

MERCHANDISING ***WEEK***

APRIL 17, 1967

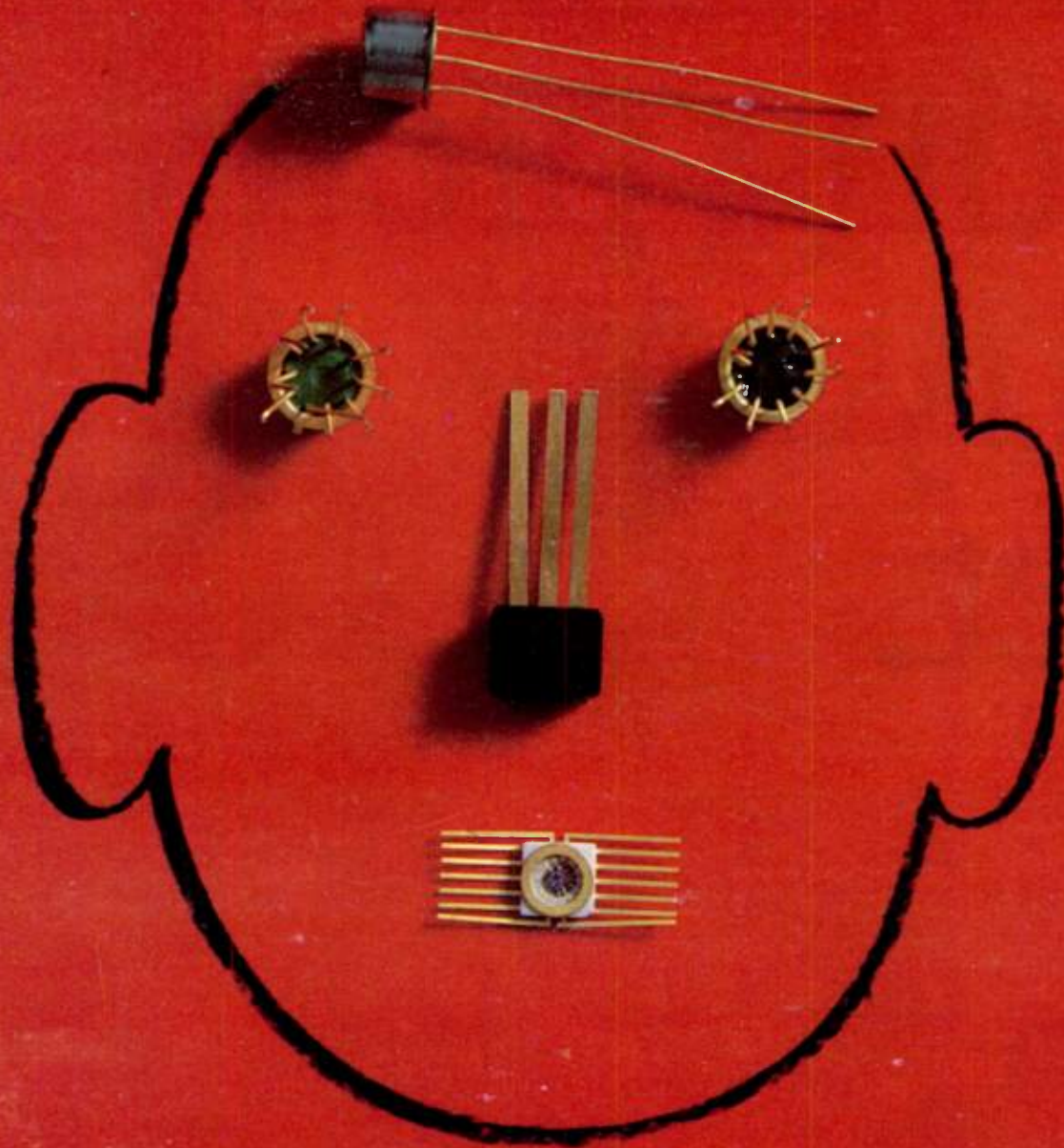
EDITED FOR THE CONSUMER ELECTRONICS, APPLIANCE, AND HOUSEWARES INDUSTRIES ☐ READ BY THE RETAILERS ☐ A BILLBOARD ☐ PRICE 50 CENTS
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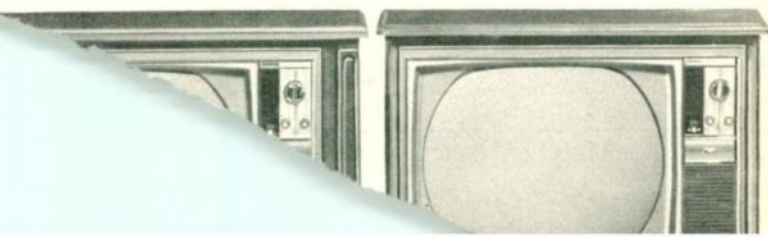
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Why Philco-Ford
color tv dealers
are sitting pretty
in a buyer's
market.



