

# MERCHANDISING WEEK

EDITED FOR THE HOME GOODS RETAILER/A MCGRAW-HILL PUBLICATION/50 CENTS/VOL. 97 NO. 21/MAY 24, 1965



## ON THE INSIDE ☐

☐☐☐☐ A housewares duel—private labels vs. name brands. Who's winning? The answer may surprise you, for the retailer has written a Hitchcock-type ending to the script. For conclusion, see .....p.23  
Progress report on excises.....p.3  
Two new tv lines.....p.14  
The cookware bonanza .....p.26  
How Macy's sells summer....p.30

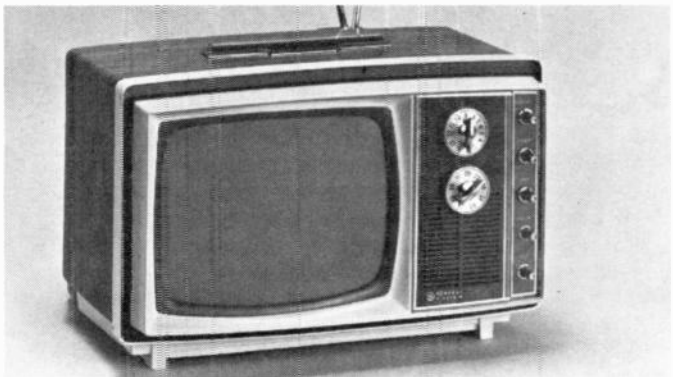
## AT PRESSTIME ☐

☐☐☐☐ A torrid sales pace for room air conditioners is reported by the National Electrical Manufacturers Assn. (NEMA). During the first quarter of 1965, industry shipments totalled 1,000,400 units, compared to 806,600 units shipped in the same period last year. The first-quarter figures represent a 24% increase in shipments over last year. The figures for March air conditioner shipments were equally impressive: manufacturers shipped 443,000 units, compared to 366,200 units in March, 1964—an increase of 21%. In 1964, when record shipments were racked up by the industry, manufacturers did not top the one million sales mark until April.

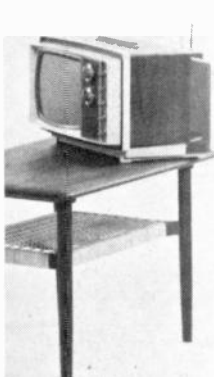
In a separate report on first-quarter sales of major appliances, NEMA released state-by-state percentages of distributor sales to dealers. California distributors led the nation, chalking up: 12% of refrigerator sales; 16.2% of built-in range sales; 4.4% of free-standing range sales (New York tied in this category); 14.1% of portable dishwasher sales; 20% of all other dishwasher sales.

☐☐☐☐ The ban on pay tv in California *continued on p.8*





Two views of GE's new 11-inch color portable, which is tagged at \$245.95



New 12-inch b&w portable: \$109.95 GE 25-inch color feature: hinged door

## Tinyvision's new dimension: 11-inch color from GE

For the fourth straight year, a radically new small-screen tv set has popped out of the hopper at General Electric. The newest model is the heaviest (24 lbs.), the most expensive (\$249.95 suggested list), and the most revolutionary (it's color).

The 11-inch vacuum-tube portable color receiver uses the three-gun shadowmask principle, but in such a new way that GE refuses to divulge any technical details on the set. But it is clear that this new set logically follows GE's pattern of thinking big about small sets. In 1962 GE embarked on this tack, bringing out the 22-lb., 16-inch b&w portable. The

company followed with a \$99.95 eleven-inch unit, and, last year, added a nine-inch transistor set.

"The sets will be in stores in time for Christmas," said William E. Davidson, general manager of GE's tv receiver department. Right now, GE is in pilot production on the 11-inch rectangular tube and will start set production when yields reach a predetermined, but so far, undisclosed point.

"There will be no slackening in our efforts to sell big-screen GE color sets," Davidson said. "We do not believe this set will affect big-screen color sales or conflict with large-

screen prices. This should expand all color sales."

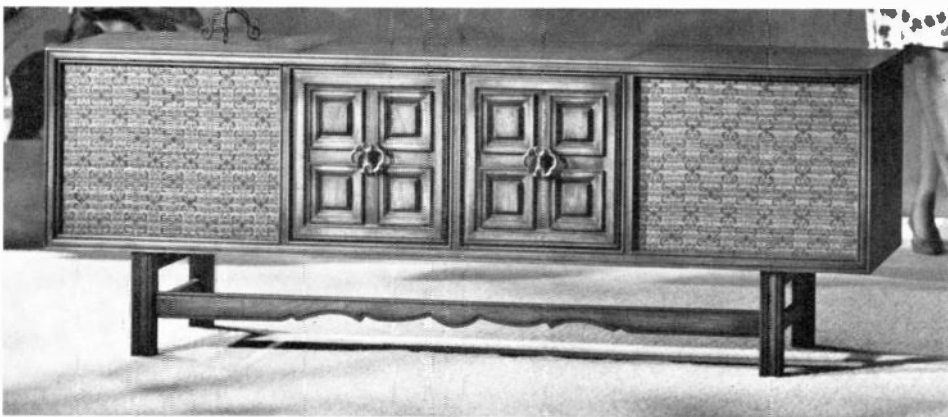
The portable operates with a built-in dipole antenna (there is a loop antenna for UHF), is 16½ inches deep, 11¾ inches high, and 17 inches wide. It comes in a walnut-grain plastic cabinet, has a retractable handle, and a degausser. The tube uses rare-earth phosphors.

GE's 21-inch color line kicks off at \$399.95 for a metal-cabinet model with walnut-grain finish and a Danish Modern base. The 10-model line cuts off at \$569.95.

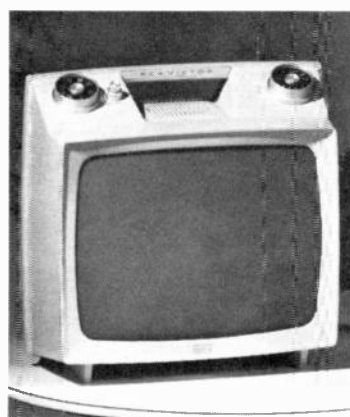
The 25-inch consoles—there are only two—are priced at \$729.95.

Both models come with doors that are hinged at the top of the unit and can be swung up and then pushed back underneath the top of the console.

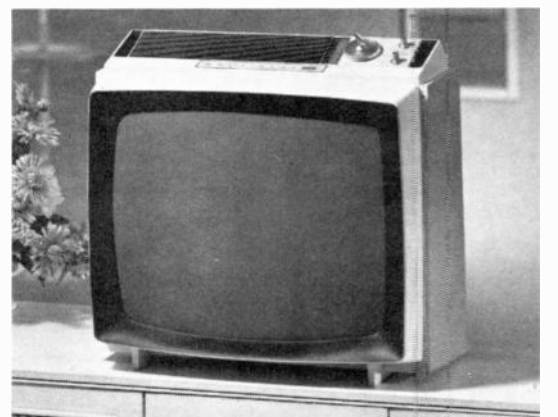
GE is also building its color sets to use 75-ohm coaxial antenna systems as well as a 300-ohm twin lead antenna wire. The coaxial antenna is subject to less outside interference, according to GE, and will go for about \$25 at retail. GE also has taken steps to simplify color tuning, presetting the color tuning at the factory so that the customer will have one reference point for an optimum color picture.



RCA's new lineup: 56-watt (peak power) AM-FM stereo console for \$459.95



12-inch transistor portable



21-inch b&w portable goes for \$179.95

## RCA builds new muscle in color, hits fresh b&w areas

With the elimination of excise taxes firmly in mind, RCA wheeled in the heavy artillery last week at its new-line showing in Las Vegas.

Not only did the company put more muscle in an already competitive color tv line, it pushed into fresh areas in black-and-white tv, adding a 12-inch transistor set, 21-inch portables, and new prices for its 23-inch leaders.

Here is the new RCA lineup:

**Color tv**—Figuring the average retail price of a color set is now around \$525, RCA built new strength into its line in the \$500-\$600 bracket and added a 43% brighter rare-earth picture tube across the entire line.

The 37-model 21-inch line kicks off at \$379.95 with a metal-cabinet table model, without a degausser, in Beechwood. A black metal-cabinet table model, with a degausser, enters the line at \$399.95. No tables in the new line come with bonded picture tubes.

In all, RCA is offering fifteen 21-inch models under \$600, including a new series of all-wood consolettes starting at \$529.95. Bigger furniture pieces start at \$650.

A hardboard consolette, which RCA says has been the industry's best-selling color model with a \$499.95 list price, has been replaced by a wood-cabinet set priced at \$479.95.

RCA also brought in its 21-inch three-way combinations at \$699.95, a full \$100 under last year's leader, and added two new models at \$799.95.

The 14-model 25-inch color line starts with an open-face console at \$699.95 and runs to \$1,500 for a three-way combo. This line includes six consoles and eight combinations, which start at \$895.

RCA previewed a 19-inch color table model in a vinyl-clad metal cabinet, which will probably be priced "somewhere around \$429.95." The company will start shipping these units around Labor Day.

**The black-and-white line**—For \$124.50, RCA is offering a 12-inch transistorized portable weighing "less than 20 pounds." There is a step-up model on open list.

The new 21-inch portable, weighing in at 44 lbs., starts at \$179.95 and features nearly 25% more view-

able picture area than 19-inch sets.

In 23-inch table models, RCA starts \$20 under last year's leader, bringing in a black metal model priced at \$179.95.

Wood compact consolettes begin at \$219.95, \$10 under last year's model, and all-wood consolettes start at \$239.95, \$10 under last year's similar merchandise. And there are better margins in the line from \$219.95 up, according to RCA.

B&w combos with solid-state tuners begin at \$399.95, cut off at \$499.95.

**Phonographs**—RCA blasted off with a 300-watt (peak power) amplifier in its top-end (\$795) stereo console while opening its line with a consolette (transistorized amplifier) at \$129.95.

The AM-FM stereo console line starts this year at \$249.95 for a 24-watt unit with six speakers. Units with 56-watt amplifiers start at \$369.95; 120-watt sets at \$500. In selected units RCA is using exponential horns.

The stereo line opens with \$69.95 portables. Monaural portables start at \$19.95.

In all, RCA is going with 44 transistorized models.

RCA also has come up with a studio strobe record changer which allows consumers to adjust the speed of the changer in three high-end sets. The company also is showing a redesigned tubular tone arm.

Stereo headphones can be used in 12 consoles.

In the important furniture and design side of the business, RCA is heavily committed to the Moorish-Spanish look.

**Radio**—Looking for a 25% increase in FM radio sales, RCA went to Japan (Standard and Sanyo) and came up with four FM-AM transistor portables, including a pocket eight at \$29.95 and a horizontal nine at \$29.95. A U.S.-built pocket 8-transistor AM unit opens the line at \$12.95.

RCA also showed five solid-state FM-AM table sets, with prices starting at \$69.95.

The company's first transistor AM clock unit is priced at \$39.95. The clock-radio line opens at \$16.95.

The AM table-radio line starts with a four-tube set at \$12.95.



# MERCHANDISING WEEK

EDITED FOR THE HOME GOODS RETAILER/A MCGRAW-HILL PUBLICATION/50 CENTS/VOL. 97 NO. 21/MAY 24, 1965



## ON THE INSIDE ☐

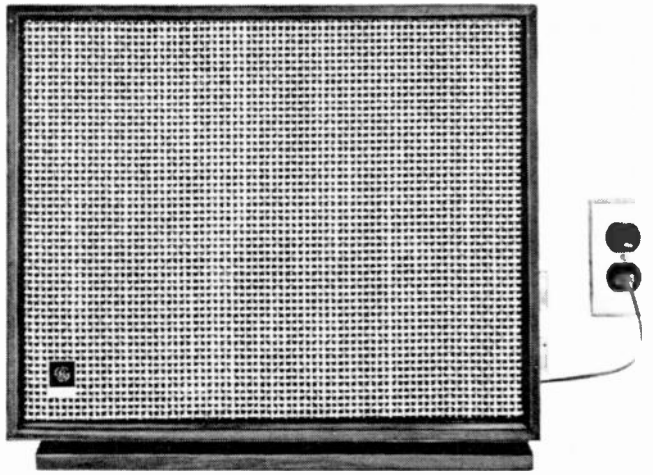
☐☐☐☐ A housewares duel—private labels vs. name brands. Who's winning? The answer may surprise you, for the retailer has written a Hitchcock-type ending to the script. For conclusion, see .....p.23  
 Progress report on excises.....p.3  
 Two new tv lines.....p.14  
 The cookware bonanza .....p.26  
 How Macy's sells summer....p.30

## AT PRESSTIME ☐

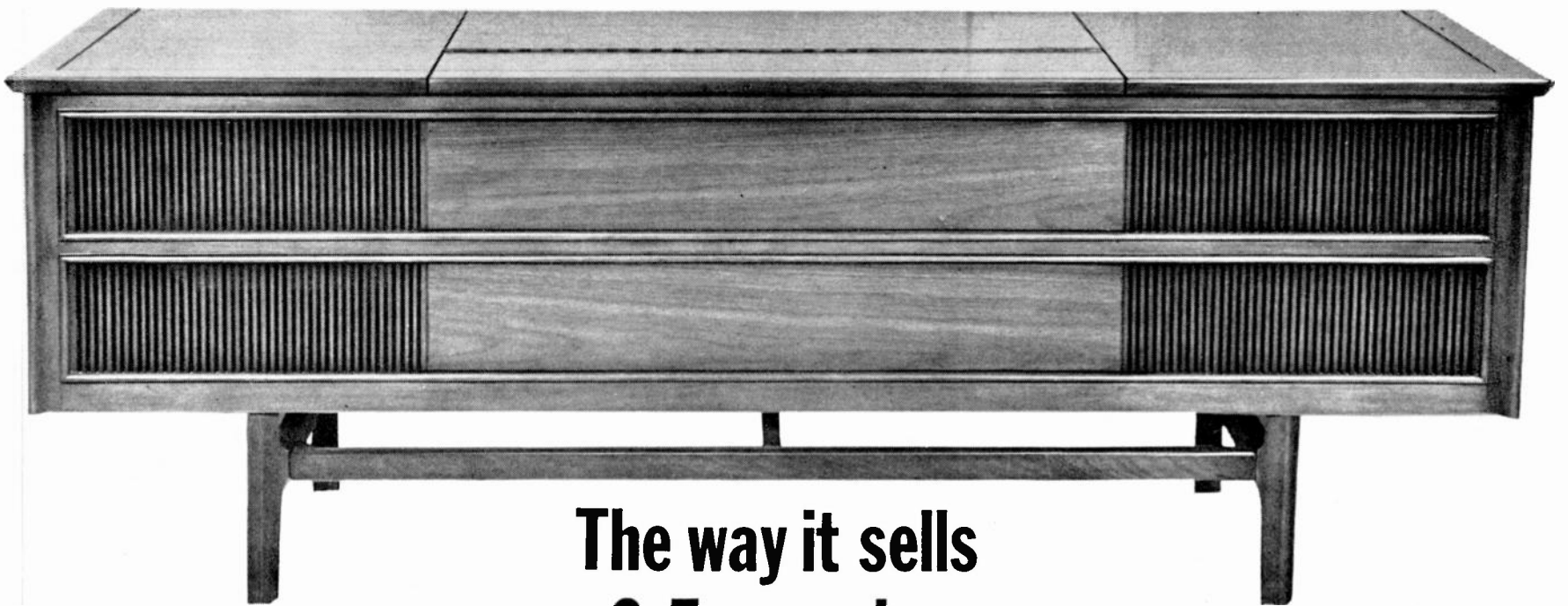
☐☐☐☐ A torrid sales pace for room air conditioners is reported by the National Electrical Manufacturers Assn. (NEMA). During the first quarter of 1965, industry shipments totalled 1,000,400 units, compared to 806,600 units shipped in the same period last year. The first-quarter figures represent a 24% increase in shipments over last year. The figures for March air conditioner shipments were equally impressive: manufacturers shipped 443,000 units, compared to 366,200 units in March, 1964—an increase of 21%. In 1964, when record shipments were racked up by the industry, manufacturers did not top the one million sales mark until April.

In a separate report on first-quarter sales of major appliances, NEMA released state-by-state percentages of distributor sales to dealers. California distributors led the nation, chalking up: 12% of refrigerator sales; 16.2% of built-in range sales; 4.4% of free-standing range sales (New York tied in this category); 14.1% of portable dishwasher sales; 20% of all other dishwasher sales.

☐☐☐☐ The ban on pay tv in California *continued on p.3*



**What's so unusual  
about G.E.'s  
exclusive  
Porta-Fi system?**



**The way it sells  
G-E consoles.**

And it sells them for 3 good reasons.

(1) Your customer gets two sets in one, an entire house full of entertainment, just by adding Porta-Fi. (2) His house is already wired for it. No extras to the electrician. (3) Music where he wants it—when he wants it.

**What's Porta-Fi?** Two basic units: a transmitter and a receiver. The complete system is available as an optional extra on most G-E stereo consoles. And only G.E. has it.

**How does it work?** Plug the transmitter into the back of the console. (Space is already provided.) Then,

just carry the lightweight, high-style receiver anywhere in the house. Plug it into any 110-volt outlet. Turn the volume control knob and—music!

**What does Porta-Fi mean to you?** Well, put yourself in the place of someone shopping for a stereo console. If you could wire your whole house for sound without additional wiring expense, you'd probably jump at the chance.

And that's one reason people are jumping to G.E. Take a minute and install a Porta-Fi system for demonstration in your store. It may be the most profitable minute you ever spent.

**GENERAL  ELECTRIC**

Audio Products Department, Decatur, Illinois



was ruled unconstitutional last week by a Sacramento County Superior Court judge. In his ruling, the judge said that the prohibition of home pay tv, which was approved by California voters last November, violated the basic rights of freedom of speech. An appeal of the ruling is expected.

