22 - 74 - 34	- 3 - <b>24</b> - 7	- 29 + 9
% chg: Feb. 1965 vs. Feb. 1964	• + :	3 – 3	3 + 4	- 2	+ 1	+17	+ 9	+ 9	+ 3	+ 69
% chg: 2 mos. '65 vs. 2 mos. '64					+ 4	+14	+ 9		NC	+ 66



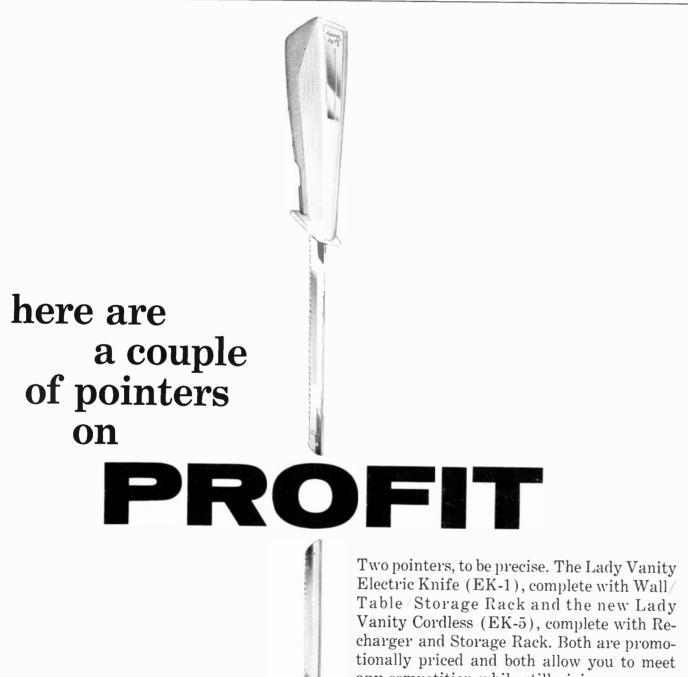
PRE-SHOW: JUNE 21 AT-THE-SHOW: JUNE 28 POST SHOW: JULY 5

-Not available. N.C.—No change

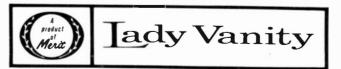
**APPLIANCE-TV** 



Picture quality of Wesgrove's recorder (right) compared favorably to original (left) with special equipment.



Electric Knife (EK-1), complete with Wall/ Table/Storage Rack and the new Lady Vanity Cordless (EK-5), complete with Recharger and Storage Rack. Both are promotionally priced and both allow you to meet any competition while still giving you a respectable margin of profit. Handsome, powerful and performance proven, both come with Merit's exclusive full-year, over-thecounter replacement guarantee. Nearly half a million were sold in 1964—profitably. Get the Point?



REPLACEMENT GUARANTEED if defective within one year

MERIT ENTERPRISES INC., BROOKLYN, N.Y. 11208

### A close-up look at Wesgrove's tv tape recorder

Wesgrove's home video tape recorder finally—officially—made it to the U.S. However, it still is not a mass consumer product, because: (1) adapting the set for use with a standard television receiver is a fairly technical operation, and (2) the company admits that recordings made from regular tv receivers have poorer quality than is desirable.

Not for the housewife is how one Wesgrove spokesman described the machine. The company is courting what it terms "serious amateurs" and the semi-professional and institutional market.

The English-built tv recorder, first announced by MERCHANDISING WEEK on Feb. 8, was demonstrated in New York City on Apr. 29. Operating on a high-grade version of ordinary ¼-inch triple-play soundrecording tape, the Wesgrove machine, demonstrated by the company president, Jack J. Jones, accurately and clearly recorded (see photo) from a special tv camera set up in Jones' New York hotel room.

But both Jones and his chief engineer, Bill Rundle, admitted that recordings made from a regular television receiver would have poorer quality. However, the machine does work, it does retail for under \$500, and Hal Cox, newly named national distributor (MW, 26 Apr, p.3), is promising immediate delivery.

The retail price for the unit—in kit form—is \$392. An assembled kit is priced at \$492. A more sophisticated model, which is not yet in full production will sell for \$792. Finally, a complete package—which includes a recorder, a small-screen monitor (Japanese-built), a camera (also Japanese-made), a tripod, and a lens —will sell for \$1,240 with the assembled-kit recorder, or \$1,528 with the more sophisticated recorder.

"There is some difficulty adapting the recorder to different television receivers," Jones said, "but we haven't yet found one to which it can't be adapted."

The distributor, Hal Cox, of Hal Cox Inc. in San Francisco, says he already has 20 of the units (ten \$392 kits and ten \$492 assembled models) in stock. He is now forming a distribution company, Wesgrove International, which will have offices in New York and San Francisco. Jones promises Cox a shipment of 100 units in June; by the end of the year he plans to have shipped 2,000 units to the U.S. Full production of the \$792 unit is expected to begin in July or August.

Wesgrove is the first company to place a low-priced video tape recorder on the market in this country, although several other concerns in the U.S., Japan and elsewhere have demonstrated such machines.

Wesgrove now is considering making a \$125-\$150 unit that would simply play pre-recorded video tapes. The company has a working model, but Jones admits that production of at least 50,000 units would be necessary to bring the price down to the \$125 level. Also, a supply of prerecorded tapes would have to be arranged. But Jones is optimistic about the marketing possibilities of such a unit.

Electric Knives • Hair Dryers Coffeemakers • Skillets • Defrosters

Ranges • Ice Cream Makers

### Satellites open up new tv antenna possibilities

Last week, the Early Bird satellite opened a whole new era for tv broadcasting. Europe is now only 3/10ths of a second away. But Early Bird may have significance for more than just the broadcasting segment of the tv industry. It could mean the end of the traditional "Christmas tree" antenna as well as the end of CATV, according to one of the scientists who worked on the project to launch the satellite.

Dr. Harold A. Rosen of Hughes Aircraft Co. has proposed launching a 1,550-lb. stationary satellite that would relay perfect color or blackand-white pictures to home receivers anywhere, including areas presently unreached by tv broadcasters. According to Dr. Rosen, the technology is already available. He says that such a satellite could be launched within two years if funds were available.

**Flat "dish" antennas** with a sixfoot diameter would replace the current models. Dr. Rosen says that the cost of installing the flat antennas, which would hug the roof, would be about \$40. Present tv sets would have to be converted to receive signals from a satellite, however. Dr. Rosen estimates this would cost the consumer under \$100.