It's no accident that as part of Philco's full line coverage, Philco's 267 sq. in. color consoles are the hottest thing on the sales floor today.

Philco planned for a tougher market—developed a complete color line to meet real market conditions, not rosy dreams.

Down-to-earth marketing savvy makes it possible for Philco dealers to build traffic and sales without murdering retail profits.

In today's color market you can't make full profits with a bobtailed line. You've got to have sets that cover the range where the business is done. So Philco now gives you not only big-ticket color sets, but also a full line of consoles with a 267 square inch picture that are part of Philco's regular quality line with 26,000 volts Cool Chassis, solid copper engraved circuits and fully transistorized signal system.

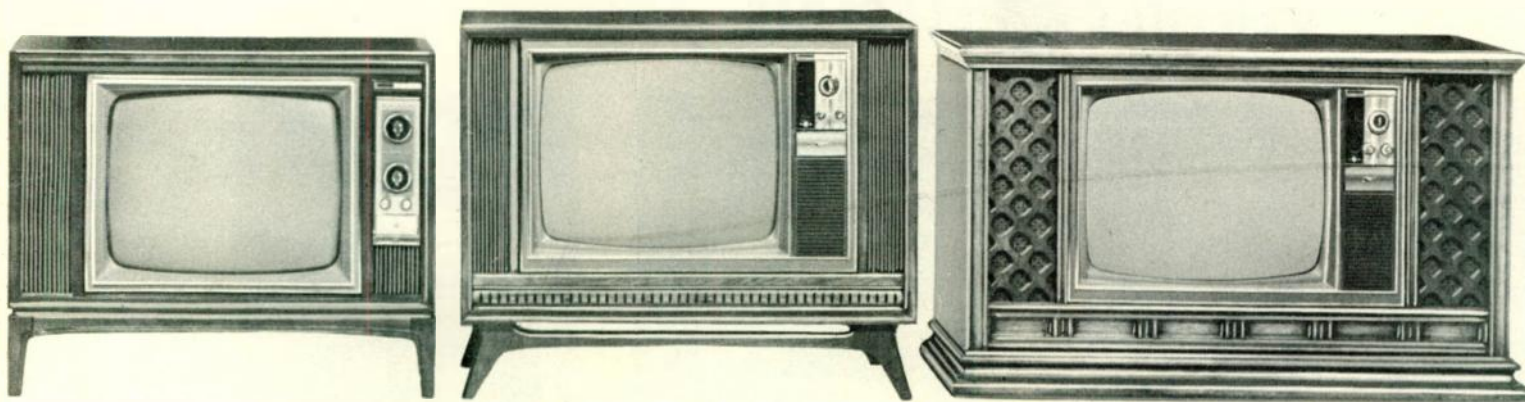
This *complete* Philco line gives you easy step-ups to full luxury cabinets and the Philco Color Tuning Eye—one of the biggest selling features in color tv.

Dealers all over the country are rushing to cash in. Result: Philco's increase in color tv sales over last year is almost twice the current industry average. Yours could be, too.

PHILCO



FAMOUS FOR QUALITY THE WORLD OVER
TELEVISION • STEREO PHONOGRAPHS • RADIO • HOME LAUNDRY • RANGES • REFRIGERATORS • AIR CONDITIONERS
PHILCO-FORD CORP., PHILA., PA. 19134



Step up to 1967 profits. Call your Philco-Ford distributor today and get this "Buyer's Market" line on your floor.

It's the year of the Automatic Icemaker



...and GE is ready with the 'right one'!