□□□□ **RCA's other line**—the custom line—has been expanded and now includes table radios and 25-inch color tv sets for the first time. The custom line is not bargain basement merchandise, RCA officials emphasize, but it does offer significant differences in appearances, when compared with the regular 1966 RCA lineup (see p.14). What the custom line has been designed to do, of course, is give distributors a merchandising tool to use—particularly with key accounts. The new line of custom models, all at open list, now contains eight 21-inch color tv sets, a 25-inch color console, a 25-inch three-way combination, five 23-inch b&w receivers, nine 19-inch portables, and a pair of the new 12-inch transistor receivers. In phonos, RCA has built nine stereo consoles and three portables. There are seven table radios in the custom line.

"This line now represents a substantial part of our business," said Jack Sauter, RCA vice president for product planning.

□□□□ **Embarrassed is the word for Regal Ware Inc.**, of Kewaskum, Wis., as the result of a premium deal now being run by General Tire Co. outlets on a 9-piece

Teflon-coated Regal cookware set. The General Tire outlets are offering the set at \$11.85, and Regal executives concede the same set is being sold by some retailers at \$19.95. The reaction of those retailers in light of this competitive situation is obvious.

Regal claims to be a victim of a misunderstanding—or worse. Regal executives said they understood that General Tire planned to promote the set at about \$15.95, making it a respectable self-liquidator, instead of \$11.85, which makes it a loss-leader. Bob Reeves, General Tire merchandising manager, said his firm decided to go with the lower price after seeing Teflon-coated cookware sets at the \$11 level in other premium offers and discounted to the \$15 level at retail. Regal counters that these other promotions feature sets of lesser quality than the one purchased by General Tire. Meanwhile, General Tire will run its final ad for the promotion—part of its stepped-up home goods campaign—in newspapers across the country today.

□□□□ **Electrohome's 1966 color tv line** will include ten 25-inch models with rectangular tubes. There are 11 models in the Canadian firm's new line. Retail prices in Canada on the console and combination line will start at \$795, for the 25-inch open-face Tasman console. Top retail price for the new line is \$1,895. A new table model, with wooden cabinet, will retail below \$795. Prices include Canada's 11% sales tax and 15% excise tax. Production is presently only in the pilot stage.

## Congress kicks off excise cuts: how will industry score?

President Johnson has finally tossed the ball to Congress. The signals he has called for the legislators: kill the excise tax on all appliance and consumer electronics products.

Now, as Congressional committees shape the bill up for a vote, furious figuring has begun behind the closed doors of manufacturers and retailers.

When the bill goes into effect, on July 1, what pricing and rebate plans will the industry quarterbacks have ready? A few clues are leaking out of the backroom huddles:

**Retail prices will drop**, most of the manufacturers have promised. Since the bill is designed to keep the economy humming, Washington obviously expects price cuts to follow the tax cuts. And as one manufacturer commented, "You don't fool around with Uncle Sam!"

**How big the cuts will be** is another question—a question no one is answering yet. More than a simple arithmetic problem, the price cuts will depend on each company's internal pricing structure—for example, how excises have previously been absorbed by the company. And, even more important, the price cuts will depend on what the competition does. Finally, since lines will have to be entirely re-priced, will the standard industry price points be maintained?

Philco, RCA, and Motorola all indicated to MERCHANDISING WEEK that

the standard price points probably *will* be maintained. An RCA spokesman pointed out that no manufacturer will want to go to market after the tax cut with a \$133.71 or \$137.43 price tag. Instead, he would probably round it off to a more familiar \$129.95 or \$139.95.

**Speculation on new prices** is running rampant, however. Some experts now figure that by the time the pricing situation is straightened out in home electronics, the elimination of the excise taxes will result in an 8% reduction on list prices. If this formula works, a \$379.95 color set could be re-priced to hit the market at \$349.95.

**The two rebate plans proposed** by the President are:

(1) For consumers: a credit or refund will go to those who—between May 15 and July 1—pay the 10% manufacturer excise tax on self-contained air conditioner units.

(2) For retailers: A request for credit or refund may be made before Dec. 1, 1965 to the manufacturer, distributor, or importer who sold him appliances, air conditioners, radios, tv sets, phonographs, and other taxable items unsold and held by the dealer on June 30.

**Manufacturers are already on edge** about the proposed rebate plans, and none seem sure just how the rebates will be handled. Since the customer, retailer, or distributor must be re-

imbursed before the manufacturer may collect his rebate from the government, some companies are worried about their money being tied up. However, the rebate plans probably will accomplish their purposes: to prevent a buyers' strike on air conditioners during the peak sales season, and to prevent dealer postponement of inventory buying.

In a letter of reassurance to its dealers, Motorola said: "Our Washington attorneys have advised us there is no opposition to the floor stock refunds." And the National Retail Merchants Assn. is urging its members to maintain adequate inventory and sales records in anticipation of the bill being passed. The National Electrical Manufacturers Assn. is issuing the same advice.

Although there is some talk of pressuring Congress to extend the retroactive clause to cover other products (the Electronic Industries Assn. last week was considering such action), it is generally conceded that there is little hope of winning such a concession. Also, it is feared that any additional lobbying in Congress might slow down action on the bill.

**What are dealers doing?** Most are biding their time, watching the competition, but some are way ahead of the parade. The giants—Sears, Ward, and Penney—are already promising price cuts and rebates to their customers. George's Discount Super-

marts, in Washington, D.C., ran the following newspaper advertisement:

"To give you the benefit of any reductions in price that may result from the adoption of proposed legislation . . . George's will refund whatever portion of the manufacturer's excise tax, at the retail level, that are eliminated or reduced effective July 1, 1965, on any purchases of tv, stereo, major appliances or air conditioners made at any of George's locations between May 15, 1965 and June 30, 1965."

"It's a gamble," said George's vice president, Mike Filderman, "but we are using it as a merchandising lever. Better to absorb these costs than to retard sales."

The GE factory-branch distributor in Louisville, Ky., ran a five-column ad last week, urging the public not to postpone buying room air conditioners and to "take advantage of our excise tax refund offer." A GE spokesman said that identical ads are being made available to GE distributors throughout the country. GE's ad features a "rebate certificate" that guarantees customers a refund on air conditioner purchases.

Montgomery Ward, like George's Discount Supermarts, is promising refunds on all products, including refrigerators, freezers, dryers, ranges, phonos, and tv sets, to customers who make purchases between now and July 1.

# If your range business blame Hotpoint



**Hotpoint range volume is at a 10-year high,  
led by this Teflon-oven range  
that's priced for mass-market selling**

We went all the way for Hotpoint's 60th Anniversary Sale, advertising this range at under \$240. Result—the greatest value going among easy-to-clean ranges, and new sales records every day. Removable, Teflon®-coated oven walls that wipe clean make women want this range. And the new low price enables virtually every woman to afford it. Compare this patented Hotpoint feature (U. S. No.

3,145,289) with any other brand on these three points: initial selling price, ease of cleaning, and cost of cleaning. You'll see why Hotpoint ranges with Teflon ovens are selling like crazy. And the markup lets you make a healthy profit on every one! (21 other Hotpoint models have Teflon, too—free-standing, drop-in, and high oven ranges, plus wall ovens).



# isn't booming, and its dealers!



"Teflon ovens put us way out front. Lexington promotion catching fire. Results should amaze."

**Thomas E. Jones, Jr.**  
York-Lexington Company  
Lexington, Ky.



"Hotpoint range sales are up 31%. Thanks to Teflon we are really rolling."

**George Simon**  
Home Appliance Mart  
Ann Arbor, Mich.



"Sale is terrific. Hotpoint Teflon ranges are the fastest movers on my floor. Hotpoint range sales best ever."

**John F. Brooks**  
Brooks Brothers, Inc.  
Greenville, So. Carolina



"The event of the year—Teflon oven range promotion. Response terrific. Teflon ovens are a real hot feature."

**Hy Silver**  
Silver's Supply  
Salem, Mass.



"Store traffic has increased sharply since we started promoting Teflon, and we're making many sales. Customers love Teflon."

**Ray DeKay**  
Auburn Plumbing & Appl.  
Seattle, Wash.



"Our electric range sales are double this time last year. We attribute it to Hotpoint's Teflon ovens and the advertising behind them."

**O. C. Reardon**  
Proven Products,  
Houston, Texas



"Current Hotpoint range sale is tremendous. Great combination of Teflon range and merchandising effort."

**Charles Whisnant**  
Whisnant's, Inc.  
Charlotte, No. Carolina



"Hotpoint Teflon range promotion terrific. A great demonstrable oven-cleaning feature at a price all homemakers can afford."

**Jack L. Green**  
Smith & Phillips Co.  
East Liverpool, Ohio

## Hotpoint dealers' sales are booming from coast to coast! (there's still time to join 'em)

First reports show Hotpoint range sales busting records on dealers' floors across the country. Big ads in Life, Look, Farm Journal and Progressive Farmer... commercials on NBC's Tonight and Today Shows, starring Johnny Carson and Hugh Downs...over 1700 local newspaper ads—they're all helping create a heavy demand for Hotpoint Teflon ranges. Hotpoint dealers are pushing hard to make the most

of it. There's plenty of room for you, too. We've got the product, the feature, the right price, and the promotion. And we've got a full head of steam up, with a clear track ahead. Not even any delivery problems (the heavy demand put us behind schedule, but our 4th production schedule increase solved that). So get started now—contact your Hotpoint representative today.

# Hotpoint

*first with the features women want most*

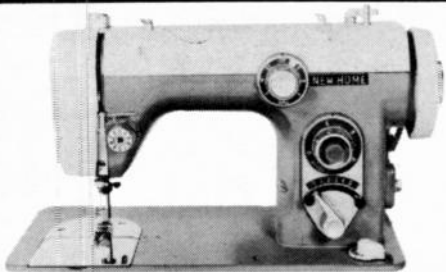


See Hotpoint appliances  
sold this week on The Tonight Show,  
NBC-TV, starring Johnny Carson

HOTPOINT • A DIVISION OF GENERAL ELECTRIC COMPANY • CHICAGO, ILLINOIS 60644



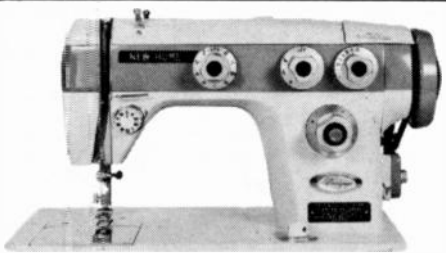
# LOOKING FOR EXTRA PROFITS?



MODEL 670 — Deluxe Aluminum Head

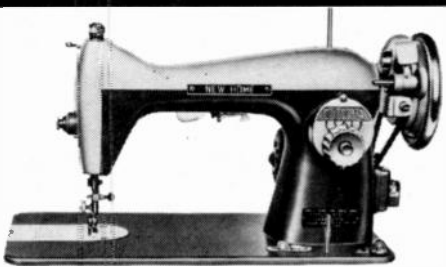
New Home Sewing Machines  
Offer You A **PROFIT  
MAKING OPPORTUNITY.**

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



MODEL 556 — Automatic Zig-Zag Model

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



MODEL 170 — Budget Model

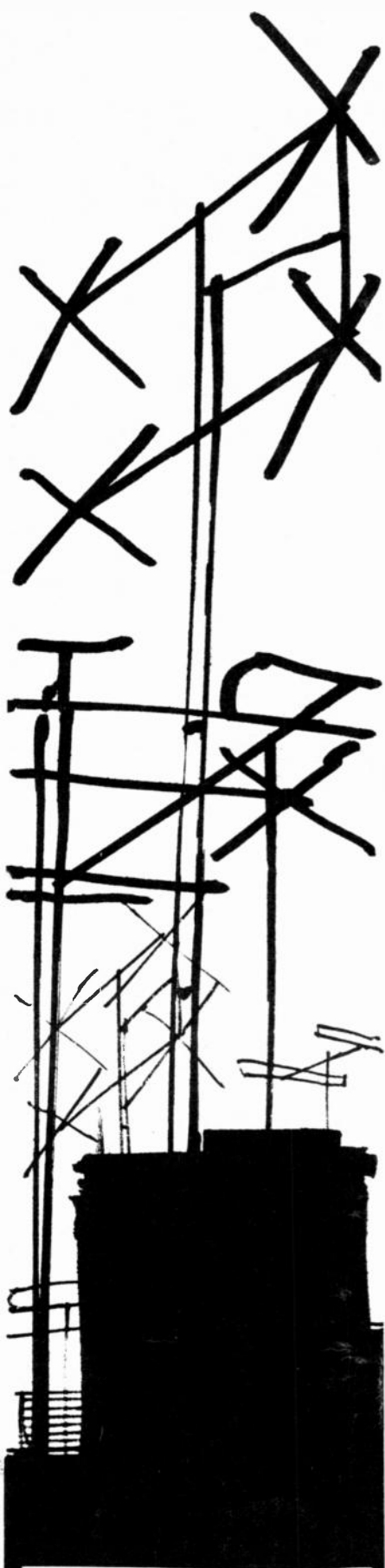
Why not take advantage of these  
potential sales by selling New  
Home. No experience is necessary  
... our simple instructions when  
our distributor sets you up will en-  
able you to do the job. Write today  
for dealership information. Our  
authorized distributor for your area  
will be in touch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



THE  
**NEW HOME**  
SEWING MACHINE  
COMPANY

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

## MERCHANDISING WEEK



## MUSIC SHOW ISSUES

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

## WASHINGTON

□□□□ **CATV spokesmen will square off** against the FCC's assertion of power in regulating CATV systems (MW, 3 May, p.6) at House hearings this week. Community antenna television (CATV) operators feel the Federal Communications Commission (FCC) has done too much—too soon—to protect broadcasters against destructive competition. They further argue that both the FCC and the broadcasters are giving too much weight to the potential impact of CATV. Although CATV systems vie with local stations for viewers, they do not compete for advertising dollars, CATV spokesmen argue; and, they add, there is no evidence that they have hurt any local stations so far.

□□□□ **Spokesmen for the FCC and CATV** will be called by a subcommittee of the House Commerce Committee. The subcommittee will conduct two days of hearings at midweek, as it considers a bill submitted by Commerce Committee Chairman Oren Harris (D-Ark.). The Harris bill would give the FCC power to regulate—not license—CATV systems, but it would not do so before Congress has set what Harris calls a “national television policy” covering all phases of the medium.

Subcommittee chairman Walter Rogers (D-Tex.) says his personal feeling is that the FCC did not have the authority to adopt broad rules and regulations involving CATV. “As an over-all proposition, the matter should have been presented to Congress with a request for instructions,” Rogers contended.

The National Assn. of Broadcasters (NAB) did not wait to register its position. At a May 12 Washington meeting, its board of directors voted 34 to 3 to adopt a series of resolutions backing the FCC and opposing the Harris bill.

□□□□ **Extension of the \$1.25 minimum wage** to 4.6 million more workers was a key proposal in President Johnson's long-delayed message on labor. Workers in the retail, laundry, hotel, motel, restaurant, taxi, and construction industries would benefit. Other proposals, which would increase business costs, included: establishing double time payments for overtime over 48 hours, to be reduced by one hour annually, until a 45-hour cutoff point for overtime is reached; raising employer taxes to provide up to 26 weeks of jobless benefits for the long-term unemployed. The employer tax rate would jump from the current 3.1% to 3.25%, and the wage base would climb from the present \$3,000 to \$5,600 by 1967, and to \$6,600 by 1971.

Congress is directing its attention first to President Johnson's call for amendment of the Taft-Hartley Act to erase state “right to work” laws. The other proposals will probably not get action this year.

□□□□ **The role of satellite tv in marketing** could be revolutionary—opening global markets to the U.S. tv industry. The recent request of the American Broadcasting Co. (ABC) to own and operate its own tv satellite is bringing the issue to a head.

ABC's request points up the fact that, even in its embryonic stage, satellite tv has stirred up the enthusiasm of the tv industry. Satellites exclusively for tv are expected within five years, and they could really open the flood-gates of international marketing.



## AHLMA turns up the volume: can't you hear the Waltz?

The tempo is picking up for the 1965 "Waltz Through Washday." This week at the Greenbrier, a well-manicured resort tucked away in the mountains of West Virginia, home laundry executives from the American Home Laundry Manufacturers Assn. (AHLMA) and their trade allies will collaborate on the words and music for what promises to be a record sales year and a successful "Waltz" campaign this fall. At the annual meeting, AHLMA will analyze future home laundry markets under the theme "Projecting Toward 1999."

The 1965 sales pace for laundry equipment has been on target so far this year. Latest AHLMA figures show that total factory unit shipments for the first four months of 1965 are up 4% over the same period in 1964; shipments of all home laundry equipment add up to 1,870,170, compared to 1,793,644 last year. This is quite a pace for an industry which catapulted total sales over 6 million units for the first time in 1964.

For the month of April this year, there was no appreciable change in sales figures compared to April, 1964. In the first four months of 1965, dryer shipments (536,825) jumped 10% over 1964 (489,883).

A new partner for this year's "Waltz" will be the Outdoor Advertising Assn., a group composed of over 100 companies. These companies will donate the use of billboards in many parts of the country to hawk the "Waltz."

Procter & Gamble will again support the fall campaign in a hefty manner with sponsorship of five tv programs, three in the evening (*Petticoat Junction*, *The Fugitive*, *Brand-ed*) and two during the day (*Another World* and *Edge of Night*). In addition, P&G will advertise in various consumer magazines. The company will also offer free measuring cups to local Action Committees for use as premiums.

Further evidence of an uptempo for the upcoming sales campaign will be the early distribution of this year's Action Guides, which are slated to be in the hands of local Action Committees, utilities, distributors, newspapers, and other potential local partners by June 1. This year 15,000 copies of the Action Guide will be put out, compared to 2,000 copies in 1964. In addition there are expected to be about 500 local promotion committees this year. Last year there were some 200.

## What Woolworth's leader sees as his firm adapts to change

"Emergent Trends in Retailing" were discussed last week by the president of F. W. Woolworth, and at least one trend should interest appliance-tv retailers: there will be more competition from two Woolworth offshoots.

Expansion is planned for Woolco Department Stores and Dominant Stores, both of which sell tv sets and appliances. But Woolworth is not planning to enter the private-label field either through manufacturing or buying private-brand merchandise.

"I won't say never," Lester A. Burcham, Woolworth's president told MERCHANDISING WEEK in Philadelphia, "but we certainly have no plans now to go private label. We're selling RCA, GE and other brands, and we plan to continue with the top nationally advertised brands in both tv and appliances."