The aluminum antennas for satellite reception would be stamped out in much the same way an automobile top is made. Sets would need to be converted to receive microwave frequencies. This would be done by extending the concept of the present UHF signal converters. The end result, says Dr. Rosen, would be tv without ghosts, snow double images, or weak signals.

**The satellite** for such a system would be about seven feet in diameter and six feet tall and weigh 1,550 lbs. It could be launched by an Atlas-Agena booster from Cape Kennedy, according to Dr. Rosen.

The satellite would be placed in a synchronous orbit, as was Early Bird, circling the earth at the same rate the planet revolves. This would give the illusion that it was stationary, remaining over a fixed point at all times.

Those who witnessed the inaugural broadcast using the Early Bird relay on May 2 may not be as impressed as Dr. Rosen with the potential of satellite antennas. While the pictures generally were quite good, they were marred by a slight overcast, some smearing and poor definition in long shots. The announcer's voice on the European portion of the broadcast was badly distorted by echoes. This was not the fault of the satellite, however. The speech had been separately relayed by underwater cable. The British Broadcasting Corporation announcer's voice crossed the Atlantic, was fed back to Britain by the cable, and, as a result of technical error, reentered the circuit.

The on-the-spot sounds which were relayed by Early Bird, on the other hand, were quite clear and free from distortion.

**Cost is a block** in the rapid development of such a satellite antenna system. Dr. Rosen estimates that a tv network could own and operate its own satellite for an investment of about \$10-million including cost of launch and orbit support. He adds, however, that that is less than it took to buy the New York Yankees.

The presently operating Early Bird is positioned 22,300 miles above the Atlantic over the equator at 27.5 degrees west longitude. It is moving nearly 6,900 miles an hour to remain synchronous with the earth's rotational speed.

Scientists at Hughes Aircraft Company in Los Angeles, who designed and built the satellite for the Communications Satellite Corp., calculate that the intercontinental tv signals travel a distance of about 50,000 miles, figuring the 22,300 miles up and 22,300 miles back down over an angular route that stretches the total trip.

The 80-lb. Early Bird was launched from Cape Kennedy April 6 aboard a thrust-augmented Delta rocket by NASA for the Comsat Corp., which was acting as agent for an international consortium of 45 nations. Early Bird is 24 inches high and 28 inches in diameter. It wears a coat of 6,000 solar cells that convert the sun's energy into electrical power to operate the spacecraft's electronics. Its only moving parts are four jet valves.

The success of Early Bird's launch and delicate positioning into a stationary orbit followed similar spaceage successes by the Hughes-NASA Syncoms 2 and 3, still operating over the Indian Ocean and the Pacific. Syncom 3, known as the "Olympic Star," carried live coverage of the Olympic Games opening ceremonies last October.

In all, 12 communications satellites have been launched by the United States. Only one failed to function, for a time at least. All but the first two satellites were of the "active repeater" type, equipped to amplify the signal before relaying it. An even more sophisticated Early Bird is in development.



### THE NEW LAWN BOY SPRING PROMOTION

The theme: "Greatest Mow on Earth." The package: A bright array of circus-art display pieces to dramatize the greatest performing mower of all the new quick and quiet Lawn Boy.

New Lawn Boy is loaded with selling features --faster starting, easier handling, and much quieter than any competitor. And the "Greatest Mow on Earth" promotion provides the tools to build a colorful, dynamic selling atmosphere. It includes everything from wrap-around pedestal display skirts and over-wire hangers to jumbo banners and zany lapel badges.

Most important, the "Greatest Mow on Earth" ties in with Lawn Boy TV and newspaper advertising, starting in key markets this spring. See your distributor for full details on this money-making campaign. Or write Lawn Boy direct.

By the makers of Johnson and Evinrude Outboard Motors.



OUTBOARD MARINE CORPORATION . GALESBURG, ILL



New Pree Service Warranty Good Coast to Coast. The General Electric Company warrants to the purchaser of each "A" Line General Electric Personal Portable Television Receiver\*\* . free repark ne uding labor and parish in the event of manufacturing dering the first interty days from the date of originar 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. "14" screet size or less. \*\*9" or 11" screen (diag, mess.) only.

And no wonder the 75 million readers of LIFE, Post and TV Guide look for stores like yours to buy General Electric portables. Lucky Mr. G-E TV dealer.

## HOUSEWARES

### Plastics, steel, aluminum: the pricing trend is up

With the cost of materials rising, housewares manufacturers are finding themselves hard-pressed to hold the line on prices for the second half. However, competitive pressures are expected to make most price hikes slight and selective.

Housewares manufacturers generally expect a price increase from the steel industry, despite President Johnson's persuasive powers. The aluminum industry, as a rule, generally follows steel, and price hikes already have come on polyethylene powders, copper and certain lumber grades.

**Plastic housewares prices** definitely will be up—probably around 5% for the second half. However, housewares producers using steel and aluminum may be able to put off increases until 1966. Much depends, of course, on the final steel settlement and the extent and size of price increases on raw materials that may follow. Housewares manufacturers, trade sources pointed out, will be reluctant to raise prices once the fall selling season is in full swing.

In electric housewares, the two largest producers, General Electric and Sunbeam, will not commit themselves at this time on second-half pricing plans. GE reports no decision as yet. Sunbeam's B. H. Melton, sales division vice-president, pointed out that both raw materials and labor costs increased during the first half of 1965. "Price rises are possible," Melton speculated, adding that "current Sunbeam prices expire June 30." Another Chicago-based producer, Ekco Housewares Co., also pointed to increased costs. Jack Blane, Ekco president, added that his company has not made an over-all price increase in several years despite absorbing higher costs.

"So goes steel, so goes the rest of the country," one housewares manufacturer stressed. "Everyone uses them as a guide."

**Steel stockpiling** has been difficult for housewares manufacturers, mainly because business has been good. "This season is taking off early," said Falco's general sales manager, Charles J. Kissim. "We're on pins and needles," he added. "No one knows how much time we'll have to announce any price increases."

In unpainted furniture, Salmanson & Co. Inc. told MERCHANDISING WEEK that prices probably would be increased up to 5% across the board. Sam Salmanson, president, blamed increased costs of labor, wood, and component parts. However, John E. Postley, who represents another unpainted furniture producer, S.J. Bäiley, said he expects spring prices now in effect to hold.

In plastic housewares, Loma Industries became the first company to announce plans to hike prices following the latest cost rise on polyethylene powder, for many housewares manufacturers the third increase in less than two years. Most plastic housewares producers are expected to join Loma in raising prices, perhaps also cutting back on specials.