Automatic Icemakers are 'in.' People want them. Expect them. And GE is ready with 4 new refrigerators—all of which have just the 'right' Automatic Icemaker. What's so 'right' about it? Read on . . .

MINIMUM SPACE! You'll find it takes up very little space in the freezer section. Leaves plenty of room for frozen foods.

MAXIMUM CONVENIENCE! In all models, ice is easy

to reach. For instance, in bottom freezer models, the storage container comes out with the roll-out freezer—bringing ice cubes right to fingertips.

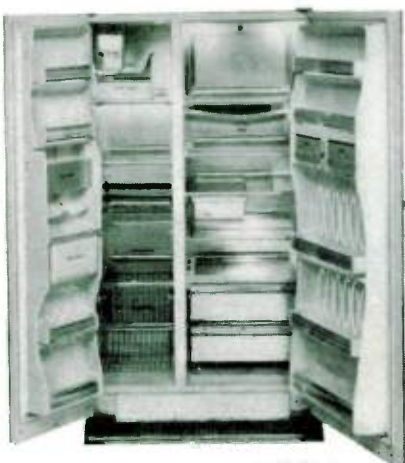
BIG CAPACITY! In all models, the storage bins hold a really big supply of cubes. For example, Model TBF-16A stores up to 12.9 lbs. of ice, 340 cubes—

more than any comparable competitive model.

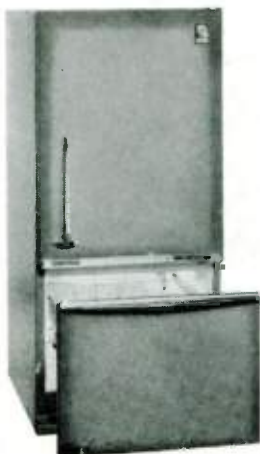
UNIQUE SHAPE! The unusual (and most practical) shape of the GE ice cubes enables them to fit all styles of glasses.

For all these good reasons, the new GE Automatic Icemaker is 'the right one.' It'll help you sell more refrigerators. Make more profits. In short, you'll find it the hottest icemaker going.

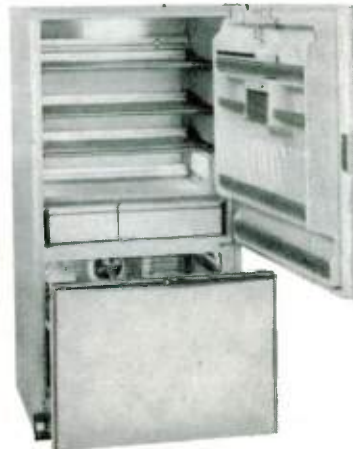
GENERAL  ELECTRIC



TFF 21 A



TCF 17 A



TCF 19 A



TBF 16 A

□□□□ **Ampex swings to cassette.** Donald V. Hall, general manager of Ampex Stereo Tape, announced last week that his company will disclose within 60 days which of its 1,600 titles, on 48 labels, will be produced and marketed in cassette form. Ampex' commitment, combined with that of General Recorded Tape, has tripled the potential Philips-system library, which until two weeks ago had only its own recording arm—Mercury Records—wholly pledged to the concept. Mercury has 100 cassette titles; lesser manufacturers have contributed another 50.

Now, however, Ampex' MGM Verve, A&M, Kama Sutra, Vanguard, Elektra, Monument, and London labels are all possibilities for cassettes. With present commitments giving the company additional weight, Ampex is also negotiating with a number of other important labels for tape rights.

□□□□ **A new housewares product from Sylvania:** the lamp division has introduced an electric Sun Bowl for ripening fruits and vegetables at home. The item, which retails for about \$17, is being test-marketed in New England retail outlets; it made its debut late last week at Jordan Marsh stores in Massachusetts and at G. Fox & Co. in Hartford, Conn. The Sun Bowl resembles two soup bowls, one of which is inverted, and contains a special lamp dubbed the Grow-Lux, which provides "your own indoor sunshine" to make "food taste as if it were hand-picked from the vine." A Sylvania spokesman said the firm plans to go national with the product in the Fall. First

reports that Sylvania was considering entry into the housewares field appeared in these pages last year.