Burcham was on a panel for the Financial Analysts Federation. Others on the panel were Donald C. Mills, vp and treasurer of Strawbridge & Clothier, Philadelphia department store, and Bernard Kessler, president of Unishops, an operator of leased apparel departments in discount stores.

The "retailing revolution" that exploded in the mid-fifties meant, Burcham said, "almost overnight, many of the techniques we had developed in three-quarters of a century in the variety business became obsolete." What did Woolworth do to survive?

—In the past 10 years, it has enlarged 509 variety stores, opened 894

new ones, and closed 532 unprofitable outlets.

—"We upgraded our merchandise at all levels and added new lines. We are aggressively promoting a 'high fashion' image."

—"Before the retailing revolution, we carried practically no advertising. Today we are among the giants in retail advertising." The 1965 ad budget schedules 45 million lines of newspaper space.

—"We established a firm beachhead in department-store merchandising" via mass-selling Woolco Department Stores. Seventeen Woolco stores are now operating in the U.S. and Canada, and plans call for "at least 26 more by the end of 1966."

—"We have expanded our Dominant Stores program—a plan based on the establishment of large and upgraded variety stores in those areas with promising potential."

There is still ample room for "both the traditional department store and the mass-volume, full-line department store carrying brand names and other quality merchandise at attractive prices," Burcham emphasized. Many shoppers will continue to demand the extra services offered by most traditional department stores, he said, "but many others will gladly forego such extra services in favor of lower prices."

Emphasizing his point, Burcham termed as one of Woolworth's "most promising developments" the expansion of its Dominant Stores program. First of these, a 174,000 sq.ft., 2-story store, opened in 1963 in Denver. And 28 more will open this year.

□□□□ First-quarter major appliance shipments climbed above first-quarter levels in 1964 in six out of ten categories reported by the National Electrical Manufacturers Assn. Actual percentage gains over the first quarter of 1964 were: portable dishwashers, 34.44%; undercounter dishwashers, 21.68%; disposers, 1.4%; free-standing electric ranges, 8.86%; refrigerators, 9.02%; electric water heaters, 1.56%. Although built-in electric range shipments were up .13% in March over the same month last year, first-quarter shipments were down 1.41%. Freezer shipments also fell from last year's level during the first quarter: chest freezers were down 12.45%; upright freezers dropped 4.61%. Gas water heater shipments were down 10.13% from last year's first-quarter figure.

□□□□ GE's new lightweight 16-inch portable tv will weigh in at only 19 lbs. The new weight represents a reduction of more than 3 lbs. from the original VHF-only 16s the company introduced in 1962. The set, with front-firing speaker and controls across the bottom, is part of the new "family look" GE is using in its 1966 line of 12-, 16-, and 19-inch portables. (For a look at the new 12-inch b&w portable, turn to p.14.)

□□□□ The new Tru-Test major appliances, Cotter & Co.'s private-label line, were shown for the second year at the mammoth cooperative's semi-annual show in Chicago (MW, 10 May, p.27). Tru-Test refrigerators, with from 10 to 18.5 cu.ft. capacities, range in price from \$159.95 to \$399.95. Five of the seven refrigerators are no-frost units. Prices on Tru-Test upright freezers, with capacities from 12.6 to 20.5 cu.ft., run from \$199.95 to \$299.95. Chest freezers, from 13.2 to 21.2 cu.ft. in capacity are priced from \$199.95 to \$259.95. Three 14-lb.-capacity automatic washers range in price from \$199.95 to \$244.95. A 9-lb.-capacity wringer-washer is \$99.95, and three 10-lb.-capacity wringer-washers range in price from \$119.95 to \$149.95. A Tru-Test gas dryer sells for \$189.95; an electric dryer is priced at \$149.95. According to Edward E. Lancot, Cotter & Co. merchandise manager, the 1,700 Cotter dealer-members sold \$200,000 worth of Tru-Test majors at retail last year. His sales forecast for this year: \$500,000.

□□□□ Sony has again signed Superscope as its exclusive U.S. distributor for Sony tape recorders and related equipment for a 10-year term. The first contract between the two corporations was signed in 1957; it was exclusive then, too, and covered a period of seven years. It was later modified and extended to a 10-year contract. The new contract marries the two companies until 1975.

Superscope's successful sales history with Sony tape recorders was told by Joseph S. Tushinsky, president of Superscope: "Since Superscope was appointed exclusive U.S. importer and distributor of the Sony tape recording line, retail sales have increased from \$200,000 to \$20 million. And retail sales of Sony recorders in 1965 will reach \$25 million for another 25% rise," he predicted. Superscope presently has 1,800 franchised dealers, but, with the new contract, is looking for more.



□□□□ **A fresh look at sales prospects** for the consumer electronics industry was provided last week by two of the giants: RCA Victor and General Electric. Although their estimates did not always coincide, it was clear that both companies anticipate a superb sales year for the industry. In color tv, GE introduced its \$249.95 eleven-inch color tv set (story p.14), and then predicted that the industry would sell 2.2 million color sets this year. RCA, with nothing smaller in its color tv line than a 19-inch table model (see p.14) at "about \$429.95," estimated the industry would sell better than 2.3 million color tv sets this year based on color tube production of 2.5 to 2.6 million tubes.

In monochrome tv, RCA jumped into the personal portable race for the first time with a \$124.50 twelve-inch transistor set; RCA predicted that the industry will sell 7.5 million b&w sets this year. GE is now predicting that 2.5 million b&w sales will be accounted for by sets in the under-16-inch sizes. The industry's first-quarter distributor sales show that the under-19-inch business is already 20% of the mix—up from 16% in the first quarter of 1964.

RCA is also bullish about the phono business. "We anticipate the widespread use of transistorization will help push stereo sales to a record level of over 6 million sets in 1965," said B.S. Durant, president of RCA Sales Corp. Durant also forecasts industry sales of 2.5 million FM radios this year—a jump of 25%. More than half of RCA's radio line this year is FM-equipped.

□□□□ **Friday is post time for Gibson.** Gibson will kick off its Frost Clear Sweepstakes refrigerator-freezer promotion with a full-page ad in *Life* magazine; the ad includes a tearout card with a picture of a thimble on it. Customers can then match up the thimble on their card with a master copy at a Gibson dealer's store, which illustrates the "never a thimbleful of frost in a lifetime" slogan. Prizes include 100 all-expense paid trips for two to San Juan, P.R., and St. Thomas, V.I., plus 4,900 Gibson 12 cu.ft. Frost Clear refrigerator-freezers.

□□□□ **Transistor radio exports from Hong Kong** to the U.S. in March totalled 598,712 units—more than double the figure for March, 1964. And during the first quarter of 1965, exports to the U.S. jumped 72.09% above last year. More and more Hong Kong-produced radios are being exported to the U.S.: 74.1% in March, and 61.7% during the first quarter. (During the first quarter of 1964, only 46% of Hong Kong's radio exports went to the U.S.) This year, the first-quarter average price of Hong Kong radios shipped to the U.S. dropped to \$3.37, from the \$4.13 average price in the first quarter of 1964.

□□□□ **Halle Bros. bought big from Zenith**, spending \$500,000 in cash for color tv sets. The Cleveland department store expects to sell the color sets this spring and summer. Reason for the enormous purchase: Cleveland's three tv stations plan to have increased color programming this fall. Arnold Wholesale Co., Zenith distributor for northeastern Ohio, made the arrangements for the Halle purchase, which was the largest single item buy made by the department store in its 74-year history.

## RCA predicts round color tubes will stop rolling by 1967

RCA's bellwether 21-inch round color tv tube will slip to less than 75% of the company's total production this year and dwindle to no more than 10% of its tube production in 1966, as set makers switch to rectangular tubes.

"We are phasing out on the 21-inch round color tube," president Elmer W. Engstrom told delegates of The Financial Analysts Federation who journeyed to RCA's Lancaster, Pa., plant on May 18 for an all-day visit. "In 1967, only a handful of round tubes—if any—will be made. I believe all manufacturers will be converting to rectangular."

John B. Farese, division vice president and general manager of RCA's Picture Tube Division, gave the analysts this breakdown on projected RCA tube production:

"This year, our production of 19-inch color tubes will be very limited, but 25-inch tubes will account for 25% of the total. In 1966, 60% of our production will be 25-inch, 30% will be 19-inch." He also noted that, because of production techniques, "you get 10% fewer tubes with rectangular compared with round."

**RCA will produce** 1,350,000 color tubes this year, Farese continued, and plans to produce 1.5 million next year. However, "we are planning now to increase that projected 1966 production," and it may jump another 30% to 40%.

Engstrom amplified: "Our figures are based on our present productive capacity. However, you have seen much construction going on here at Lancaster. An equal amount of construction is also going on at our Marion, Ind., plant. We expect another substantial increase to be requested at the RCA board meeting shortly. A 30% to 40% increase in

1966 tube production is possible."

Engstrom also noted that RCA should be producing two-thirds of the industry's color tv tubes in 1966. "For every tube that the industry produces," he told the analysts, "RCA will be producing two."

**RCA's productive capacity** for color tv tubes was reviewed by Farese: "In 1960, our capacity was 360,000—but demand was only for 100,000. In 1961, demand was for more than 200,000, and by 1962 the demand began to skyrocket. In 1964, RCA produced 1.2 million color tubes."

Farese told the analysts that RCA's rectangular color program is pegged to 19-inch and 25-inch tubes. "Others are talking about smaller sizes," he noted (GE had announced its 11-inch color set the day before), and added, "When demand appears, we will be on the market with whatever sizes the market demands." He forecast industry tv set production this year at 2.2 million; and at from 3.3 to 3.5 million in 1966.

**RCA took down the umbrella** three weeks ago (MW, 3 May, p.3) when it announced to set makers that shipments of its 21-inch round tubes would be sharply cut—and orders put on an allocation basis—in the second half of 1965. The move made clear RCA's intention to have enough sets to meet the demand this fall.

There had been some speculation that when CBS and NBC announced their color broadcast plans, tube manufacturers would cut back on their 25-inch tube production plans and concentrate on making as many 21-inch tubes as possible. RCA, before the network announcements, had predicted that 25-inch tubes would be 25% of its production. It now appears RCA has no intention of cutting back on those plans.

## Where tv, radio sales are going; where average prices have gone

At the end of a speech that touched on the prices of consumer electronics, S.R. (Ted) Herkes, president of Motorola Consumer Products, was asked, "What is the outlook for color tv prices, now that GE has come up with its \$249.95 portable unit?"

Herkes smiled wryly. "I don't see it bothering the color business at all. We are trying to bring the color television set into the living room, and an 11-inch set is not a living room set. People will pay a high price for something they can show off—and \$372 is the price of color television."

**B&w tv continues its retreat** from the living room, however, so that portable and table model sets now account for nearly 78% of the total b&w receiver business, versus 71% last year. "This turnabout in mix," Herkes said, "means that the unit dollar volume of black and white tv is continuing to drop as it has in the past."

"Black and white average selling price today is \$116.41. In 1964, it

was \$120.28, and in 1963, the average was \$128.75."

Radio sales are brisk, Herkes said, but profits are narrow. "Average factory selling price today is \$16.92, down from \$18.16 in 1964, and \$18.83 in 1963."

So far this year, domestic radio sales are up 30.9%, and phono sales are up 23%. Herkes cautioned that "while we do not expect to maintain these increases throughout the year, we do expect about a 13% to 14% increase on radios for the year, and about an 8.6% bulge in the phonograph sales." For consumer electronics, he added, "everything is coming up roses."

**The over-all outlook** for the consumer hard goods industry is bright, said Herkes. The industry will rack up impressive sales figures, he said, "but profits will be somewhat more difficult to record." He went on to say that "the industry can advance at an even faster gait than currently projected," if it will perform a more skillful job of selling products that fill a real consumer need."



# Introducing a 4" television that recharges while you do.

Recharging Instructions: Take a warm bath. Drink buttermilk. Plug in the 4" Sony. Go right to sleep. (The rest will do you both good.) An all-night, 14-hour recharge will give the Sony enough energy to go out and play baseball for 3½ hours. And with a 12-volt nickel cadmium battery inside, it'll recharge and play like this for 100 times (at least). This nickel cadmium battery, we might add, isn't just another battery with a fancy name. It's different. It

takes abuse. It stands up to overcharging and overusing, and won't deteriorate on the shelf. It can even recharge while the Sony is playing on household current. Which is very important. A lot of your customers would rather watch television than sleep anyway.

## **The new 4 inch SONY® TV**

Model #4-204UW: the only TV in the world with built-in nickel cadmium batteries

580 Fifth Avenue, New York, N. Y.







**Crown portable tape recorder**

Crown Radio's voice-actuated portable tape recorder with a list price of \$89.95 was introduced at the recent IPEX Show, in New York City.

Model CVA5001 (above) features 2-speed capstan drive, record level indicator, and an auxiliary input. Accessories of the 11-transistor recorder include a microphone with remote control switch, monitor earphones, telephones, telephone adapter, and an AC adapter.

Also shown was the CTR5450 model, without voice actuation, but with built-in AC operation, at a list price of \$79.95. Exclusive U.S. importer for Crown is: *Industrial Suppliers Co., San Francisco, Calif.*



**Sony portable tape recorder**

The new model 135 Sony portable tape recorder, priced at \$59.50, is announced by Superscope Inc., exclusive U. S. distributor of the Sony line of tape recorders, microphones, accessories, and recording tape.

The dual-track monaural unit features self-adjusting volume control, and has two speeds: 3 $\frac{3}{4}$  ips and 1 $\frac{7}{8}$  ips. The recorder has a microphone input and an auxiliary input, and has output provision for a monitor headset.

The portable unit, which weighs 7 $\frac{3}{4}$  lbs, has a full-length handle and fits into an accessory vinyl carrying case. *Superscope Inc., 8150 Vineland Ave., Sun Valley, Calif.*



**Rangaire range hood**

Rangaire offers its model 400 range hood, which features twin squirrel-cage Super Silent exhaust unit, aluminum filter, recessed light with glass cover, antique sculptured control knobs for its two-speed motor, and on-off light switch.

Styled in Provincial or Early American decor, the hoods are available in standard colors or in stainless steel. *Rangaire Corp., Box 177, Cleburne, Tex. 76031.*



**Panasonic portable phonos**

Matsushita introduces its first line of Panasonic portable solid-state phonographs. Making up the new line are: model SG-530 phono, which carries a manufacturer's suggested retail price of \$39.95; model SG-550 phono-AM radio, which retails at \$49.95; and model SG-570 phono AM-FM combination (left) which retails at \$79.95.

The three new Panasonic models all operate on six standard D-size flashlight batteries. Each model has the following features: a dual flip-over sapphire stylus, 4-inch speaker, ceramic cartridge, and an external power jack. Controls are front-mounted. The unit can accommodate

7-, 10-, and 12-inch records. Each of the new models is 11 $\frac{7}{8}$  inches wide, 8 $\frac{7}{8}$  inches deep, and 4 $\frac{1}{4}$  inches high. Model SG-530 weighs 5 $\frac{3}{4}$  lbs.; model SG-550—with 7-transistor AM radio, slide-rule vernier tuning, and built-in ferrite antenna—weighs 6 $\frac{1}{4}$  lbs.; model SG-570 weighs 6 $\frac{1}{2}$  lbs.

The three new Panasonic phonos have three-speed governor-controlled drive motors. All of the portables come complete with Panasonic Hi-Top batteries.

Full-length handles are attached to the units, which come in compact carrying cases. All three units are finished in black and antique white, with silver trim. *Matsushita Electric Corp. of America, Pan Am Building, 200 Park Ave., New York 17, N.Y.*



**Wouldn't you just know it—  
Revere makes the world's best  
electric cookware.  
And gives you great profits, too!**



**Revere's 30-Day Over the Counter  
Replacement Guarantee on Revere Electric  
appliances is your assurance  
of satisfied customers.**



**Finest stainless steel throughout.  
Delivers 50 ozs. of perfectly brewed coffee  
—every time! Ask your Revere  
Distributor about the complete new  
Revere Electrics Promotion  
and display package.**



**New Promotional Price on the great 8-cup  
Revere Electric Coffee Maker—only \$21.95!  
Advertised, with the Revere Electric  
Skillets, in top national magazines with  
30,000,000 readership. And now a truly  
outstanding co-op advertising  
program for you.**



**Revere Copper and Brass Incorporated**  
Rome Manufacturing Company Division, Rome, N. Y.





Hitachi low-speed tape recorder

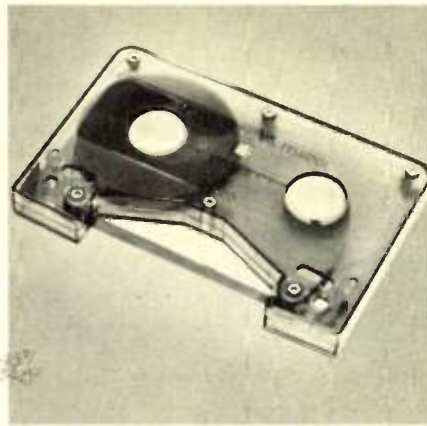
Hitachi introduces a low-speed portable tape cartridge recorder that will

be marketed in Japan on June 1, retailing at about \$55. The unit will be exported "sometime this fall," says the manufacturer. The recorder, designated model TRQ-200, has a uniform low tape speed of 15/16 ips.

The unit features capstan drive and a cartridge unit system, similar to a cine-camera magazine; TRQ-200 utilizes double-track tapes, 296 ft. in length, and only 20 microns in thickness. The recorder weighs 2.2 lbs., and measures 6 $\frac{3}{4}$  by 1.9 by 3 inches.

The new tape recorder is powered by six dry-cell batteries; it is furnished with an automatic stop control and a level meter; a single lever controls all mechanical functions. An AC adapter, which fits into the case,

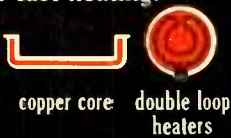
is an optional feature. *Hitachi Ltd., Tokyo, Japan.*



Muntz portable tv with timer

Muntz TV introduces a new 19-inch portable tv set with a built-in electronic sleep timer that presets the receiver for automatic turn-off within a period of from 15 minutes to three hours. The Mark V features an all-channel UHF-VHF solid-state tuner, Rapi-Tune UHF Control, and Dipole Swival Antenna. Housed in a wood-grain finish on metal, the set has a plastic black-and-silver front. The Mark V can be retailed at under \$164.95. *Muntz-TV Inc., 1020 Noel Ave., Wheeling, Ill.*

Only Revere Electric Skillets have gleaming stainless steel surrounding an exclusive copper core for fast heating. Double loop heaters!