### More Japanese fans breeze in to stir up summertime sales

Japanese oscillating fans are expected to make bigger inroads into the U.S. market this summer as more retailers—chiefly department stores —are taking on imported lines.

increased Japanese fan exports to the U.S. during the first quarter of 1965 point up this new marketing trend. More than three times as many units were shipped to the U.S. during the first quarter than were shipped during the comparable three-month period in 1964.

Export figures compiled by Mc-Graw-Hill World News in Tokyo show that 45,359 fans, including table and ventilating models, were exported to the U.S. during the first quarter of 1965, as compared to 13,216 units exported during the first quarter last year. Although no specific breakdown is available as to exact numbers of ventilating and table fans exported to the U.S., table models are believed to account for much of the increase.

Japanese oscillating table fans began making noticeable inroads into the U.S. market last summer; at that time, some key department stores each added one fan line—usually either Toshiba or Panasonic. Since then, other retail outlets have taken on Japanese lines for this year.

Modernistic styling of the imported

fans has caught the eye of many American housewares buyers. They are quick to point out that all Japanese fans—regardless of manufacturer—all seem to look alike. And they are quite pleased on that score.

**Other electric housewares** exports from Japan to the U.S. have also increased during the first quarter of 1965. Shavers, irons, electric cookers, and vacs all gained over the 1964 period. Decreases were reported for space heaters, electric rice cookers, and for the combined category of instantaneous heaters-storage heatersimmersion heaters.

Here is a comparison of first-quarter Japanese exports to the U.S.:

Shavers (1965), 11,000 unitsnone shipped in the 1964 first quarter; space heaters (1965), 114 units -down 77% from 1964 first quarter; rice cookers (1965), 5,531 units -down 34%; irons (1965), 48,608 units-up 70%; electric cookers (1965), 225,264 units-up 31%; vacs (1965), 18,680 units-none shipped in 1964 first quarter; fans, including ventilating and table models (1965), 45,359 units-up 243%; juicers and blenders (1965), 8,882 units-no comparable report for 1964 first quarter; instantaneous heaters-storage heaters-immersion heaters (1965), 117,528 units-down 49%.

□ □ □ □ Prices are up on imported shavers. This accounts for the increase in the dollar value of shavers imported into the U.S. during the first quarter, even though the unit volume of shaver imports decreased. Shaver imports for the first three months of 1965 totaled 271,027 units—down .71% from the 272,966 units imported in the first quarter of 1964. Dollar value reached \$959,009—up 11.94% over the \$856,699 recorded during the first three months of 1965. Average price per unit was \$3.54 in the 1965 quarter, compared to \$3.14 in the 1964 period, reports U.S. Customs.

□□□□A sewing machine switch is in the works as White Consolidated Industries plans to resume U.S. production while continuing to import models from Japan and Europe. The firm has not made machines in this country since 1958. Edward S. Reddig, president of the firm, said only top-of-line (\$250 to \$275 price range) will be built in White's Cleveland facilities, with production scheduled to begin within 12 to 18 months. White will continue to market imported models in the U.S. and Canada under the White, Ulna, and Hilton-Tessler labels. Meanwhile, the firm has named Ray W. Richards as general sales manager for all three sewing machine lines and for carded sewing aids.

□□□□Sharp pricing on lightweight vacs is developing in key retail markets. In New York City, for example, Regina's low-end Electrikbroom model has been cut to about \$18 and Hoover's Lark is down to about \$21 —both about \$4 lower than previous levels. The pricing moves come as Sunbeam, Shetland, and Eureka-Williams have stepped up their efforts in the under-\$20 promotional units market. The saving grace for retailers: a strong trade-up trend that is helping to offset the leader pricing, with Eureka's \$25 model and Regina's \$29 deluxe unit selling well.

□□□□ The two Robesons are getting together again, thanks to Cutler-Federal Inc., a Carlisle, Pa., holding company which has acquired Robeson Cutlery Co. Inc., of Perry, N.Y. Cutler-Federal also owns Robeson-Rochester Corp., of Rochester, N.Y., which produces electric housewares—primarily coffeemakers. Combined annual sales of the two Robesons—which split up many years ago—total more than \$5 million. Emerson Case will continue as president of Robeson-Rochester. The merger is said to be the first step in a major expansion program planned by Cutler-Federal.

□□□□Ekco Product's diversification sights are set on entry into plastic housewares later this year. In addition, two possible acquisitions, including one likely in electric housewares, are in the works, as well as further product expansion in current lines. Ekco Products president Robert C. Sabini revealed plans to invade the plastic housewares field in a speech in Los Angeles last week. Production facilities for injection molding already are available. Ekco now consists of seven divisions, the largest of which is Ekco Housewares, producer of cookware, cutlery, and gadgets. In electrics, Ekco is expected to show particular interest in the cordless field.

# HOUSEWARES

□□□□Jilted by the plastic housewares industry that is the situation the American Management Assn. (AMA) faced in calling off its plastic housewares seminar scheduled for this week at its New York City headquarters. Reason for the cancellation was insufficient registration: getting the plastic housewares industry together has been a long-standing problem. The AMA has no immediate plans for another, even though some additional registrations came in after the decision to call off the seminar had been made.

□□□□Quality certification for plastics? Although this has been a long-time goal of some manufacturers and key retail merchandisers, no one has ever been able to pull it off—not even the housewares section of the Society of the Plastics Industry Inc. Now an independent research and development firm in the plastic field is exploring the possibility of setting up a certification program. The firm: DeBell & Richardson Inc., of Hazardville, Conn., which developed the plastic cigarette package for Phillip Morris. Richard DeBell stressed that his firm's plans are still in the "internal study" phase.

□□□□ An international flavor may be added to the National Housewares Exhibit in July. Dolph Zapfel, managing director of the National Housewares Manufacturers Assn. (NHMA), has sent personal invitations to nearly 400 merchandisers in England, Germany, France, and Italy to visit the Chicago trade show this summer. The invitations follow the NHMAsponsored study trip of the European market. Seminars and special social affairs will be set up for the visitors, if arrangements can be completed for a sufficient number to visit the July show. If not, the program may be put off until the NHMA show in January. Meanwhile, the midyear NHMA show is shaping up as the biggest in history, with total attendance expected to reach 50,000 persons.

□□□□Summer is the right time to push timers to take advantage of the market offered by vacationbound consumers, who will be leaving their homes unattended. The automatic 24-hour timer is proving to be an increasingly popular hot-weather item for electric housewares retailers. AMF's Paragon division, seeking a bigger share of the retail market, will step up its consumer ads for timers later this month.