Four models to choose from—Standard and Hi-Dome Skillets in both 10-inch and 12-inch sizes.

**"Wouldn't you just know it—  
Revere makes the  
world's finest electric\*  
cookware, too!"**



\* and they're available from Revere Distributors now!



Chambers automatic ice-maker

An undercounter automatic ice-maker is announced by Chambers for 1965. The unit makes and stores 20 lbs. of ice daily, the company says; it is available in two Chambers finishes and five porcelain colors that match the Chambers line of built-in appliances. Also available are models with the Decorator Door, which can be covered in fabric, wood, paper, vinyl, or any other material up to  $\frac{1}{4}$ -inch thick. *Chambers Corp., Box 177, Cleburne, Tex. 76031.*



O'Keefe & Merritt portable griddles

O'Keefe & Merritt introduces two new griddles: model PG-3 with Teflon coating; model PG-2 with polished aluminum finish. Designed to fit over two Jet Star burners, the units are also available as accessory equipment for O'Keefe & Merritt built-in and free-standing ranges. The 20- by 11-inch units feature a built-in heat indicator and a grease well. *O'Keefe & Merritt Co., 3700 E. Olympic Blvd., Los Angeles, Calif.*



# 7,000,000 prospects will get this message in LIFE

**LIFE**

**New! Low priced! Up to 54% more  
freezer space in G.E.'s big 'No Frost 15'**

... than in any comparable refrigerator.



**GE**

**UP TO 54% MORE FREEZER SPACE** than any competitive 14- to 15-cu. ft. refrigerator with top freezer.

**YOU'LL PACK UP TO 147 LBS.** of frozen food into this giant freezer space with ease!

**MORE OVERALL FOOD CAPACITY...** a full 14.7 cu. ft., with a huge 4.2-cu. ft. freezer.

**YOU'LL NEVER DEFROST** either refrigerator or freezer. Frost never forms. (Economical to operate, too.)

**ICE FREEZES EXTRA FAST** in the new exclusive Ice Compartment. Trays remove easily. Foods store neatly.

**INSTALL IT FLUSH TO WALL**—there are no coils on back. Right- and left-hand doors available.

**WIDE COLOR CHOICE:** shaded Coppertone, pink, turquoise, woodtone brown, yellow or white.

**GET IT NOW... LOW-PRICED** at about

**\$299\***

Quality service wherever you live.

**GENERAL ELECTRIC**

MODEL TRF 156

\*Subject to Fair Trade where applicable. Slightly higher prices in the West.

G.E.'s new "No-Frost 15" has everything it takes to lead the industry's No Frost Promotion. And that's why we're giving it the very heaviest national advertising support in our refrigerator history.

Full-page 4-color ads in LIFE, June 4th, 25th and July 16th issues; also in the Saturday Evening Post on July 3rd.

The biggest prime-time network TV schedule we've ever put behind a single refrigerator. These TV commercials will run throughout the entire promotional period on 4 big ABC-TV nighttime shows. And we mean BIG: popular BEN CASEY, VALENTINE'S DAY, BURKE'S LAW and SUNDAY NIGHT AT THE MOVIES. These commercials will presell your





# and more than twice as many will see it on prime-time TV!

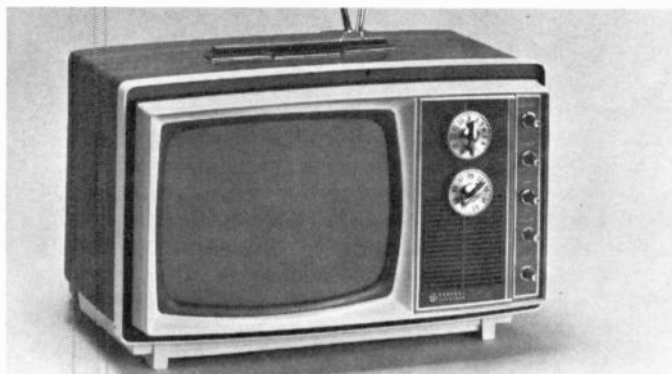
prospects with demonstrations of the *biggest refrigerator value* ever.

So when we say "No-Frost 15," we mean business. For you. Put G.E.'s new "No-Frost 15" up front. Dramatize it with the big 16-piece display package. Get the complete promotional package (it's a great one!) through your distributor. Then get set for sales. And remember:

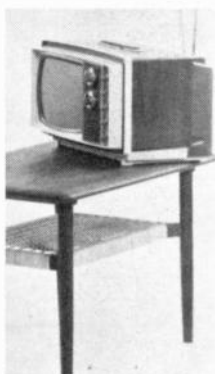
behind the big freezer, the low price and the record-breaking promotion, you've got another important selling edge: the General Electric quality that's known, respected and wanted by millions.

GENERAL  ELECTRIC





Two views of GE's new 11-inch color portable, which is tagged at \$245.95



New 12-inch b&amp;w portable: \$109.95 GE 25-inch color feature: hinged door



## Tinyvision's new dimension: 11-inch color from GE

For the fourth straight year, a radically new small-screen tv set has popped out of the hopper at General Electric. The newest model is the heaviest (24 lbs.), the most expensive (\$249.95 suggested list), and the most revolutionary (it's color).

The 11-inch vacuum-tube portable color receiver uses the three-gun shadowmask principle, but in such a new way that GE refuses to divulge any technical details on the set. But it is clear that this new set logically follows GE's pattern of thinking big about small sets. In 1962 GE embarked on this tack, bringing out the 22-lb., 16-inch b&w portable. The

company followed with a \$99.95 eleven-inch unit, and, last year, added a nine-inch transistor set.

"The sets will be in stores in time for Christmas," said William E. Davidson, general manager of GE's tv receiver department. Right now, GE is in pilot production on the 11-inch rectangular tube and will start set production when yields reach a predetermined, but so far, undisclosed point.

"There will be no slackening in our efforts to sell big-screen GE color sets," Davidson said. "We do not believe this set will affect big-screen color sales or conflict with large-

screen prices. This should expand all color sales."

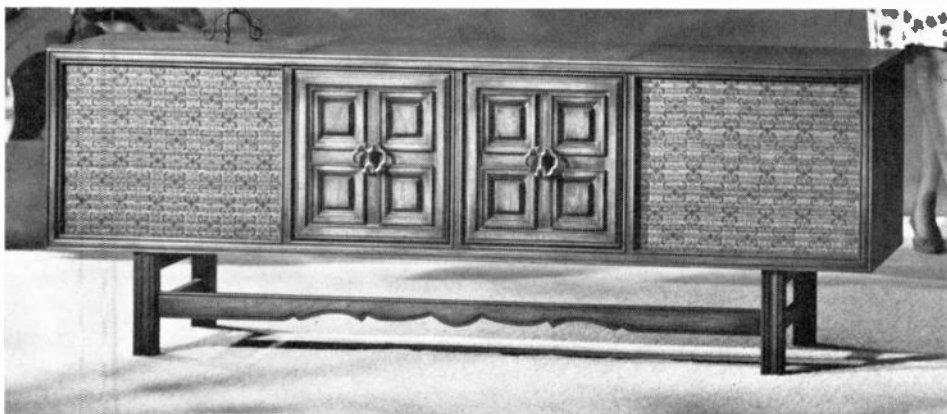
The portable operates with a built-in dipole antenna (there is a loop antenna for UHF), is 16½ inches deep, 11¾ inches high, and 17 inches wide. It comes in a walnut-grain plastic cabinet, has a retractable handle, and a degausser. The tube uses rare-earth phosphors.

GE's 21-inch color line kicks off at \$399.95 for a metal-cabinet model with walnut-grain finish and a Danish Modern base. The 10-model line cuts off at \$569.95.

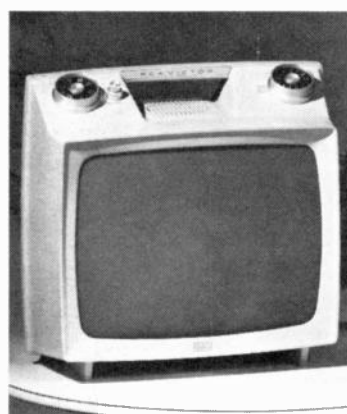
The 25-inch consoles—there are only two—are priced at \$729.95.

Both models come with doors that are hinged at the top of the unit and can be swung up and then pushed back underneath the top of the console.

GE is also building its color sets to use 75-ohm coaxial antenna systems as well as a 300-ohm twin lead antenna wire. The coaxial antenna is subject to less outside interference, according to GE, and will go for about \$25 at retail. GE also has taken steps to simplify color tuning, presetting the color tuning at the factory so that the customer will have one reference point for an optimum color picture.



RCA's new lineup: 56-watt (peak power) AM-FM stereo console for \$459.95



12-inch transistor portable



21-inch b&amp;w portable goes for \$179.95

## RCA builds new muscle in color, hits fresh b&w areas

With the elimination of excise taxes firmly in mind, RCA wheeled in the heavy artillery last week at its new-line showing in Las Vegas.

Not only did the company put more muscle in an already competitive color tv line, it pushed into fresh areas in black-and-white tv, adding a 12-inch transistor set, 21-inch portables, and new prices for its 23-inch leaders.

Here is the new RCA lineup:

**Color tv**—Figuring the average retail price of a color set is now around \$525, RCA built new strength into its line in the \$500-\$600 bracket and added a 43% brighter rare-earth picture tube across the entire line.

The 37-model 21-inch line kicks off at \$379.95 with a metal-cabinet table model, without a degausser, in Beechwood. A black metal-cabinet table model, with a degausser, enters the line at \$399.95. No tables in the new line come with bonded picture tubes.

In all, RCA is offering fifteen 21-inch models under \$600, including a new series of all-wood consolettes starting at \$529.95. Bigger furniture pieces start at \$650.

A hardboard consolette, which RCA says has been the industry's best-selling color model with a \$499.95 list price, has been replaced by a wood-cabinet set priced at \$479.95.

RCA also brought in its 21-inch three-way combinations at \$699.95, a full \$100 under last year's leader, and added two new models at \$799.95.

The 14-model 25-inch color line starts with an open-face console at \$699.95 and runs to \$1,500 for a three-way combo. This line includes six consoles and eight combinations, which start at \$895.

RCA previewed a 19-inch color table model in a vinyl-clad metal cabinet, which will probably be priced "somewhere around \$429.95." The company will start shipping these units around Labor Day.

**The black-and-white line**—For \$124.50, RCA is offering a 12-inch transistorized portable weighing "less than 20 pounds." There is a step-up model on open list.

The new 21-inch portable, weighing in at 44 lbs., starts at \$179.95 and features nearly 25% more view-

able picture area than 19-inch sets.

In 23-inch table models, RCA starts \$20 under last year's leader, bringing in a black metal model priced at \$179.95.

Wood compact consolettes begin at \$219.95, \$10 under last year's model, and all-wood consolettes start at \$239.95, \$10 under last year's similar merchandise. And there are better margins in the line from \$219.95 up, according to RCA.

B&w combos with solid-state tuners begin at \$399.95, cut off at \$499.95.

**Phonographs**—RCA blasted off with a 300-watt (peak power) amplifier in its top-end (\$795) stereo console while opening its line with a consolette (transistorized amplifier) at \$129.95.

The AM-FM stereo console line starts this year at \$249.95 for a 24-watt unit with six speakers. Units with 56-watt amplifiers start at \$369.95; 120-watt sets at \$500. In selected units RCA is using exponential horns.

The stereo line opens with \$69.95 portables. Monaural portables start at \$19.95.

In all, RCA is going with 44 transistorized models.

RCA also has come up with a studio strobe record changer which allows consumers to adjust the speed of the changer in three high-end sets. The company also is showing a redesigned tubular tone arm.

Stereo headphones can be used in 12 consoles.

In the important furniture and design side of the business, RCA is heavily committed to the Moorish-Spanish look.

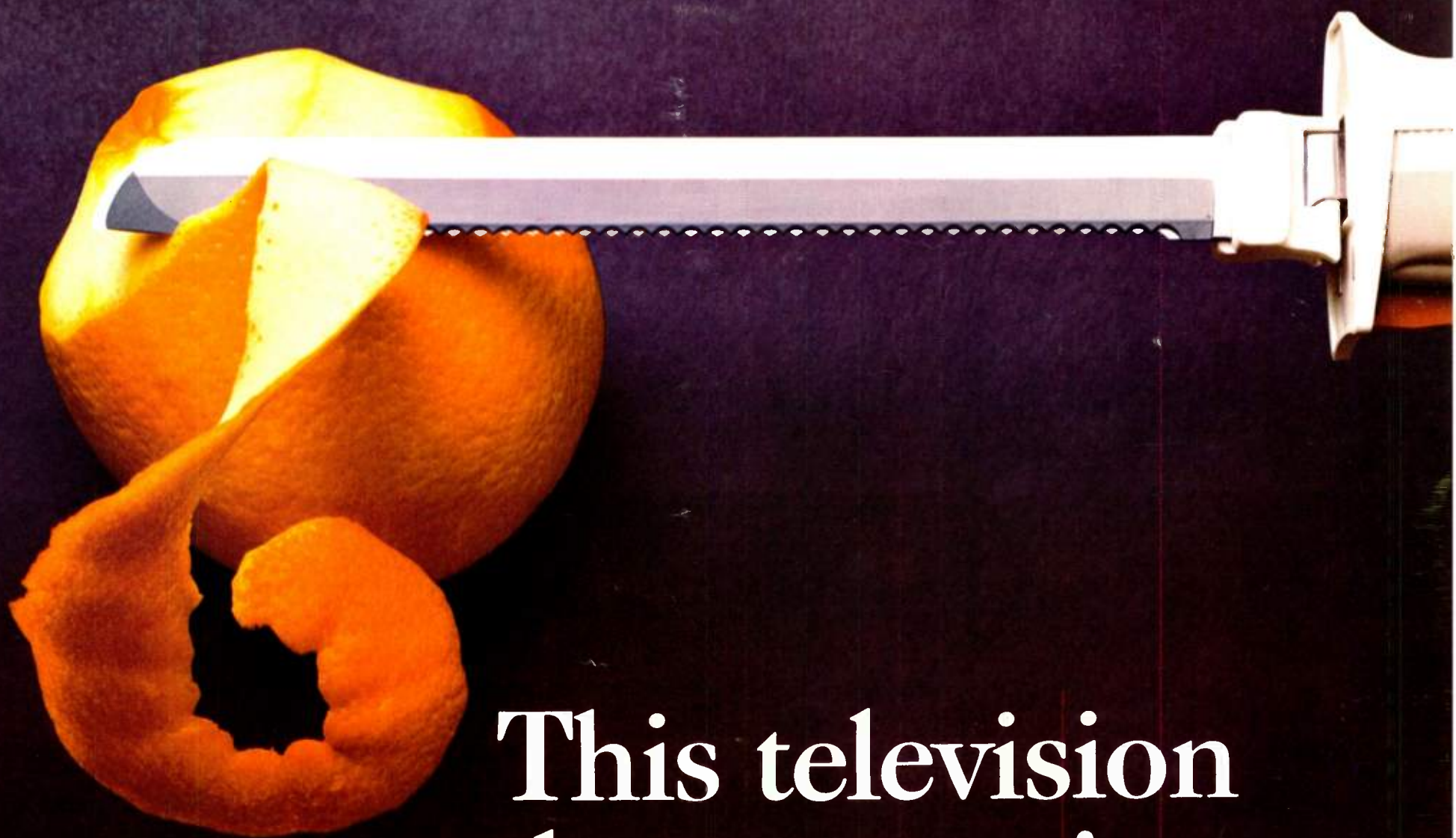
**Radio**—Looking for a 25% increase in FM radio sales, RCA went to Japan (Standard and Sanyo) and came up with four FM-AM transistor portables, including a pocket eight at \$29.95 and a horizontal nine at \$29.95. A U.S.-built pocket 8-transistor AM unit opens the line at \$12.95.

RCA also showed five solid-state FM-AM table sets, with prices starting at \$69.95.

The company's first transistor AM clock unit is priced at \$39.95. The clock-radio line opens at \$16.95.

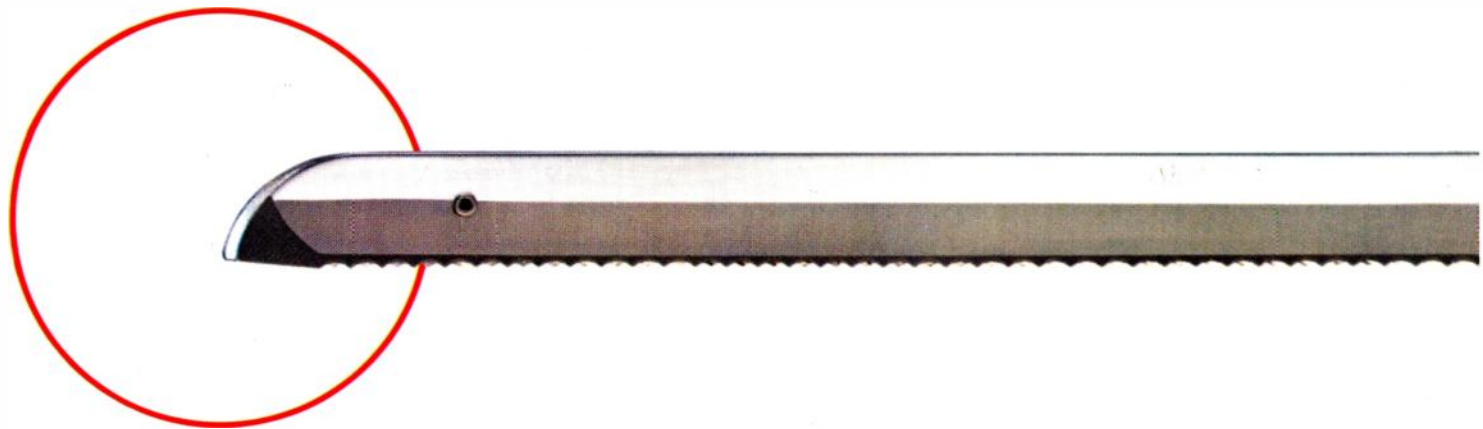
The AM table-radio line starts with a four-tube set at \$12.95.





This television  
demonstration  
will change the  
electric knife  
industry...  
forever!



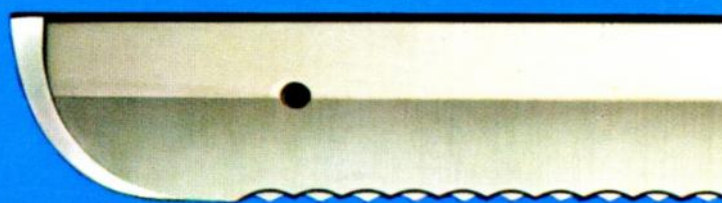


# The new Sunbeam Electric Knife with the tapered tungsten tip



## Sunbeam blade

Only Sunbeam has the tapered tungsten tip that's sharp to the tip, cuts clean to the end.



## Most other blades

Most other electric knives aren't sharp to the tip—have blunt ends like this.





In seconds a Sunbeam Electric Knife

can  peel an orange in

one long spiraling piece. 

Because Sunbeam is sharp to the tip with an edge that stays

sharp for years. Makes carving a

turkey a cinch.  Cuts clean

to the bone. Cuts clean through

soft things, too.  

Just about the lightest-weight, fastest

cutting electric knife ever. 

Get the point? 





**MODEL CK100** **FULL MARGIN RETAIL \$39.95**  
Cordless Electric Knife. Portable and lightweight—use it in kitchen, dining room, even take on a picnic or barbecue. Unique storage cradle has re-charging unit plus special holder

for knife blades. Permits quick, easy assembly of handle and blades without unnecessary handling. Sleek, modern design makes slicing a breeze. Reciprocating stainless steel blades feature exclusive tungsten carbide tapered tip and cutting edges.

Specifications: Knife re-charging unit 120 volts  
... 60 cycles ... A.C. only ...  
Individ. package wt. 4.3 lbs.

## And Sunbeam has the right knife for everyone

**MODEL EK100** **FULL MARGIN RETAIL \$19.95**  
Economy model that has all the features to make carving and slicing easier. Twin reciprocating stainless steel blades, sharp to the tip. Push-button blade release, safety lock, and 6-ft. removable cord. Attractive storage carton converts into eye-catching counter display.

Specifications: 120 volts ... 60 cycles ...  
A.C. only ... Individ. package wt. 2 lbs. ...  
shipped in master carton of 6 ... Ship. wt. 13 lbs.

**MODEL EK200** **FULL MARGIN RETAIL \$27.95**  
Deluxe Electric Slicing Knife features stainless steel blades with tungsten carbide cutting edges and tapered tungsten tip for long-lasting sharpness. Durable plastic storage case suitable for wall or drawer. Push-button blade release, safety lock and 6-ft. removable cord.

Specifications: 120 volts ...  
60 cycles ... A.C. only ...  
Individ. package wt. 3 lbs.

**MODEL EK300** **FULL MARGIN RETAIL \$36.95**  
Custom Deluxe Electric Slicing Knife and Fork Set. Matched set is packed in a smartly styled presentation case. Stainless steel blades of long-lasting tungsten carbide cutting edges and tapered tungsten tip. Storage case is furnished for wall or drawer use. Push-button blade release, safety lock, 6-ft. removable cord.

Specifications: 120 volts  
... A.C. only ...  
Individ. package wt. 4.3 lbs.



**And the Sunbeam Electric Knife is backed with heaviest TV saturation campaign any knife has had-ever.**

22 prime nighttime commercials on 11 shows on all 3 major networks. Plus saturation spot campaign in your market during peak gift-buying weeks.







## A long-overdue tribute

So many tributes have been paid to such noteworthy institutions as the American Boy, The Foster Mother of the Month, and the Noble Red Man that I feel it is time that homage is paid to that true folk hero, the Unsung Retail Appliance Salesman. In reply to my appeal, my Congressman, Tryon J. Twaddle, is pleased to announce that he is sponsoring a resolution declaring that the 30th of February every year be observed as Retail Appliance Salesman Day. Further, he is inserting the following encomium and explanation of this action in the Congressional Record:

### "What Is An Appliance Salesman?"

"A retail appliance salesman is compounded of gall and doubt, of hope and fear, of optimism and pessimism.

"He thinks his boss is the smartest guy in the world and his boss's brother the dumbest.

"He likes female shoppers with peek-a-boo bodices, children who keep their mouths shut, and men with lunch pails.

"He is dismayed by matrons bearing pencils, gentlemen walking French poodles, and Herman and the Hermits.

"He overeats at wholesale showings, appreciates liquor at Christmas, and convulses every time the factory rep comes out with the same old tired purple gags.

"He endorses the brand with the biggest spiff, hates Saturday nights, and blames the customer for the sale he just lost.

"He avers that if he had it to do all over again he wouldn't, and brags he is making twice as much as any of the gang he left at the aircraft plant fifteen years ago.

### DISTRIBUTOR APPOINTMENTS

**Admiral**—Canyon State Distributors Inc., Phoenix, Ariz., for the entire state of Arizona.

**Norcold**—George Rosen Co., Baltimore, Md., for the state of Maryland; Long-Lewis Hardware, Birmingham, Ala., for all of Alabama, except the extreme northern and southern counties; Shuler Distributors Inc., Cleveland, for parts of Ohio; U.S. Electric Supply Co., New York City, for the New York City metropolitan area.

Also, R-T-A Distributors, Albany, N.Y., for parts of upstate New York; Young Brothers, Erie, Pa., for northern Pennsylvania; M. A. Hartley & Co., Gettysburg, Pa., for southern Pennsylvania; Bernard Distributing Co., Houston, Tex., for Houston and surrounding areas.

The new distributors will handle Norcold's line of compact compressor refrigerators.

**Norge**—Polson Co., Seattle, Wash., for Norge home appliances throughout the state of Washington.

**Thermador**—Nelson Electric Supply Co., Tulsa, Okla., for the Tulsa area; Ahrens & McCarron Inc., St. Louis, Mo., and A&M Supply Co., an affiliate of Ahrens & McCarron, Columbia, Mo., for north-central and eastern Missouri.

"He loves his family, hates to get a tv for his in-laws, and sizzles when someone asks for a spindle for a phono purchased elsewhere.

"He will knock a private label, de-claim on his own pet, and appear to do the Monkey in a single motion.

"He is annoyed by corpulent women dragging shopping carts, by demands for delivery after 8 p.m., and dollar deposits.

"He favors Fair Trade, Labor Day Closing, Color TV, and Crisp Pizza.

"He is adamant that he would not have his employer's headaches for a cool million, yet dreams of going

into business for himself some day.

"He has quoted a price, touched up a nick, changed a needle and kissed a baby in precisely forty-six seconds flat.

"His pockets contain four pens, three specification folders, two credit rate charts, half a stick of gum, and one Sweepstakes ticket.

"He lives on coffee, rumors, and next month's commissions.

"He is indeed plumber, electrician, interior decorator, and poker player all in one.

"He is also the most enthusiastic booster the Affluent Life ever had.

"Take him away and the womanhood of this fair land might still be down at the banks of the old creek, pounding their wet wash on flat rocks!"

**About the author**—The man who writes this column is exactly what he claims to be—a hard-working retail salesman of consumer electronics, major appliances and housewares. He wishes to remain anonymous (steady readers of this column will understand why). His opinions are his own, not necessarily those of MERCHANDISING WEEK.

## we've already got them primed... so start the profit pump with starbrite low voltage outdoor lighting!

Response to STARBRITE ads has been big, fast and enthusiastic; we have letters to prove it. Are you cashing in?



... I saw your advertisement in "Sunset" magazine covering AMF STARBRITE low voltage outdoor lights... please send complete information covering various sets and accessories available... and a list of your dealers in Orange County...

La Mirada, Calif.

*LaR*

Your customers are being pre-sold. We're receiving hundreds of inquiries much like this one. Starbrite is the newest thing in landscaping and interest is skyrocketing. (Incidentally, sets come with from three to seven lights.)



... please send me a catalogue or any literature you have for Starbrite Outdoor Lights for my water fountain. Also where I may purchase same and prices if possible. Please rush.

Flint, Mich. *E. a. e.*

Excitement is high about Starbrite's many important features: weatherproof transformer that converts house current to child-safe 12 volts... do-it-yourself installation in minutes with only a screwdriver... no-shock weatherproof cable... sets complete with brackets and stakes for wall or ground mounting... weatherproof

lights that clamp anywhere along the cable for easy placement... unbreakable colored lenses... many other remarkable features.

**\$49.95**

... please mail to the above address, information on Starbrite garden lights. Your suggested retail price of \$49.95 brings lights into the garden at prices most people can afford...

Landscape Architect,  
Santa Barbara, Calif.

*DWL*

He's right. And lots of people like the idea.

... please send name of nearest dealer.

Karnack, Tex. *B. J. S.*

... advise of dealer in my area...

Riverside, Conn.

*E. B. G.*

Are you one of the missing ones?

... your product is what I've been looking for.

Miami, Fla.

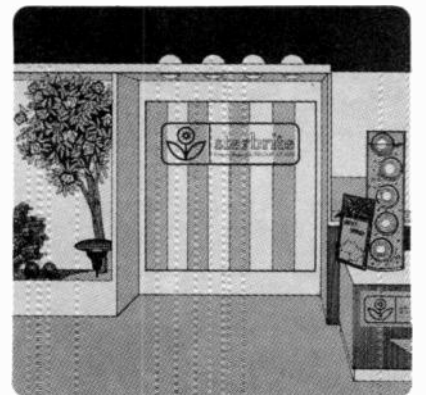
*Ros*

I am interested in information on your Starbrite low voltage lights. They would be perfect for our planned pool-patio.

Detroit, Mich.

*F. C.*

Indeed.



... saw a display of Starbrite low voltage outdoor lights at a home show... please send information...

Narberth, Pa.

*R. K. S.*

Display of lights (and even Starbrite packages) are real eye-stoppers. A display in your store will get lots of attention and generate sales.

Stock up now! Contact your wholesaler or write direct for complete merchandising kit.



American Machine & Foundry Company,  
AMF Wen-Mac Division, 11500 Tennessee Avenue,  
Los Angeles, California 90064





# MERCHANDISING WEEK

VOL. 97 NO. 21

A MCGRAW-HILL MARKET-DIRECTED PUBLICATION



**EDITOR** Walter R. Browder

**MANAGING EDITOR** Robert K. Moffett

**PRESENTATION & PRODUCTION EDITOR**  
B. H. Schellenbach

**Associate Presentation & Production Editors:** Joan Bacchus, Dorothy Miller (Chicago), Ronald Wind

**Assistants:** Walter B. Jaehnig III (Chicago), Wendy Miller  
**Consultant:** Jan V. White

## SENIOR EDITORS

**News** Donald S. Rubin

**New Products** Anna A. Noone

**Associate Editors:** Stephen N. Anderson, Ed Dubbs, Martin R. Miller, Linda Timmel (Chicago), Wallis E. Wood

**Assistants:** Margaret Edin, Betty Leonardo, Bruce Pfau, Robert Rowe

**RESEARCH DIRECTOR** Diana Murray

**Associate:** Carol Tosi

**Assistants:** Joan Lyons, Barbara O'Shaughnessy

**NEWS BUREAUS:** John Wilhelm, Director World News; Jules Abend, Domestic News Editor; Alyne Elias, Foreign News Editor; WASHINGTON: Arthur Moore; ATLANTA: Fran Ridgway; CHICAGO: Bruce Cross; CLEVELAND: Arthur Zimmerman; DALLAS: Marvin Reid; DETROIT: Donald MacDonald; LOS ANGELES: Michael Murphy; SAN FRANCISCO: Margaret Ralston; SEATTLE: Ray Bloomberg; PITTSBURGH: Carl Kovac; COMMON MARKET (BRUSSELS): Arthur Erikson; LONDON: John Shinn; MOSCOW: Donald Winston; BONN: Robert Dorang; PARIS: Robert Farrell; TOKYO: Charles Cohen; MEXICO CITY: Wesley Perry; MILAN: Bruce Bendow; RIO DE JANEIRO: Leslie Warren.

**ECONOMIC SERVICES:** Douglas Greenwald, Manager; Dexter Keezer, Advisor

**PUBLISHER** Dale Bauer

**ADVERTISING SALES MANAGER**  
Philip G. Weatherby

**PROMOTION DIRECTOR** Robert P. Green  
**Marketing Services** Alicia Donovan

**PRODUCTION MANAGER**  
Marie R. Gombert  
**Assistant** John Amberg

## 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.

**ATLANTA:** Ian C. Hill, 1375 Peachtree St., N. E., Atlanta, Ga. 30309 875-0523.

**CHICAGO:** Edward J. Brennan, John J. Cherry, 645 N. Michigan Ave., Chicago, Ill. 60611 MO. 4-5800.

**DALLAS:** Don Trammell, 2100 Vaughn Bldg., Dallas, Tex. 75201 RI. 7-9721.

**DETROIT:** Robert J. Scannell, 856 Penobscot Bldg., Detroit, Mich. 48226 WO. 2-1793.

**HOUSTON:** Stan Kail, 2270 Humble Bldg., Houston, Tex. 77002 CA. 4-8381.

**LOS ANGELES:** Noel Humphrey, 1125 West Sixth, Los Angeles, Calif. 90017 HU. 2-5450.

**SAN FRANCISCO:** Thomas H. Carmody, 255 California St., San Francisco, Calif. 94111 DO. 2-4600.

**PORTLAND:** Pacific Bldg., Yamhill St., Portland, Ore. 97204 CA. 3-5118.

**JAPAN:** Nobuyuki Sato, 1, Kotohiracho, Shiba, Minato-Ku, Tokyo, Japan.

**MERCHANDISING WEEK** (formerly Electrical Merchandising Week) is published weekly by McGraw-Hill, Inc. Founder: James H. McGraw (1860-1948).

**SUBSCRIPTIONS:** to MERCHANDISING WEEK are solicited only from retailers or distributors of home goods products. Subscription rates for individuals in the above fields, U.S. and Possessions: \$3.00 per year; subscription rates for all other individuals, U.S. and Possessions: \$10.00 per year (Single copies, 50¢ except January Statistical issue—\$2.50). Foreign rates on request. Position and company connection must be indicated on

subscription orders forwarded to address shown below. Publisher reserves the right to refuse non-qualified subscriptions.

**EXECUTIVE, EDITORIAL, CIRCULATION AND ADVERTISING OFFICES:** McGraw-Hill Building, 330 West 42nd Street, New York, N.Y.-10036. Telephone 971-3333.

Printed in Chicago, Ill. Second class postage paid at Chicago, Ill. Title reg. ® in U.S. Patent Office. Copyright © 1965 by McGraw-Hill, Inc. All Rights Reserved. The contents of this publication may not be reproduced either in whole or in part without consent of copyright owner.

**OFFICERS OF MCGRAW-HILL PUBLICATIONS:** Shelton Fisher, President; Vice Presidents: George H. Reppert, Jr., Operations; Robert F. Boger, Administration; John R. Callahan, Editorial; Ervin E. DeGraff, Circulation; Donald C. McGraw, Jr., Advertising Sales; Angelo R. Venezian, Marketing.

**CORPORATION OFFICERS:** Donald C. McGraw, President; L. Keith Goodrich, Hugh J. Kelly, Executive Vice Presidents; John J. Cooke, Vice President and Secretary; John L. McGraw, Treasurer.

**UNCONDITIONAL GUARANTEE:** The publisher, upon written request, agrees to refund the part of the subscription price applying to the remaining unfilled portion of the subscription if service is unsatisfactory.

**SUBSCRIBERS:** Address correspondence regarding change of address notice, subscription service or subscription orders to Fulfillment Manager, MERCHANDISING WEEK, P.O. Box 430, Hightstown, N.J. 08520. Change of address notices should be sent promptly; provide old as well as new address; include ZIP code or postal zone number if any. If possible attach address label from recent issue. Please allow one month for change of address to become effective.

**POSTMASTER:** Please send Form 3579 to Fulfillment Manager, P.O. Box 430, Hightstown, N.J. 08520.



MERCHANDISING WEEK is a member of The American Business Press and the Audit Bureau of Circulation.

Curtis Finch  
Appliance and Furniture Dealer  
5418-20 Asher Avenue  
Little Rock, Arkansas



**"We found an insurance policy so 'right' it might have been designed for us alone... and we save \$388.00!"**

"We're happy with this new Business Owner's Policy! Home Agent Charles Campbell, of Rebsamen & East, Inc., has proved that it can cover our business insurance exposures and save us real money!"

*Curtis Finch*



**See for yourself! It pays to get the protection that's right for you.**

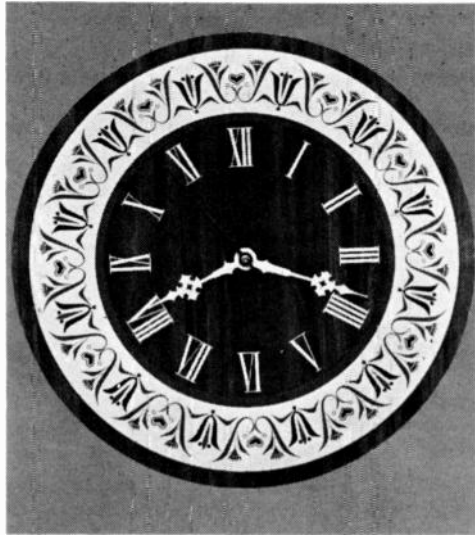
It makes sense to pay for the coverage your business needs—and **only** that! That's why businessmen all over the country are switching to the Business Owner's Policy of The Home Insurance Company.

Here's what you can get—

- Full coverage of the risks you **want** covered.

- Physical damage insurance on your building and contents.
- Robbery, burglary and other crime insurance.
- Inventory coverage that protects your stock fully—even at peak—but costs you only for the average inventory you carry.