 $\Box$   $\Box$   $\Box$   $\Box$  Key moves . . . Milton Emmer is named national director of sales and advertising for PADCO Mfg. Co.; Emmer formerly served as sales mgr . . . Ted Uly is appointed general sales mgr for EMPIRE BRUSHES Inc.; Uly will be in charge of sales for all Empire divisions, including household brushes and cordless electric products . . . David G. Tilghman is appointed sales mgr for BLACK & DECKER's Central Cleaning Systems ... Warren A. Carpenter is promoted to national sales mgr of GLAMORENE Inc. Carpenter successfully launched the firm's Naughty Pup pet stain remover . . . Harvey Newton is named sales mgr for HAMPDEN Specialty Product Corp.'s folding bridge furniture division . . . Don Maher Co., of Kansas City, is named to represent CORY Corp. electric housewares in seven midcentral states.

### What's so special about 'specials' these days?

Dealer specials may be losing much of their special appeal because, like many good things, they are becoming overworked and overextended. To a growing number of distributors and retailers, most manufacturers' limited-time-special-price product deals add little but confusion. Ultimately, many mean price cutting and profit paring at the retail and wholesale levels.

"Nine out of 10 specials we could do without," one distributor told MERCHANDISING WEEK. "We need more specials like we need longer lines," another commented. "Who do you think ends up paying for them —the manufacturer?" a third distributor retorted.

Learning how to buy specials has become more important than ever in merchandising housewares and electric housewares. It has become almost an art, but one that also calls for a lot of luck in picking the right traffic-building masterpiece without losing your shirt.

What is the correct approach to buying specials? What type of special should be bought and what type avoided? How many specials should a retailer buy? Should he concentrate on two or three, or spread his funds thinner over a wide range of attractive offers? Should he buy the same specials his competitor is buying or is expected to buy, or should he counter with one he does not expect his competition to push?

There is no simple answer to unraveling the mystery of specials, interviews with distributors and retailers indicate. However, there are some pitfalls which the retailer can avoid.

The best and safest special to buy is one that offers reduced retail pricing on a basic item in a manufacturer's regular line and is available in limited quantities. Distributors, retailers and consumers can spot the value, and it is a one-shot offer that is easy to move in and move out.

For example, if a distributor gets 2,000 of the basic items at special pricing, the promotion is over when he sells out. He may give a key account 500 pieces, but he has to spread out the rest among all his accounts. The mass merchandiser or key department store may be able to get 500 pieces from each of several wholesalers, but there is a limit on how many even the largest retailer can pick up.

When all the goods are sold, the retailer and distributor, without complications, can reorder the merchandise at regular pricing. The mass merchandiser has not been able to stockpile the item at the special price. But, too often . . .

**Too many specials**, retailers and distributors complain, are being offered in such large quantities that the mass merchandiser can stockpile the items bought at the special prices and keep putting out the goods long after his competition has been forced to reorder at regular prices.

Buying heavily in a limited number of specials is a favorite tactic of the mass merchandiser, especially the leased-department operator who maintains a warehouse and operates much like a distributor. He can cause havoc in the marketplace for much of the year by continuously putting out special goods he bought in January.

However, a number of manufacturers, trade sources point out, have taken steps to confine their unlimited-quantity specials to their promotional rather than their regular lines. This has helped keep the regular lines "cleaner" and, at the same time, has isolated much of the price footballing where it should be—on promotional numbers. Retailers at least have a better idea of where the pricing action will be centered and can act accordingly.

A special to avoid, in the opinion of many retailers and distributors, is one built around a product designed by a manufacturer specially for a promotion. Often—far too often this product is similar to a basic item in the manufacturer's regular line. Perhaps the packaging has been changed, but sometimes, little more than the model number is different.

This special-item special can cause stocking and inventory problems for both retailers and distributors, tying up stocks and funds. While the distributor and dealer are merchandising the special item, its non-promotional cousin sits in warehouses and stockrooms waiting for the special to end before seeing action again. This situation can be complicated further if the manufacturer decides to extend the promotion.

In buying and using specials, there is no one best approach for all types of retailers, distributors point out. Factors which must be taken into consideration include the size of the retailer, his competition, his approach to merchandising housewares, whether he wants to compete in the loss-leader field and his desire to build store traffic.

In the long run, it must be the manufacturer who cleans up the special problems being created by too many deals. However, manufacturers are finding themselves trapped in the specials race, considered a rat race in some industry quarters.

The snowballing principle has developed from the barrage of specials being offered. It is not unusual, for example, for a distributor to be offered some 300 specials by manufacturers during any given calendar quarter. There is a limit to the number of deals he can handle and his salesmen can push at one time. He must pick and go with the best ones. Competition, therefore, is heavy among manufacturers to come up with an offer better than one at the next factory. This, eventually, cuts into the markup the distributor and retailer makes.

Something can be done, however, toward solving the problem of specials, and there are indications that wholesalers, joined by their retail accounts, are begining to make a positive move. They have begun to be choosey about buying specials. And manufacturers eventually may take this kind of "encouragement" to heart.

-Ed Dubbs

# Philadelphia-bound Cotter whoops it up in Chicago

The next several weeks will be big ones for Cotter & Co., the nation's largest cooperative in the housewares-hardware field. Beginning today, some 1,700 dealer-members will move into Chicago to place orders for fall merchandise approaching \$10 million in retail value. And less than a month from now, Cotter officially will launch its major expansion drive in the East by opening a warehouse in Philadelphia.

The Chicago convention-show will run through May 25 with dealermembers from different sections of the country scheduled for certain days. The Philadelphia warehouse is expected to be open for business about June 1. Presently, Eastern dealer-members are being serviced out of Cleveland. Cotter also warehouses its cooperative-bought goods in Chicago.

The Philadelphia market is ripe for the giant cooperative. Traditional distributors there have dwindled to a point where a vacuum has been created. Cotter's new Philadelphia warehouse also is causing some concern to traditional distributors from New York City to Atlanta.

In 1965, Cotter expects its dealermembers to record sales approaching the \$125 million mark, up from approximately \$100 million last year. Orders placed at the May show are expected to top the \$8 million level of last year and perhaps reach \$10 million, according to Edward E. Lanctot, merchandise manager. Cotter's dealer-members use the V&S (Value & Service) or True Value name.

**Electric housewares** will play a key in the Cotter May show, accounting for 33% to 40% of the orders placed. (Cotter includes radios in its electric housewares category.)

Although Cotter offers a privatelabel electric housewares line, most of the activity is expected to be centered on name-brand products. The hot items are expected to be Tefloncoated electric housewares and electric slicing knives.

Lanctot explained that Cotter private-label electrics still account for only a small part of the electric houseware business done by Cotter members. The three-year-old privatelabel line is limited to three coffeemakers, a skillet, a can opener, a mixer, and corn popper.

At the show, dealer sessions will be held to review new products to be introduced by electric housewares manufacturers at the July housewares shows. Cotter also will outline its fall promotion and advertising program for its dealer-members.

John M. Cotter, president and general manager, will report to stockholders Tuesday. His report will include a financial breakdown of the 1964 operations and of the 1965 firstquarter. He also will discuss the coop's plans for Eastern expansion, as well as report on the operations of the Walter Allen division, which Cotter acquired Jan. 1. The Walter Allen division consists of about 350 dealer-members.

**Cotter's fall advertising** schedule will be built around a 28-page tabloid flyer to be mailed in September and a 48-page toy and gift catalog to be mailed prior to Thanksgiving. About 3.5 million of each of these mailing pieces will be sent out by Cotter dealers to their customers.

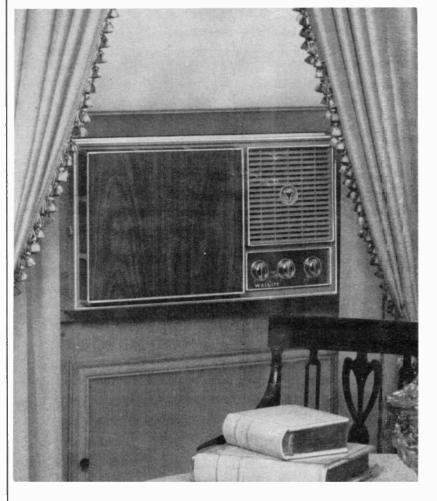
To back up the promotions, Cotter will run three double-page spreads in regional editions of *Look* magazine during October, November and December.

Cotter's expansion move into the Philadelphia market, expected to reach full force in the big fall selling season, comes on the heels of the filing of Chapter XI proceedings by Tyron-Supplee-Biddle Co., the city's largest housewares distributor. Tyron-Supplee, itself, was the result of the merger several years ago of the city's two largest distributors, Edward Tyron and Supplee-Biddle-Steltz.

Cotter has been seeking for years to build up its strength in the East, but was handicapped by the lack of an Eastern warehouse. Still, it currently boasts dealer-members reaching down into the Carolinas.

Cotter's move into the East comes at the same time another big Midwestern-based buying group, Ace Hardware, is going West by franchising dealers in California. The expansion efforts are being closely watched by the housewares industry —especially by traditional distributors.

What style...and what a steal? Elegant...installs in seconds...and priced to beat



# all competition

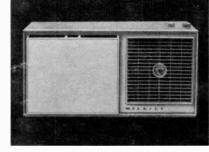
Most customers find the Welbilt Power Master's furniture styling, hush-quiet operation and self-installing Expand-O-Mount compelling enough reason to buy. But there are other customers—the comparison shoppers—who are sold only when they read the price tag. Feature for feature, B.T.U. for B.T.U., the Power Master is the best value for the dollar of any comparable unit on the market. And this holds true for every model in the series, from 6,000 to 18,500 B.T.U.

But we have a suggestion. Don't put a price tag on the Power Master. Let your customer compare it with any other make offering the same B.T.U. capacity. Then, ask them to guess the price. Mr., you've made a sale.

BOOST YOUR SALES WITH THE NEW WELBILT LINE - MODELS FOR EVERY NEED - FROM 4,300 TO 27.500 B.T.U.



**MIGHTY MITE** For casement windows. 5500 and 6000 B.T.U.



**HUSH MASTER.** With self-installing Expand-O-Mount. 4300 and 6000 B.T.U.



**SUPER ALASKAN** For large rooms or several rooms. 23,500 and 27,500 B.T.U.

Write, Wire, Phone today.



Maspeth, New York, EV 6-4300 Outside the United States – Welbilt International Corporation 475 Fifth Avenue, New York, New York 10017

### APPLIANCE-TV

# **CATV** gets a foot in the front door of New York City

Community antenna television (CATV) may soon make its debut in New York City.

While debate over federal regulation of CATV whirls in Washington, the New York City Bureau of Franchises submitted a recommendation to the city's Board of Estimate for approving CATV in the nation's largest city.

Immediate opposition to the Bureau's recommendation came from Morton Leslie, president of the Television Accessory Manufacturers Institute. In a telegram to New York City's Mayor Robert Wagner and members of the Board of Estimate, Leslie said, "In your consideration of the CATV franchises, we urgently request you to take notice of the recommendation issued to its 13,000 member cities by the National League of Cities. The League, in a bulletin of April 19, recommends that cities postpone final action on any CATV application until the FCC makes a final determination of its authority to regulate CATV. The bulletin says further, 'If municipal governing bodies wait for this decision they will not be forced into arbitrating disputes between CATV operators and local television broadcasters.' New York City is a member of the League."

**The recommended system,** which would bring tv signals directly into homes through a cable linked to a central pickup point, is operated on a fee basis. Subscribers would pay an initial connection charge of \$37.50 and a monthly service fee of \$5.50 for one outlet. An installation charge of \$15, plus a monthly service fee of \$1.50 would be authorized for each additional outlet.

The Bureau of Franchises has given its tentative blessing to two New York City companies, Sterling Information Services Ltd., and CATV Enterprises Inc. and proposes assigning specific areas of the city to the two firms for two-year experimental service. Both firms would provide service for identical fees.

No broadcasts from stations in other cities—a sore point of contention in many communities—would be seen in New York City under the proposed service. New Yorkers would be paying solely for improved reception on stations they now get.

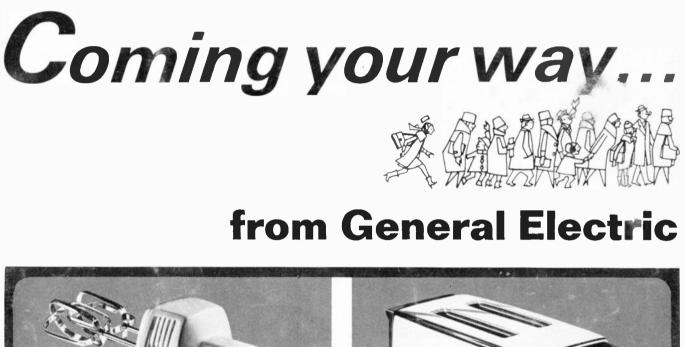
Promoters of the systems say the service improves black-and-white reception—which is often poor in the midst of the city's skyscrapers—and that color reception is particularly improved. CATV promoters figure New York City offers a potential market of 500,000 subscribers, but because of the systems' only benefit would be improved reception—not increased programming as in many areas—some observers believe CATV will be a definite gamble in New York City.