**Ingraham electric wall clock**

Ingraham announces the addition of an AC electric version of the battery-powered Holland model in its decorator clock line. The new electric wall model, which is also called the Holland, is tagged with a manufacturer's suggested retail price of \$7.98.

The new Holland features Pennsylvania Dutch styling, with red, green, and gold overprint of flowers and symbols on a walnut-finish face. The clock measures 10 inches in diameter; it has white numerals, white cut-out hands, and red sweep second hand. *The Ingraham Co., Clock & Watch Div., Dept. P-H, Redstone Hill Rd., Bristol, Conn.*

**BeautyWare pantry ensembles**

Lincoln Metal Products is shipping two new lines of BeautyWare pantry ensembles: Americana, in an Early American design; and Decorated Pantryware, in a daisy motif.

The Americana line, series 600, comes in antique gold or coppertone enamel accented with a copper trim. The line consists of: a 4-piece canister set, retailing at \$7.98; a three-way paper dispenser, at \$5.98; a square 20-qt. step-on can, at \$10.98; a round 14-qt. step-on can, at \$7.98; and a breadbox, with built-in wood slicing board, at \$7.98.

The Decorated Pantryware line, series 500, makes use of a daisy motif in a choice of color combinations:

white with blue trim, or yellow, turquoise, or cocoa—all with white trim. The line consists of: a 4-piece canister set, to retail at \$5.98; a three-way dispenser at \$4.49; a square 20-qt. step-on can, at \$8.98; a round 14-qt. step-on can, at \$5.98; and breadbox and built-in slicing board combination, retailing at \$5.98. *Lincoln Metal Products Corp., c/o Lucerna Co. Inc., 545 Fifth Ave., New York, N.Y. 10017.*

**Commodore hand vacuum cleaner**

Commodore Import offers a U.S.-made hand-held polypropylene vacuum cleaner that retails at \$9.95.

Model P111 comes complete with power unit, furniture nozzle, crevice tool, and dust bag; the unit operates on AC. The hand vac weighs 3 lbs., and is packaged in a display storage carton. *Commodore Import Corp., 507 Flushing Ave., Brooklyn, N.Y. 11205.*

**Empire cordless electric display**

Empire Brushes offers a free display unit—the Cordless Electric Gift Center—with the purchase of a 24-piece selection of cordless products that retails at \$181.80.

The gift center, designated Empire #7939, stocks: six #7600 shoe polishers, with buffers; three #7680 massagers, with attachments; six #7681 hairbrushes, with massager attachments; six #7933 car and home vacuum brushes, with nozzle extension; and three #7515 shoe care kits in wooden cases, with foot rests. Shipping weight is 41¼ lbs. *Empire Brushes Inc., Port Chester, N.Y.*

**Rona bathroom hamper**

Rona Plastics announces its new heavy duty polyethylene Hamperette. The model 1011 bathroom hamper has patterned cutouts on two sides for ventilation. It has a 44-qt. capacity, comes in five standard colors, and retails at about \$3.69. *Rona Plastics Inc., Plainfield, N.J.*

- Business interruption—protects your **income** by covering temporary business costs after a loss.
- One policy, one premium over a three year term. It's easy to understand and, what's more, easy to pay for with the exclusive Thico plan that lets you budget the way you want—annually, monthly, quarterly—even seasonally!

Why wait? You can get the benefits of Home's great Business Owner's Policy right now—with full allowance for the balance of your present policy. Call your own agent or broker of The Home Insurance Company now for full details of the policy—he's listed in the Yellow Pages—you'll be glad you did!

Policy now available in most states



*The* **HOM***e* Insurance Company

59 Maiden Lane, New York, N. Y. 10008





Did you hear the one about the lover of pedigreed cats? It seems that a lady wrote the Whirlpool Home Service Department: "I accidentally washed my little Siamese kitten in the washer. What shall I do?" And then there was the refrigerator owner. "I find that my ice cream gets soft. My serviceman says it's because it's cheap ice cream. Is he right?" Or maybe it was your customer who wrote: "When I open my freezer door, it hisses at me . . ." Letters like these cross our desks by the hundreds. Many very complimentary of you and Whirlpool, by the way. But our point is this. We personally don't think anybody anywhere does more

than Whirlpool's Home Service to make friends and repeat business for you. Unless it's your RCA WHIRLPOOL distributor. Why not call him and give him an opportunity to prove it?

P.S. The kitten survived nicely. And, we believe, no other automatic washer can make that statement.



H O M E   A P P L I A N C E S





## The private-label duel in housewares: where does the retailer stand?

The retailer is acting as a "second"—for *both* sides—in the duel between private-label and name-brand housewares. He is determined not to be hurt.

The posture of the retailer is not just that of an impartial observer of the name-brand vs. private-label feud. Rather, he is playing both ends against the only middle that counts—his profit picture. And, he is winning.

Retailers, especially department-store chains, have found that private labels are a useful weapon in gaining concessions from name-brand manufacturers as well as a good tool for increasing profits in the highly competitive housewares and electric housewares business.

The retailer is on the offensive and the name-brand producer is on the defensive. Retailers have put themselves in this enviable position by greatly expanding their private-label lines in the last four or five years. And recently, they have begun to throw in their own promotion money to back their own labels. In fact, the private-label line has become something of a status symbol in the retail trade.

Housewares manufacturers, for their part, are finally showing signs of trying to gain the upper hand once again. Not many are still content to sit back and watch the private label's steady growth into a position of strength in housewares merchandising. They cannot afford to.

Once solely a Sears phenomenon, the private label has branched out. Other catalog houses, particularly J.C. Penney, are concentrating more heavily on private labels. Department-store chains and resident buy-

ing groups have greatly expanded their private-label lines. So have the variety chains. Even the discounters, who built their low-price image with name brands, are eyeing the private-label route to increased profits and status. And now, through retail buying cooperatives, private labels are luring the independent retailer back into the electric housewares business.

How successful has the retailer been in using private labels as a weapon to keep name-brand manufacturers toeing the line? How successful has the retailer been in building up the sales and prestige of his private labels? How successful has the name-brand manufacturer been in fighting the growth of private labels?

Both sides are poor shots at times. In the dueling so far, proponents of private labels and name brands both can point to hits and misses.

But the retailer has gained some important concessions from name-brand manufacturers by playing private labels against name brands. Call them "fringe benefits" because they have been brought on, at least in part, by the growth of private-label lines. What are some of the fringe benefits?

The two-line approach adopted by many name-brand producers is one. The two-line approach was created for the department stores and other traditional retailers to give them a line which is "clean," free from price-footballing, either officially through fair-trade or consignment, or unofficially through "selective distribution." One might stretch a point and look upon these so-called "department-store lines" as a "nationally

advertised private label" for a certain group of retailers.

The return of price-protection, especially the growth of fair-trade in the last two years, also resulted, again at least in part, from the growth of private-label lines and department stores' decisions to play down unprofitable name-brand lines.

Wider use of demonstrators also can be traced to the growth of private labels. As the department stores used their own sales staffs to push private labels, name-brand manufacturers made factory-paid demonstrators, both booth and sales-specialist types, more readily available to department stores. Then discounters cut themselves in by demanding equal treatment with department stores on demonstrators.

Over-the-counter replacement programs offered by name-brand manufacturers can be traced almost directly to the growth of private-label lines. By offering immediate replacement in case of defects, department stores were able to solve a major part of the servicing problem in offering private labels. These over-the-counter programs also became an effective selling point for the private labels, and name-brand manufacturers were forced to counter with a similar program for their brands. Manufacturers have found replacement programs costly and appear to be headed toward a more limited plan of 10 to 30 days, instead of a full year as offered on private labels, or toward the extended five-year warranty as used by some electric housewares and plastic housewares manufacturers.

The total effect of the fringe benefits has been to raise costs for manu-

by Ed Dubbs

Artwork based on a print from Bettman Archive





## Have the name-brands been wounded

facturers while increasing profits—either through better markup or reduced expenses—for retailers.

But the manufacturer also has benefited, for the return of price protection and the increased help from manufacturers have made brand names more attractive to the retailers. How much these fringe benefits have helped to hold back even further growth of private label lines probably never will be known.

**In fighting, private labels,** name-brand manufacturers also have greatly stepped up their advertising budgets, especially for television, both network and local spots. Much of this, of course, is designed to do a better preselling job on the customer so she will not be switched to a private label, or another name brand, when she goes into a retail store.

By offering retail taglines on television spots, name-brand manufacturers are providing the retailers with an additional incentive to feature name brands. Although most retailers recognize the sales effectiveness of television advertising, especially for a product which can be demonstrated, even the largest retailers have made only limited use of the media, largely because of the high cost.

But how successful has the private label really been as an actual profit and sales producer in its own right? Has consumer acceptance of private labels grown along with retailer acceptance?

A number of name-brand manufacturers look upon the private label as "just another line" fighting for a bigger share of the ever-increasing housewares business. However, there are signs that more and more big retail groups are trying to make the private label their major line.

**Among department stores,** May Co. probably gives its private-label line the biggest support. In the judgment of trade sources interviewed, May Company's top management is behind, even committed to, the private-label approach and will seek to build its Duracrest label to the level of Sears' Kenmore.

Associated Merchandising Corp. (AMC) also has built up a strong private-label program for stores. Trade sources estimate that Abraham & Straus, the New York City flagship of the Federated Department Stores chain, does about 25% of its electric housewares volume in the AMC line. (This is an average figure because private-label sales in fans probably run as high as 75% but would be much lower in other product categories.)

Allied Stores also is making more promotional money available to housewares buyers to push the Ambassador private-label line.

While Macy's has greatly expand-

ed its private-label line of electric housewares in the last four years, Gimbels has backed off from private labels.

The Macy private-label line, Supre-Macy (pronounced "supremacy") consisted of only three or four electric housewares products less than five years ago. Today, the Supre-Macy electrics line is 16 products long, including a slicing knife.

**Gimbels is a major exception** in the growth of private labels among key department stores. The store confines its private-label activity in electric housewares to a line of fans. At one time, Gimbels added a can opener but then dropped it. Sources close to Gimbels in New York City indicate that poor success in past attempts with private labels, other than fans, has discouraged the store's interest in private-label housewares.

**As for profits,** private labels—and their average 30% markup—have been especially important to retailers. The combination of increased volume from private-label lines plus the growth of price-protected name-brand lines has helped to bring many an electric housewares department out of the red and into the black within the last three years.

**Getting into private label** is fairly easy for the large retailer. Generally, the minimum private-label order from a supplier is pegged at 5,000 units, although it can be lower, perhaps 3,000 units. To a large extent, the size of the order required depends on how much design change a retailer wants on a product a manufacturer markets under its own name.

The size of the usual minimum order required tends to rule out the smaller independent retailer. Nevertheless, the independent is finding his way into the private-label field through co-op buying groups.

"Entering the private-label field is fairly easy," one manufacturer explained, "but building up the private-label name is difficult." It helps, said one buyer, to include the store's

name in the private label itself (Supre-Macy, etc.).

**The share of the market** for private label housewares is difficult to determine. There are no known statistics in this area. However, from trade sources interviewed, **MERCHANDISING WEEK** has gathered an average estimate: the share of the electric housewares market captured by private-label units approaches 10%.

According to figures compiled by **MERCHANDISING WEEK**, a total of 123,786,000 electric housewares products were sold by manufacturers last year. Using the 10% estimate, this would bring the private-label total to under 12 million.

**How many from Sears?** Perhaps as many as half, or approaching 6 million units sold under the Kenmore name, according to estimates made by trade sources.

It should be stressed that these are estimates. In fact, more than half of the trade sources interviewed declined to make an estimation at all because of the number of products involved and the differing degree of success of each product as a private label.

Most sources agreed, however, that private labels have gained a slightly bigger share of the market in the last five years. How much so, it was pointed out, is difficult to determine, because much of the growth of private-label lines has been in the number of products offered, and, to a certain extent, the additions only served to keep up with the over-all industry pace as new products reached the market.

**Consumer acceptance** of private-label lines also has grown within the last several years. Name-brand manufacturers even concede this point, and this growing consumer acceptance of the quality of the private label appears to be worrying name-brand producers more than the actual sales lost to private labels so far.

The consumer, according to retail-



Playing private label two ways, Macy's, in its Herald Square store in New York City, displays its brand with no special emphasis among a cluster of name-brand can/opener-knife sharpeners.



## or just nicked?

ers handling private-label lines, recognize the price value of a private label in comparison to a name brand. As Macy's asks, "Why pay more?"—for a brand name—when you can buy the Supre-Macy brand of comparable quality for less.

**Sears is credited** by many retailers and name-brand manufacturers for helping to build up consumer acceptance for all private-label merchandise, not just its Kenmore label.

"Sears backs up its merchandise with service. Customers know this," one department store buyer told *MERCHANDISING WEEK*. "We're trying to get this across, too. That's why we feature our over-the-counter [replacement] guarantee when we advertise our private label."

"Customers aren't leery of private labels anymore," another buyer said. "They know the retailer will stand behind it. They also know it's probably made by a name-brand producer."

One buyer, in discussing acceptance of private-label merchandise, asked: "Name more than three name-brands [in electric housewares] better known than Sears, Macy's or Penney's?" He added that many department stores or other key retailers are known to more consumers, in his store's marketing area, than seven out of 10 nationally advertised brands. Name-brand manufacturers, of course, counter this with the "two names are better than one" argument.

Buyers interviewed generally conceded that most private-label purchases, however, are made for the customer's own use, rather than for gifts, an important part of the volume in housewares.

"People are snobs," one buyer said, "when it comes to giving gifts. They'd rather pay a little more to get a name brand." This buyer, incidentally, pushes a private-label brand, reportedly with good, overall success.

**Who's been hurt** by the growth of

private labels in the last five years? Probably more than anyone else, it has been the manufacturers of off-brand merchandise. This is especially true as the variety stores have increased their emphasis on private labels, with generally the off-brand merchandise suffering.

Before the growth of private-label lines, many retailers used off-brands on which there was little price competition to offset the price footballing on name-brands. The private label, of course, moved in and took over this role for many of the nation's large retailers.

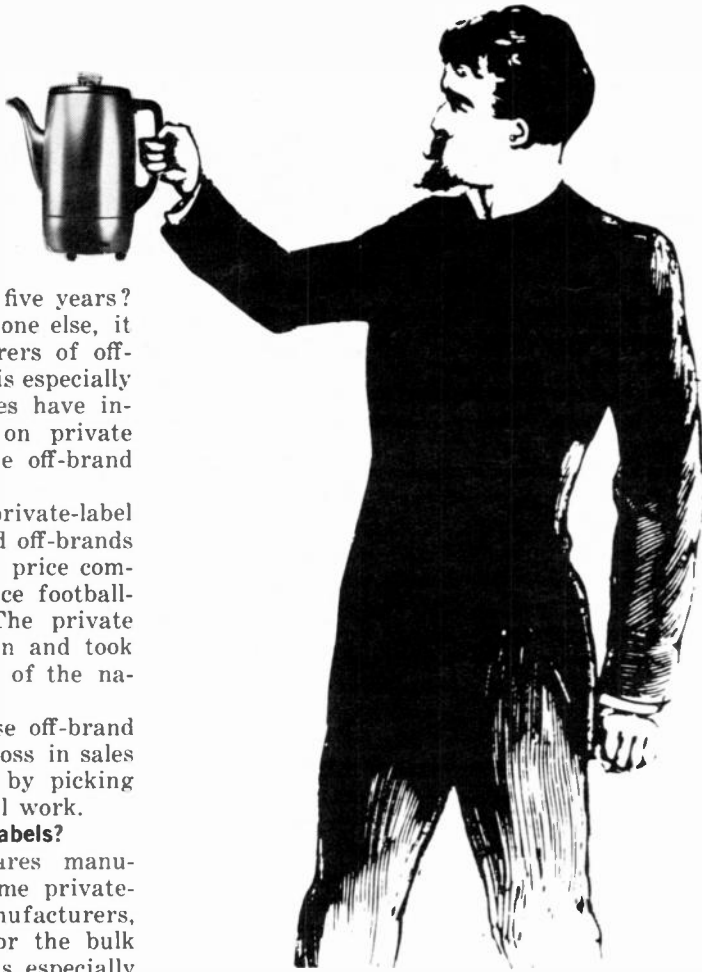
However, some of these off-brand producers made up the loss in sales under their own names by picking up increased private-label work.

**Who's making private labels?**

Most electric housewares manufacturers do at least some private-label work. For some manufacturers, private labels account for the bulk of their business. This is especially true of a number of small manufacturers.

Even the major name-brand producers vie for the private-label business. General Electric Co., a long-time holdout, appears headed for private-label work with the purchase of the electric housewares business of Landers, Frary & Clark from the J. B. Williams Co. Private-label possibilities are said to have been one of the key considerations of GE's housewares division in purchasing Universal-Landers. GE's Hotpoint division already is making private labels for J. C. Penney to sell under the Penncrest name.

By making private-label merchandise, name-brand producers softened the blow from the growth of retailer's own-brand lines, at least in the sales area. Still, the growth of private labels has cut into the prestige and power of name brands, for retailers generally have been quite successful in playing a heads-I-win, tails-you-lose game with name-brand producers in the private-label arena.



**What's ahead** for the housewares private label? Perhaps even a major change in merchandising purpose, which, in turn, could lead to even greater growth.

**The return of profitability** among name brands in electric housewares could bring about a key change in the role of the private label, at least in the opinion of some trade sources close to the private-label picture.

The private label started out as a hot promotional number when national fair-trade assured price protection on name brands. With the end of fair-trade on a nationwide basis in the late 1950s, private labels were recast into a profit role to help offset the declining markup on name brands caught up in a price-footballing war.

Price protection slowly has returned to the electric housewares field, although at times it does not seem so. Most electric housewares manufacturers, and many basic housewares producers, offer at least one line which is price protected in some form, either officially or unofficially.

**As price protection grows**, will the private label again switch back to a promotional role?

If so, a period of great growth may be in store for private labels, for mass merchandisers undoubtedly will be entering the private-label field in greater numbers.

**Discount interest** in private labels already is growing, but at present appears to be motivated largely by the status a private label seems to offer. A private-label line puts the discounter up there with Sears, the greatest mass merchandiser of them all.