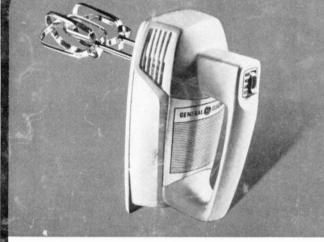
Sterling Information Services, which says it could start operation within 90 days, was recommended for a franchise—in part—on the following significant basis: Sterling will provide the city with \$5 million in insurance to protect the city, according to the Bureau of Franchises, from "the remote possibility of any liability" for copyright infringement over the service. (In other areas of the country this question of copyright infringement has been the basis for several lawsuits.) The Bureau of Franchises noted it also was urging that compensation should be fixed at 5% of gross revenues to yield 6% and 7% on investment. It recommended that there should be a "direct and distinct prohibition against any type of pay-tv" over the system and that programs originating outside the city should not be piped into New York by the companies.

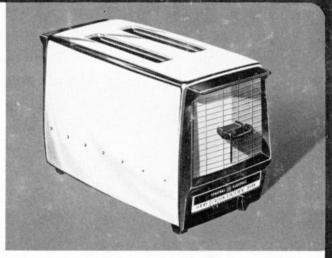
**FCC** action in the past few weeks may affect the franchising, but if the operators of the systems for New York City hold to their agreement not to import programs, existing FCC policy would not be overstepped. The commission has indicated (Mw, 26 Apr., p.3) that it will take any steps necessary to hold CATV in a secondary and supplementary position in the over-all scheme of television service, in order to prevent CATV from damaging existing free broadcasters.

Television service companies and accessory manufacturers fear CATV, however, because they think the community antenna companies eventually will expand to compete directly with these smaller service organizations and manufacturers.

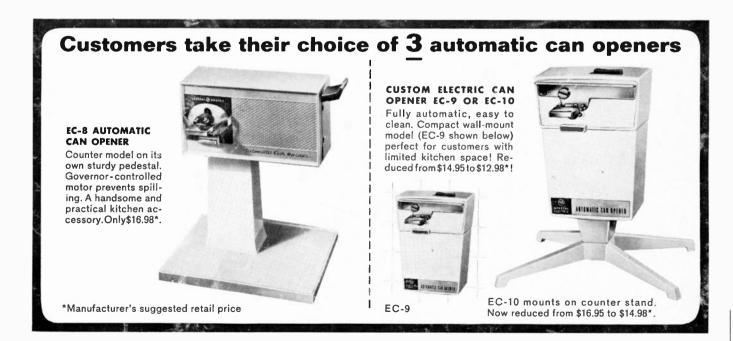
"The National Alliance of Television and Electronics Service Associations is disturbed about the possibility of CATV becoming a quasiutility," said Frank Moch, director of NATESA at the organization's last convention (MW, 31 Aug. 64, p.36). "First, the cable company gets the authority to feed into a community; they supply the program and the means of bringing it in. The second step, and this is where the real danger lies, is for them to furnish the tv sets and maintenance. The whole package would be offered to the cable-tv customer." Moch warned.







2 best-selling appliances now at "SPECIAL" prices! M-17 PORTABLE MIXER. What a buy! Lightweight portable mixer with 3-speed control. Six-foot cord, beater release. Limited quantities. Now just \$10.98\*. T102S AUTOMATIC TOASTER. So many features at this low price! 9-position toast control, snap-out crumb tray. Limited quantities. A wonderful "find" at \$14.98\*.



## The color battle: an old hand climbs back into the ring

Out of the rash of this year's stockholder meeting merged a new perspective on color tv marketing. Both Hoffman Electronics and RCA scored news beats last week.

Tightening up a tight race, Hoffman 'announced at its stockholder meeting that it will re-enter the tv market this fall with a new line of color sets. Consumer product division vp Bob Jablonski said Hoffman's offering would be a limited line of high-styled models with rectangular 25-inch 90degree picture tubes. French Provincial and Italian Cadenza cabinets will be available in limited numbers, according to Jablonski, and a Mediterranean Spanish model in greater quantities.

**Distribution** will be direct to dealers "interested in a fair-trade type pricing policy," Jablonski told the meeting of Hoffman stockholders.

Hoffman thinks it has a ready market for its color sets in the more than one million present owners of the company's b&w tv sets. As a start in getting word of the new set around, a letter will be sent to each Hoffman stockholder listing retailers selling the company's new color television models.

While no reasons were given for by-passing distributors, H.L. Hoffman, company president, cited high distribution costs as a prime basis for Hoffman's 1960 decision to back out of tv. Other factors: (1) Hoffman did not want to compromise quality to meet the then existing price structure; (2) cost per unit, particularly on table models, was too high; (3) unamortized overhead was too high; and (4) Hoffman's West Coast location, with resultant high freight rates, made it difficult to compete in the national market with the necessary volume.



### Brand new business builder... a "Dutch Skillet" from General Electric!

Cooks for two or a crowd. Roasts a 12-pound ham, bakes casseroles... even cakes. Deep fries doughnuts, seafood, chicken. Simmers soups and stews. Pops corn. "Helper handles" for easy carrying. Tilttop lid. Washes like any ordinary pan. Only \$29.98\* General Electric Company, Housewares Division, Bridgeport, Connecticut



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The decision to get back into the tv market is a direct result of Hoffman's acquisition of TravLer, giving it a more centrally located base for its tv operations. Hoffman's sets will be turned out at Hoffman Products' TravLer facilities in Orleans, Ind., and Albany, Ky.

Hoffman Electronics will be only one customer for Hoffman Products. Other sets will continue to be produced for Montgomery Ward, CBS International, and other unnamed buyers.

First deliveries of the Hoffman color sets are scheduled for early August. Hoffman announced that it will also offer solid-state stereo in the fall.

At the RCA meeting, Chairman David Sarnoff defined the color tv boom this way: "Today, the question is not whether color has taken hold but how soon supply can catch up with demand. Consumer interest is at the stage that characterized the boom years of black-and-white, and the output of color picture tubes and sets simply cannot keep pace. A new industry is now firmly rooted as the fastest growing business in the consumer sector of the economy, and before the next five years are ended it will triple its present billion-dollar status.

Sarnoff's supply-and-demand statement was highlighted by RCA's announcement the week before last that color tubes have gone back on allocation.

Group executive vice president W. Walter Watts, RCA's king of color, focused even more sharply on this year's targets. "Through the first third of 1965, factory sales of RCA Victor color sets are running more than 50% ahead of the record pace of the same period last year."