Besides possible status, discounter interest in private labels up to now also has been motivated by increased

pressures for higher profits. However, promotional purposes may well be in the back of the discounter's mind as he approaches the private-label field.

**The entry of Korvette** into private labels in major appliances may well point the direction for the discount industry as a whole. Korvette's decision to offer a line of private-label major appliances came after fair trading of name-brand major appliances grew in the important metropolitan New York-New Jersey marketing area. Korvette also has faced problems in other markets, especially in fighting Sears in Chicago and Detroit for major appliance sales.

**In electric housewares**, Korvette largely has limited its private-label activity to fans, which generally have been cast in a profit-making rather than a loss-leader role. Trade sources believe Korvette eventually may expand its private label activities in electric housewares. They point out that Korvette has been building up its Spring private label in basic housewares and that the major appliance decision sets a precedent, perhaps even a commitment toward private labels.

**Korvette's name** on a line of appliances should spell a bargain to the consumer. Other discounters also have been successful in building a sales magic into their names. The bullish trend of discounter stocks on Wall Street offers plenty of evidence.

The movement of discounters into the private-label field is somewhat ironic, since the discounters owe most of their success to the name-brand merchandise they promoted.

Will the close ties name-brand manufacturers built with the discount industry now come back to haunt them?



While over in another aisle, the store singles out its own entire Supre-Macy line for special treatment, spotlighting here its irons with a sign that asks the passerby "Why pay more?"



# HOUSEWARES

□□□□ **Extended electric housewares guarantees** came under attack from Robert Lockman, marketing vice president for West Bend Co., in a speech before the National Appliance Service Assn. (NASA) last week. "The 5-year guarantee is a short-sighted sales gimmick," Lockman said, "used to befuddle the consumer into thinking she is buying a better product because the manufacturer guarantees the item 5 years, when we all know that electric housewares have a longevity greater than 5 years."

Lockman, in his prepared speech, also told the independent service dealers, "The over-the-counter replacement policy is not good for you, or the manufacturer, primarily because a relatively unqualified person on the sales floor makes the decision to replace an appliance." (For more on NASA, see p.29.)

□□□□ **GE will service Universal-Landers products** through Landers' independent service centers. "As soon as practical," however, GE also will handle repair work on its newly acquired lines at its factory-owned service centers. Beginning in August, repair parts will be shipped from Landers' New Britain plant, instead of from the service parts depots across the country that are now being used.

□□□□ **"Brookpark's problems** were not necessarily at the marketing level," said George Traner, president of Royalon, in discussing his company's pending acquisition of the Brookpark and Bropon melamine dinnerware lines. Brookpark Inc., of Cleveland, was recently slapped with an involuntary bankruptcy suit. Royalon, whose parent firm is Royal China Co., plans to expand the Brookpark line. "No marketing changes are planned," added Traner.

□□□□ **White Consolidated Industries' acquisition** of Standard Sewing Equipment Co., reportedly for an amount in excess of \$1 million, propels White into the mail-order field. Standard, with headquarters in New York City and operating facilities in Chicago and New York, markets the Universal lines of sewing machines through independent distributors and major mail-order houses. Standard will operate as a wholly owned subsidiary of White. No personnel or distributor organization changes are contemplated. Herbert L. Simmons, president of another White subsidiary, Sarco, also will serve as president of Standard.

□□□□ **Key moves . . .** HAMILTON BEACH adds two to its sales staff: James P. Brown is a new district sales mgr based in Chicago, working with Jack McHugh, district sales mgr for the Chicago sales area; and William H. Dorsey is new sales rep in New York City area. The firm also adds four men to its promotion "kickoff" team: Donald D. Reed, Walter M. Burke Jr., Thomas V. Byrne, and George B. Hatfield . . . Richard W. Gorney, who joins CORY Corp. as national accounts mgr, will direct sales of Cory, Fresh'nd-Aire, and Nicro product lines to all national accounts; James F. Needham joins Cory as assistant ad and sales promotion mgr, assisting ad mgr Ed Stern. Both appointments were announced by James W. Alsdorf, Cory president.

## Westclox circus of clocks: new stars join the troupe

Westclox is staging a circus promotion this summer with plenty of new clocks getting into the act. But the center ring is being devoted to a new six-model line of Early American decorator cordless clocks.

**Something for the kiddies**, befitting of the circus theme, is included in the promotion: a new line of colorful alarms designed with the nursery in mind.

In its Greatest Show in the World of Time promotion, the Westclox Div. of General Time Corp. also will feature: two additional cordless clocks; two new Ben models—a travel Ben and a deluxe Baby Ben; three high-end alarms—two of them walnut-encased; and a new kitchen clock. Dealer specials and display offers will round out the promotion, which begins next month and runs through August.

**The Spirit of '76**, the new Westclox cordless line, features authentic reproductions of Early American timepieces with a "new low-price breakthrough of \$19.95." Cords will disappear from two electric models now in the Westclox line. One new cordless version, in a contemporary style, will retail for \$11.95; the other, in a Spanish motif, will retail for \$9.95.

**The nursery alarm line** called Wee Winkies, will range in price from \$5.98 to \$9.98. There are five models in keywound and electric versions.

Two other alarms have been added to the Crown line. These occasional

alarm models feature walnut cases, and will retail at \$8.98 for electric models, and at \$9.98 for keywound models. Another electric alarm, the Branford Dialite, features a classic design in an antique white finish. It will retail for \$7.98. As a special, dealers will receive one free Branford Dialite with every five purchased.

**The traveling Ben** comes in a pig-skin-grain case, and features luminous hands and a bell alarm; it retails at \$9.98. The deluxe Baby Ben, in a Florentine silver finish, is an addition to the Westclox Crown line. In a gift package, it also will retail for \$9.98.

The new kitchen clock, which is square-shaped with filigree border, is designed to fit into bath or den decor as well. It comes with a lighted dial and carries an \$8.98 retail price.

Other new products include four John Zero pocket watches at \$7.98 and four wrist model additions to the Crown Watch line. A Westclox Custom III display and a Money Tree display also are available.

**To back up its promotion**, Westclox is offering retailers a complete promotional package, as well as national advertising support that includes broadcast media. The Greatest Show promotion is the third part of Westclox' annual four-part promotional program, which the company instituted almost two years ago.

## The cookware 'reawakening': what it means to retailers

The cookware industry expects to rack up \$500 million in retail sales this year. In large part, the industry can thank DuPont for the promotional money and Teflon coating that helped make the healthy estimate possible. The industry now considers conservative its original prediction of a 10% retail sales rise this year, and is now predicting an increase of 15% to 20%.

**Teflon is leading the way** to the biggest sales bonanza ever for manufacturers and retailers. Teflon-coated cookware and bakeware, both racking up boom sales, have "reawakened" a widespread consumer interest in cookware.

"The cookware industry continues to expand and optimism is the keynote," said Buford E. Hiles, of Wear-Ever Aluminum Inc., and newly elected president of the Metal Cookware Manufacturers Assn. (MCMA). Hiles was speaking before MCMA's 43rd annual convention in White Sulphur Springs, W. Va., last week.

Hiles succeeded Charles W. Ziemer, of Mirro Aluminum Co., as MCMA president. Ziemer was elected to a three-year term as a director, as was Hiles. Paul Uetzmann, of Aluminum Specialty Co., was named vice president, and Kenneth H. Johnston, was reelected executive secretary-treasurer.

An industry-wide promotion may be

in the future for the MCMA, Johnston said. First, however, the association is working on enlarging its membership, which is heavy on aluminum cookware producers and light on stainless-steel cookware producers. He also indicated the MCMA might take on a more active role in recording statistics for the cookware industry.

The booming sales picture, however, set the happy mood for the convention, rather than future plans—or problems. There was no discussion of a possible steel strike or price increases on both stainless steel and aluminum.

**The Teflon success story** was presented by Paul E. Thomas, sales manager for DuPont's non-stick finish. He stressed that Teflon-coated saucepans and bakeware would show big sales increases during the second half, pointing out that frypans already had made major sales gains.

**Success of stainless steel** promotions was reported by Ernest S. Kopecki, secretary of the Committee of Stainless Steel Producers. Kopecki said stainless steel producers will continue to put increased emphasis on the bridal gift market, noting that retailers who have set up Forever Shops for stainless steel products recorded an average increase of 38% in sales of stainless steel products.



# LOOK AHEAD

## TO THE BIG HALF OF THE HOUSEWARES YEAR

The 43rd NHMA National Housewares Exhibit, by every indication, will raise the curtain on the biggest six-months sales volume in history. Retail sales in 1965 are proceeding at a record-breaking pace, heading toward an estimated annual total of 10 billion dollars. Statistics show that more than half of that total will be transacted during the last half of the year.

For 27 years the NHMA Housewares Exhibits have helped set the pace for the Housewares Industry. Here is where housewares manufac-

turers show what is available; reveal what is planned; learn what is needed. Here is where housewares buyers come for a fresh appraisal, for an interchange of ideas, for an analysis of changing trends and conditions.

Here, in short, is the most important and most eagerly-awaited event on the housewares calendar. Plan to be a part of it—to look ahead, and move ahead, to the golden tomorrow that beckons the Housewares Industry.

Serving the Housewares Industry Since 1938

NATIONAL HOUSEWARES MANUFACTURERS ASSOCIATION, 1130 Merchandise Mart, Chicago, Ill. 60654

**NATIONAL HOUSEWARES EXHIBIT**

**JULY 12-16, 1965**

**McCORMICK PLACE,  
CHICAGO**

**NHMA**  
RD  
Semi-Annual



# HOUSEWARES

□□□□ **Cordless knives are outselling plug-ins** for a number of key department stores across the country, and are quickly approaching that point for others. The cordless units have come up fast, according to trade reports, and are carving out an important share of the slicing knife market, despite their high-end price tags. Of the 5 to 6 million slicing knives the industry expects will be sold at retail this year, about one third or more will be cordless rechargeable units, some insiders are predicting.

□□□□ **GE's cordless knife is the hottest model** in its line, according to trade reports. Retailers and distributors are having more trouble keeping GE's cordless unit in stock than any of the plug-ins in the company's line. By its early jump into the cordless field, GE has accounted for the bulk of all cordless knife sales at retail so far.

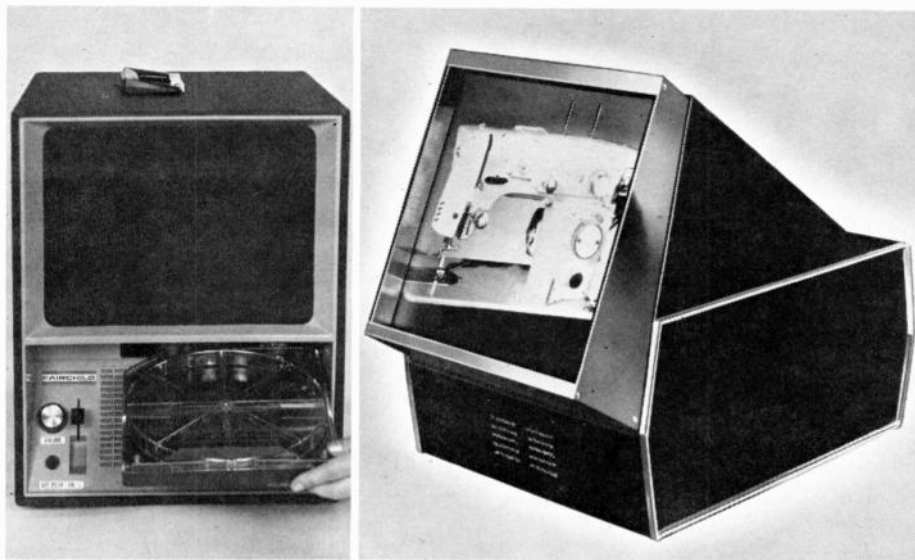
□□□□ **Cordless is the word for July** in the plans of slicing knife manufacturers. Practically every maker now producing a plug-in model is working hard to have a cordless unit ready for July introduction. Some producers, including Sunbeam, are expected to begin shipping cordless units before the housewares shows.

□□□□ **Sharp pricing on cordless units** is shaping up for the fall, when additional under-\$25 units are expected to hit the market. Endura became the first firm to break the \$25 price barrier with its cordless knife introduced in January. Merit is now shipping a promotional cordless unit, and Roto-Broil plans an under-\$25 knife for July showing. Some industry sources expect that promotional cordless units will put increased price pressure on low-end plug-in models, and thereby bring on increased price-footballing.

□□□□ **First the hole, now the tip**—evidence of the struggle to build product identification among the barrage of slicing knives now available at retail. "The tip that trims" is the feature Sunbeam Corp. is emphasizing in its new knife line (MW, 17 May, p.29). Sunbeam is hoping that this promotional theme will be as successful as the Hamilton Beach "hole-in-the-handle" approach.

□□□□ **Extra show benefits for buyers** is the pitch being made for the Independent Housewares Exhibit to be held at Chicago's Navy Pier, from July 10 to 15. Housewares buyers can hop a sightseeing bus, take a boat ride on Lake Michigan, or stop at Postl's Athletic Club—all on the house. There also will be free bus service to the pier and complimentary breakfast. More than 1,000 manufacturers will exhibit at that July show.

□□□□ **An NHMA-sponsored exhibit in Cologne** is being considered by the National Housewares Manufacturers Assn. (NHMA), which sponsors the National Housewares Exhibit, at McCormick Place, in Chicago. The NHMA is now polling its members to determine industry interest in a joint exhibition of American housewares products at the International Household Goods and Hardware Fair which will be held next Mar. 3-6, in Cologne, Germany.



Fairchild's MoviePak projector, Sawyer's Roto Show

## Should you use a dummy to make your sales pitch?

Retailers will never trade their live demonstrators for a canned substitute, but some admit that *dummy demonstrators*—movie and slide projectors with self-contained screens—can attract customer attention and make a sales pitch effective. The projectors are turning up increasingly on retail sales floors, largely on an experimental basis so far.

**Opponents** to the use of dummy demonstrators point out the high price of projectors (\$200-\$600), and the expense and bother of filming movies or slides. Even when supplied by manufacturers, some retailers object to dummy demonstrators. They complain about excess noise and lack of mobility.

**Proponents** of the projectors maintain that beside drawing attention, the dummy demonstrators graphically describe the most complex product, thus smoothing the way for sales clerks to overcome consumer resistance and to ring up sales.

Complaints that housewares clerks do not sell trade-up features to customers have led manufacturers of dummy demonstrators to pitch their projectors as an aid for rekindling interest in quality, and as a means toward higher retail profits.

**New housewares products** have spurred the use of dummy demonstrators: the large number of new products, coupled with the shortage of good live demonstrators, has created demand for another demonstration source.

**First to make a major thrust** in promoting projectors to retailers was Fairchild Camera, which in 1961 introduced a sound movie projector with a built-in screen for under \$500. Since then, some department stores and discounters have experimented with the Fairchild projectors, particularly during the busy Christmas season. In nearly every instance, manufacturers supply both the film and dummy demonstrator.

**Retailers' response** to the automated demonstrators, at least from merchants who have used them, is favorable, if not overwhelmingly so. Don Erickson, housewares buyer for Carson, Pirie, Scott & Co. in Chicago, said, "We have one in our downtown electric housewares department and in our Evergreen store. We have had them about a month. They are supplied to us by Peel King. We have the projectors running continuously.

"We've sold a lot of units from

the projector. Many people, perhaps 30, after watching the sales pitch, have picked up the peeler. If other manufacturers supply us with projectors, we might use them from time to time. If you don't have too many of them and if they are not contrary to the image of the store, they are good sales pullers."

When Sibley's in Rochester, N. Y., launched a promotion of Teflon-coated products, Fairchild projectors and films were supplied by DuPont. "Our president finds the sound objectionable, but he was so enthusiastic about the promotion, he agreed to them," said housewares buyer Neal Auchterlonie.

**Movies or slides?** Both have advantages. The movie demonstrator has the same drawing power as color tv commercials. Combined with narration, and/or music, movies may effectively draw a crowd. Slide projectors offer greater flexibility and lower initial cost than the movie demonstrator. Retailers interested in using movie projectors are dependent upon manufacturers to supply costly films. Dealers who use slide projectors, however, have wide latitude in choosing subject matter by producing their own slides. Also, slides are cheaper and easier to replace or change than editing or remaking movies. Sound can be synchronized on most silent dummy demonstrators, but the no-noise feature is a major selling point with many retailers.

**Several new models** are being spotlighted by projector manufacturers for the dummy-demonstrator role.

Fairchild now has a cartridge-loading sound movie projector—the Mark IV—in addition to its pioneer model, the 400. Loading the MoviePak cartridge (maximum running time for color film is 22 minutes) is "as simple as putting a piece of bread into a toaster," says the Plainview, N. Y., manufacturer.

Technicolor Corp., Costa Mesa, Calif., is marketing a cartridge-loading silent movie projector. Maximum running time is four minutes. List price is \$199.50.

Sawyer's is heralding its continuous slide projection cabinet—the Roto Show—as the ideal demonstrator for window display, point-of-sale display, and as a training aid. The projector, marked by H. A. Bohm & Co., Chicago, shows 100 slides at five to 30 seconds.



## NASA's question: who's getting the business when it comes to repairs?

"Are we now service centers or exchange centers?"

That was just one of the blunt questions put to the National Appliance Service Assn. (NASA) by its outgoing president, David Zangwill, at the group's annual convention in Chicago last week. Zangwill was referring, of course, to the growth of over-the-counter replacement programs in the electric housewares industry.

**Other frank questions** were raised for the consideration of the independent service dealers who handle electric housewares:

"Are service centers being required to provide consumers with product education—a job which supposedly belongs to the retailer?"

"Are manufacturers entering the service business (in addition to the distributing business) through increasing numbers of factory-owned service centers?"

"Are retailers going to enter the service business with the growth of private-label lines?"

**Manufacturer service plans** were also discussed by Zangwill, who said: "The manufacturer is faced with a number of servicing decisions: to repair or to exchange all appliances; to repair only if minor or to exchange only if major; to exchange only at the dealer level, only at the distributor level, or only at the service center level."