Watts went on to say, "The strong demand for color picture tubes, in both the conventional 21-inch round and new 25-inch rectangular shapes, has continued to grow at a rate exceeding our expectations. Although we are ahead of schedule on delivering both sizes, we anticipate that we will be in a back-order situation for at least the rest of the year. To meet this demand for color picture tubes, we are planning a further substantial expansion of the color tube production facilities at our Lancaster, Pa., and Marion, Ind., plants."

At one point Watts caught RCA public relations men off base by deviating from the prepared text that had been issued to the press. The text read: "A new 19-inch rectangular color tube will go into limited production during the second quarter and we are evaluating other size possibilities." Watts amended that to read: "At the *beginning* of the second quarter," indicating the tubes should be in the pipeline almost immediately.

RCA president Elmer W. Engstrom looked ahead at the results of research currently under way, predicting, "such entirely new products as thin-screen wall-mounted color television receivers, and battery-operated portables whose bright colors can be viewed in any outdoor location."

A grim note came out of the stockholder meeting of Packard Bell. Chairman Robert S. Bell announced that set sales, particularly of b&w, had declined last year.

# Early-summer promotions to help boost your sales

Utilities throughout the country are now putting their plans into action for backing your early-summer sales push. The following utility promotions can give you some idea of what is available. Check the list for a utility in your area, or contact your local utility representative.

Florida—air conditioners: May through August. Florida Power Corp. is offering sales bonuses to its dealercustomers and installation allowances to customers served on residential meters. During the four month promotion, dealers and salesmen will get \$1 sales bonus for every room air conditioner sold and \$3 for every central air conditioning unit sold. An installation allowance of \$50 will be given to customers for "whole house" heat pump purchases which replace flame-type heating systems. This applies to both window or central units, but electricity must be the only source of heat used. The deadline for installation and request for payment is Sept. 8. The utility also plans extensive newspaper, radio and television advertising.

Kentucky—electric water heaters: present through June 30. Kentucky Utilities Co. and Old Dominion Power Co. will pay \$35 to those customers who buy an electric water heater and change from two-wire service to three-wire, 240v, 100-ampere service between April 1 and June 30. In those cases where customers already have three-wire service, the utilities will pay \$15 when an electric water heater is purchased and a permanent heater circuit is installed. During the campaign the utilities will advertise electric water heaters extensively in some 100 newspapers throughout the company service areas. Dealers will be provided with mats for tie-in ads.

Maryland-refrigerator-freezers:





## Your United Way helps change teen-age styles

Driving toward trouble ... or toward a touchdown? Very often, that depends on you. On your United Way pledge that helps us carry on the recreation, guidance and community programs our young people so desperately need. We are fortunate in having such programs, and in being able to operate them year round, but continuing support is required so that our services for children and teen-agers never stop growing. That support must come from you. Please give generously. **One Gift Works Many Wonders/GIVE THE UNITED WAY** 

Space contributed as a public service by this magazine.

May and June. The Baltimore Gas and Electric Co. is offering dealers a chance to advertise on full-color "No Defrosting Ever" billboards. For \$50 the dealer's store name and telephone number appear on the billboard.

**Ohio—refrigerator-freezers:** present through May 14. The Cincinnati Gas & Electric Co., in cooperation with the *Cincinnati Enquirer*, is running heavy "Space Up—Cost Down" refrigerator-freezer promotion campaign. In conjunction with the campaign, dealers may obtain special Pyrex dish sets as traffic-builders.

Pennsylvania-electric water heat-ers: present through June 26. The Pennsylvania Power & Light Co. in Allentown is giving a \$5 cash bonus to dealers or salesmen for each of the first two electric water heaters sold to PP&L customers during the campaign, and a \$100 cash bonus for every qualifying sale after the first two. For PP&L customers a \$15 trade-in allowance is available on their old heating equipment (gas, oil, coal, or electric), plus a moneyback guarantee of satisfaction effective for six months from date of installation. The utility also plans a powerful advertising campaign to last through June.

During all of 1965, the Metropolitan Edison Co. in Reading, Pa., will have prize coupons for all electric (water heaters, dryers, and ranges) appliance sales. The coupons —called Reddybucks—may be redeemed for both merchandise and travel awards. Reddybucks also are awarded for conducting in-store demonstrations of electric appliances. In addition, the utility is providing 25% co-op advertising funds for electric water heater advertising. These funds will be available throughout 1965.

**Tennessee**—air conditioners: present through July 10. The Nashville Electric Service will send promotional material to its 140,000 customers, starting May 17 through June 15. In a tie-in with U.S. Steel's "Why Simmer Through Summer" campaign, NES will advertise heavily in the Nashville newspapers, on bus cards, billboards, and radio.

### **DISTRIBUTOR APPOINTMENTS**

**RCA**—Kelvinator Sales of Puerto Rico Inc., a subsidiary of American Motors Corp., is to handle distribution of RCA Victor home instruments. The products were formerly distributed in Puerto Rico by Splendid Inc., which will continue as RCA's distributor of records, electronic components, and audio visual products in Puerto Rico.

**Roberts Electronics**—Stereo Sound Distributors, Buffalo, N.Y., for the eight western counties of New York, which were formerly served by Lee Distributor Co.

Sunray Stove Co.—American Capital Investment Corp., Minneapolis, Minn., for Minnesota, northern Wisconsin, North Dakota, and South Dakota.

**Sampson Co.** — Peterson-Rudnick Assoc., West Caldwell, N.J., and N.Y.C., as eastern sales rep.

# INDUSTRY TRENDS

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	date	1965	1 <b>96</b> 4	% change
FLOOR CARE PRODUCTS			11/150	+ 13.40
floor polishers	3 Months	129,453 330,895	114,152 293,235	+ 12.84
vacuum cleaners		495,178 1,289,692	420,527 1,110,286	
HOME LAUNDRY				
dryers, clothes, elec.	March	98,534	78,206	+ 25.99
	3 Months	293,988	259,219	+ 13.41
dryers, clothes, gas	March	47,316	42,849	+ 10.42
	3 Months	150,956	140,475	+ 7.46
washers, auto. & semi-auto.	March	337,969	315,276	+ 7.20
	3 Months	895,820	845,405	+ 5.96
wringer & spinner	March	52,011	56,749	— 8.35
	3 Months	139,530	159,162	— 12.33
OTHER MAJOR APPLIANCES				
air conditioners, room	February	325,200	247,300	+ 31.50
	2 Months	557,400	440,400	+ 26.57
dehumidifiers	February	15,700	15,300	+ 2.61
	2 Months	21,700	22,200	- 2.25
dishwashers, portable	February	26,500	19,700	+ 34.52
	2 Months	52,600	38,600	+ 36.27
dishwashers, under-counter, etc.	February	60,600	51,400	+ 17.90
	2 Months	112,500	97,300	+ 15.62
disposers, food waste	February	99,700	97,500	+ 2.26
	2 Months	187,100	188,200	58
freezers, chest	February	33,100	32,700	+ 1.22
	2 Months	58,700	63,200	- 7.12
freezers, upright	February	47,000	50,400	— 6.75
	2 Months	91,500	96,200	— 4.89
ranges, elec., free-standing	February	107,700	100,500	+ 7.16
	2 Months	205,500	189,700	+ 8.33
ranges, elec., built-in	February	64,200	65,300	— 1.68
	2 Months	117,600	120,500	— 2.41
ranges, gas, total	March	210,400**	197,400	+ 6.59
	3 Months	528,400	519,100	+ 1.79
refrigerators	February	349,100	338,400	+ 3.10
	2 Months	693,200	625,100	+ 10.89
water heaters, elec. (storage)	February	82,800	83,200	48
	2 Months	159,100	162,600	- 2.15
water heaters, gas (storage)	<b>February</b>	230,100	241,100	— 4.50
	2 Months	440,100	493,700	— 10.80
CONSUMER ELECTRONICS				
phonos, mfrs. ship., porttable	February	241,870	160,782	+ 50.43
	2 Months	448,218	340,858	+ 31.50
distributor sales	February	272,533	164,220	+ 65.90
	2 Months	463,851	323,108	+ 43.50
phonos, mfrs. ship., console	February	130,917	111,895	+ 17.0
	2 Months	257,633	230,659	+ 11.6
distributor sales	February	112,979	116,920	— 3.37
	2 Months	230,285	230,316	— .01
radio production (ex. auto)	April 23	235,412	176,716	+ 33.2
	16 Weeks	3,968,660	2,874,328	+ 38.0
distributor sales	February	892,017	664,671	+ 34.20
	2 Months	1,585,022	1,209,486	+ 31.0
b&w television production	April 23	142,064	151,492	— 6.22
	16 Weeks	2,526,074	2,565,634	— 1.5
distributor sales		609,538 1,241,547	644,062 1,232,617	-5.3 +.7
color television production	_	169,523 297,280	90,850 179,827	+ 86.6

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

GEN. DWIGHT D. EISENHOWER American Heart Association • Honorary Chairman, Board of Directors

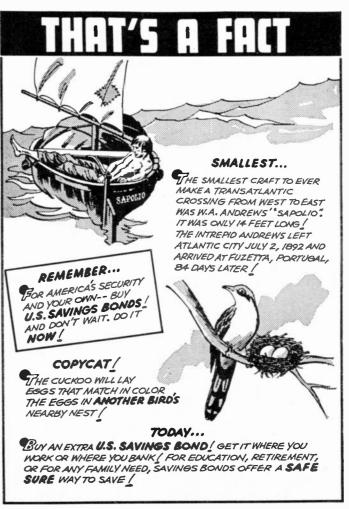


..."Each of us has a highly personal stake in the conquest of heart disease...

"There are few families who do not live in its shadow or have not met it face to face . . . Your Heart Association is mobilized for the conquest of heart disease. I urge you to join in aiding the Heart Fund. Your support, and the part you play, have a very important role, a very important influence on the outcome of this vital effort."

GIVE ... so more will live HEART FUND

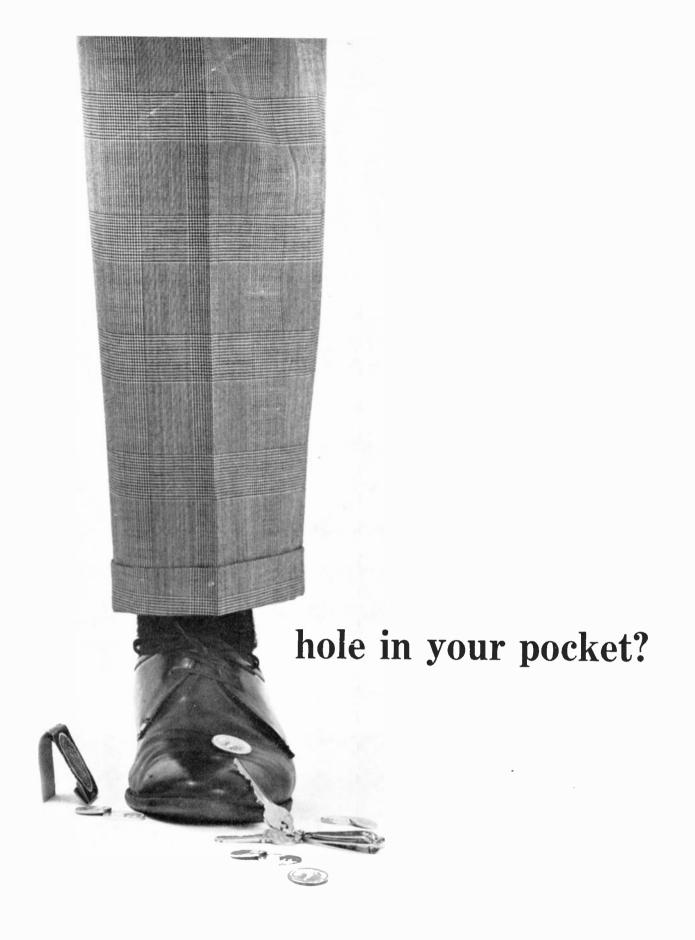
Presented as a public service by the publishers



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\*\*March total includes 146,800 conventional free-standing ranges, 20,300 high-oven models, 25,300 built-ins, and 18,000 set-ins. Sources: NEMA, AHLMA, YCMA, GAMA, EIA.

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You buy right. You merchandise right. You sell right. Yes, you even live right. But at the end of the month when you reach into your pocket—ouch! The profit you should have isn't there. Well, what now? Where in the name of all good dealers did the missing profit go? Find out. Tell your RCA WHIRLPOOL distributor you want a private, confidential profit analysis done and he'll set it up for you with the Dealer Development Department at Whirlpool. No strings. And you'll learn a thing or two. About finding holes. About plugging holes. About break-even points. About retail ac-

counting systems. About sales training and compensation. In fact, go whole hog and ask the RCA WHIRLPOOL distributor for the Retail Profit Management Manual. You might just as well get all the profits that are coming to you.



RCA WHIRLPOOL Appliances are Products of Whirlpool Corporation, Benton Harbor, Michigan

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