**Manufacturers can help** independent service dealers, Zangwill suggested, in the following ways: process all exchanges at the service center level; increase discounts on parts to a minimum of at least 60%; permit service centers to determine whether repairs are major or minor; consign exchange merchandise; give service dealers more leeway in determining whether an appliance qualifies as in-warranty.

**The changing role** of the service dealer also was pointed up at the convention.

"Today, there are no sales people for the electric housewares which are purchased in self-service stores," said one service center operator. "When the customer has questions about the operation of the item, who does she call? The franchised service station."

"The problem with most customers is they don't read instructions," added another service dealer, "so they call the authorized service station."

**Factory-owned service centers** are becoming a bigger problem for the independent.

"In many cases, they don't make a profit and are subsidized by the factory," said Zangwill. "Thus, they can exchange appliances at a greater profit than we can, because the factory allowances are greater to them."

**"We can't compete** with the factory-owned service stations," another operator said. "We can't offer customers the exchange prices they do, and the manufacturer doesn't allow us to."

"I think every manufacturer should own a couple of service centers to find out their own faults,"

said another dealer. "But they should not have them all over the country."

**Servicing private labels** is also becoming important.

Joe Pope, owner of Midwest Electric Appliance Service, predicted that "eventually, all large private-label outlets now doing their own service will find that . . . service can be done more economically through

independently owned service centers."

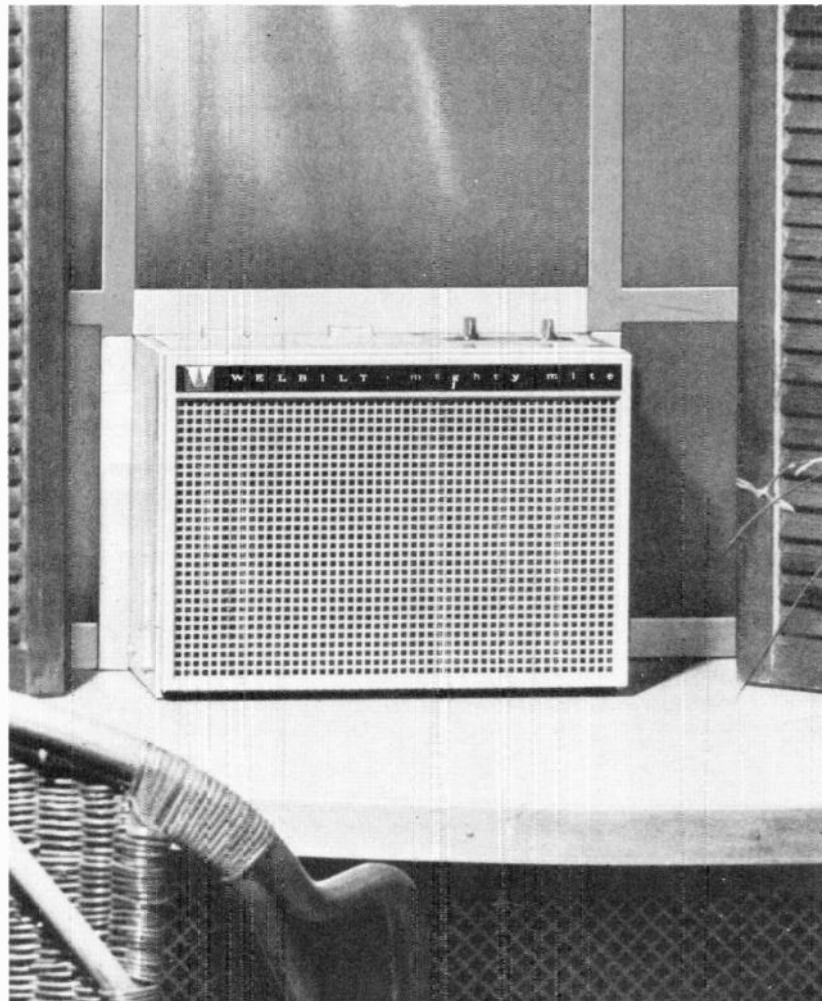
Pope services most of the 300 Sears stores in the Chicago area, and is negotiating with another large merchandising firm to set up a similar program. "About 20% of our business is accounted for by private-label business," he added.

"The main problem is to sell your program to these organizations,"

Pope said. "Previously, Sears had to stock parts from all the 40 or 50 manufacturers making private labels for them, plus maintaining a full staff of service men. This was very costly, because they didn't have the service volume we had."

**Emphasis on accessories** has been another means service dealers have used to increase sales and profits.

## *This one gets you the "casement" sales*



*installs in minutes...  
and priced to beat  
all competition*

Casement air conditioner sales, the ones that too often get away, can make the big difference in your profit picture this year.

All it takes is a call to Welbilt.

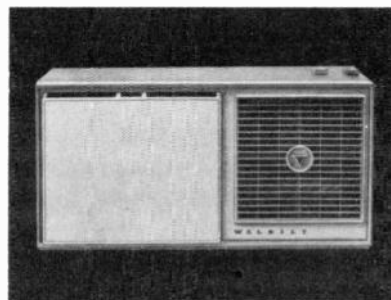
The Welbilt Mighty Mite is the original unit designed for direct installation into casement windows. No tampering with the window frame...and it fits just as easily in double hung windows.

Your customers go for Mighty Mite's quiet operation and 5500 or 6000 B.T.U. cooling.

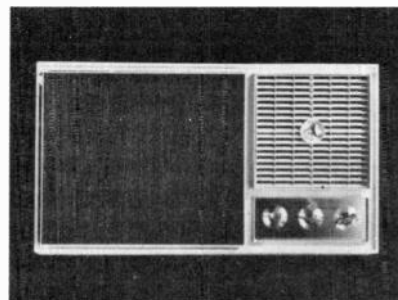
Last, but certainly not least, they go for the low price tag...the most exciting casement value in the industry.

If you're determined not to miss out on this important segment of the market, why not call Welbilt today.

**BOOST YOUR SALES WITH THE NEW WELBILT LINE — MODELS FOR EVERY NEED — FROM 4,300 TO 27,500 B.T.U.**



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



**POWER MASTER** With self-installing Expand-O-Mount. 6000 to 18,500 B.T.U.



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

**Welbilt**  
Corporation

*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







## How Macy's generates excitement for summer goods

Macy's New York has come alive with a spring and summer freshness, thanks to a new Picnic & Barbecue Shop, patio room settings, and a World's Fair promotion running in the housewares basement of its Herald Square store.

Macy's, like New York City itself, is proving that it is a summer festival—and a World's Fair, too. Macy's World's Fair of Housewares promotion returned this year after a highly successful engagement all

last summer. Macy's housewares division also is tying in with another promotion: a storewide salute to California.

**Consumer excitement is the goal—**and Macy's achieves it. Floor traffic has been brisk—even jam-packed at times. Early-season volume on picnic-barbecue goods and summer furniture has been good, reportedly running ahead of last year's pace; and the volume is expected to pick up even more as the first big weekend of the summer season approaches.

**Coordination is the key** to the summer goods show at Macy's. Picnic goods of all types—barbecue equipment and accessories, summer furniture, and patio accessories—have been brought together. Nearby are the store's Garden Shop, which adds to the outdoor atmosphere, and the Paper Goods Shop, which lends a party touch.

**Eye-catching displays abound** to set the stage. Pastel-colored wood is used throughout to carry out the rustic outdoor theme. Patio furniture displays are spruced up with colorful accessories. Cutout mannequins are used as apron models and to dress up the barbecue displays. A hammock is an invitation to the young swinging crowd.

**Emphasis is on trade-up.** Macy's barbecue selection points up the high-end merchandising approach. The assortment is heavy on smokers and smoker-wagons, and definitely away from low-end braziers. Profit plums, such as barbecue accessories, are played up in mass displays on racks and shelves—clearly placed nearby for impulse and add-on sales.

**The assortment is overwhelming,** as Macy's intends, and as one expects of the retailer that bills itself as The World's Largest Store. Everything for outdoor summer living is displayed. The price range runs from under \$1 to hundreds of dollars.

The Picnic & Barbecue Shop occupies the floor used by the Fireplace Shop during the fall and winter selling season. The Fireplace Shop, too, had a rustic setting with "wormed" wood, but it conveyed a deeper winter mood. The room settings then were devoted to unpainted furniture and dinettes.

Macy's long has been a leader in using the so-called "shop technique" of merchandising housewares. The store's housewares basement is full of shops, with the bath shop only recently expanded in area. Even hardware has been given the shop treatment.

**Macy's can claim** that its housewares tie-in with the World's Fair has been a much bigger success than the real fair, which is now running at Flushing Meadow. Last year, Macy's began its World's Fair promotion in April and then extended it into the fall selling season. Macy's housewares basement is almost a tourist attraction for out-of-town visitors, and the store has cashed in on this fact by staging special promotions.

**A space-age theme again is used** for the World's Fair of Housewares. Demonstrations are running at more than 40 booths, each identifying a name-brand producer. Lights orbit above each of the booths—some set up in a runway fashion, some scattered throughout the basement. For the storewide California promotion, the merchandise of California-based housewares producers is being spotlighted in displays.

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

[Demonstrate Blackstone's exclusive Gyro-Balance]



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. 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 selling profit-protected Blackstones with stainless steel tubs? Write, wire or phone and start keeping those profits you've earned.



## BLACKSTONE CORPORATION

1111 Allen Street • Jamestown, New York



In appliance — consumer electronics — housewares retailing, you must sell today's market...and tomorrow's, too. The way to hit your long-and-short-range sales targets is to advertise in the Big One.

Merchandising Week reaches both key department stores/mass merchandisers and more worthwhile independent retailers than any other publication. Whether tomorrow's retailing giants grow from the mass merchandising field or from the independents, Merchandising Week assures you of reaching them and creating loyalties that will last a sales lifetime.

Each Monday, retailers make Merchandising Week an intimate part of their lives. Why? Because it analyzes, evaluates, interprets...and provides vital, up-to-date trend information that retailers need to stay out in front.

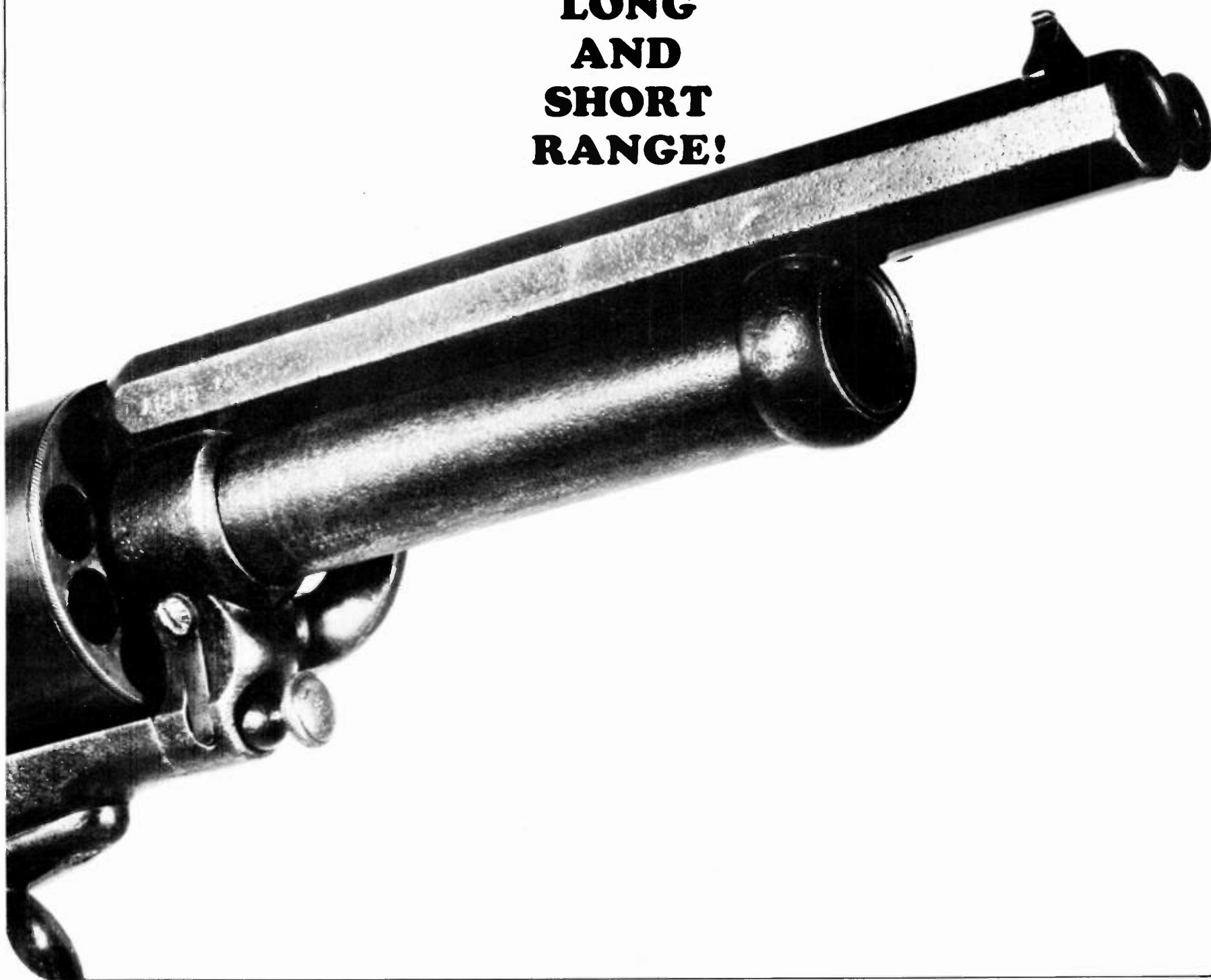
So, why use half power? Use full firepower! Tell your story big, bold and often in the Big One.

**MERCHANDISING WEEK**

The Interpretative News Weekly

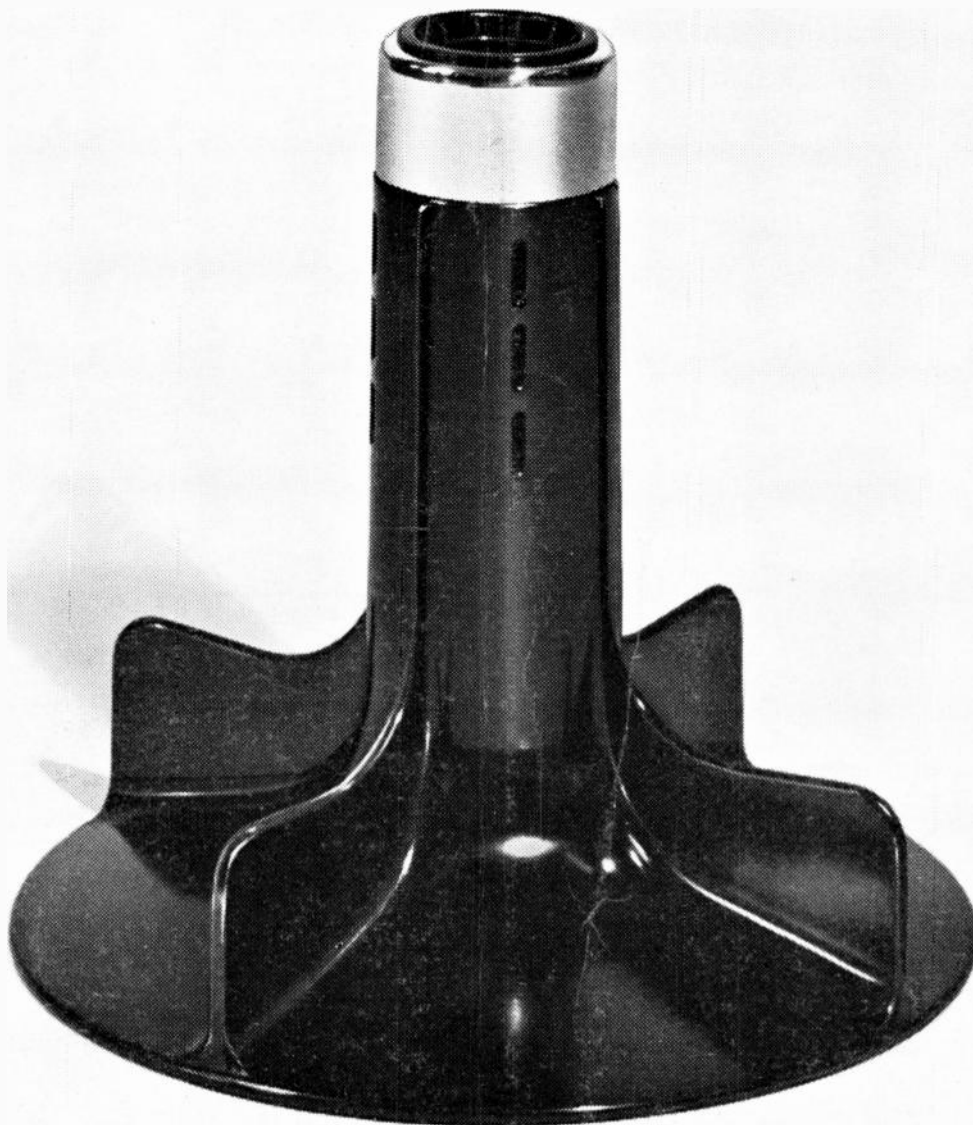
A McGraw-Hill Publication, ABC-ABP

## **FIREPOWER LONG AND SHORT RANGE!**





WHAT MAKES MAYTAG DEPENDABLE



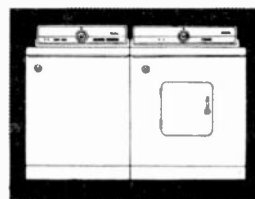
## Fins that know what size they should be

Maytag agitator fins are precisely 3 and 1/4 inches high. Any larger, and they're just giving the clothes a beating. Any smaller, and they're just stirring them.

The size and shape of the Maytag fin is the result of scientific development. The search was for a fin that would give the most thorough, but gentle, cleaning action. Maytag engineers started working on the "ideal" fin 41 years ago. The same time they invented the first agitator. The current Maytag agitator and its fins is the result of that research and development.

One more reason why Maytag dependability is based on fact, not fancy. The Maytag Company, Newton, Iowa 50208.

# MAYTAG



*the dependable automatics*