□□□□ **A flat rate for servicing electrics** will be tested by the Dominion Electric Corp. through independent service centers. The move is aimed at eliminating paper work now associated with making in-warranty repairs and seeking reimbursement from the factory. If the system proves successful, other firms may follow suit—establishing a single fee for each product serviced, regardless of what is wrong with it.

□□□□ **Lear Jet will be sold to Gates Rubber Co.** The latter has agreed to acquire about 60% of Lear Jet's common stock. What the acquisition will mean to the stereo division is not yet clear. Charles C. Gates, president of Gates Rubber, has announced "our intention to reinforce the financial stability of Lear Jet," and has further indicated that the stereo division's activities—along with those of other divisions—will be evaluated during the next months. William P. Lear will stay on as president of the company, concentrating on product development and advanced engineering.

□□□□ **A new side-by-side from Frigidaire:** the 16-cu.-ft. unit—one of seven new Frigidaire models—is 32 inches wide, with 10.28 cu. ft. of refrigerator space and a 5.65-cu.-ft. freezer. It is expected to fair-trade in the New York area for \$449.95.

The consumer protection lull: action behind the scenes

Those who see the present lull in consumer protection activities as the beginning of the end are deluding themselves, or so the members of the National Assn. of Manufacturers' (NAM) marketing committee were told last week in New York City.

Commenting on the "Consumer Movement—Its Meaning to Industry," a panel of individuals closely involved with various phases of the movement indicated that what may appear to be a waning interest—at both the administrative and legislative levels—is actually quiet preparation for more intensified consumer protection drives

in the future.

The reasons behind the lull—the replacement of intimidating Esther Peterson with photogenic Betty Furness, the slowdown in Federal Trade Commission activities, and the frequent stalls in the truth-in-lending drive—may mean that consumer protectionists are redirecting themselves, not necessarily that they plan to relax their efforts, contended members of the NAM panel.

Bryce N. Harlow, director of Procter & Gamble's government relations division, for example, suggested there may be new emphasis on consumer

information: a means for the public to do its own protecting. Already, Congressional hearings are being held on various proposals to establish the means for informing consumers, supplying them with the bases for product value judgments.

Most prominent among these is the bill that suggests a National Commission on Product Safety. The Commission would examine products for safety and performance and report its findings for subsequent action.

The way to end the lull would be to pass the product safety bill—and passage is expected within the next two

months by panelist Michael Pertschuk, general counsel for the Senate Commerce Committee. There has been no great objection to the principle behind the Commission, Pertschuk explained, but there has been some concern over the possibility of a product being "blacklisted" on the basis of reported findings.

If established, the Commission would submit a full report of its research to the President and the Congress on Jan. 1, 1969. Further legislation in the consumer protection realm would then be based somewhat on Commission recommendations.

Color tv inventories: the blessing that came in disguise

The industry's sigh of relief was almost audible last week as the trucking strike shut down some of color tv's most formidable producers in Chicago. For although no one was willing to say it publicly, most set manufacturers regarded the strike as a blessing in disguise.

Faced with mounting inventories, the slowest sales quarter of the tv year, and new line introductions just around the corner, everyone used the strike as an excuse to turn off production lines without embarrassment.

"It is amazing," one Midwest set maker reflected wryly, "how some of

the largest producers ran out of parts so quickly."

Zenith, starting last Monday afternoon, shut down eight Chicago-area plants employing more than 10,000 people. "As soon as traffic starts moving again we plan to call our people back," a spokesman said.

Motorola closed five plants right after the second shift last Wednesday. Admiral shut down both its consumer electronics and major appliance operations. And Hotpoint stopped refrigerator production.

The inventory causing concern—just over one million color sets in the

hands of factories and distributors at the close of March—loomed particularly large in the second quarter, which traditionally is the industry's slowest sales period.

"It's not the units that bother me," one set maker said. "It's the dollar value of the inventory. A lot of that merchandise is high ticket."

Although there were deals to be found, set makers were finding retailers tough customers. Explained one large Eastern distributor: "So, I go to a retailer who has 100 sets and is selling six a week with a special. You think he is open to buy?

"We've got to use extended terms—or whatever it takes—to get through this period."

What will happen hinges on sales and production between now and the end of the second quarter, predicted one set maker. "I think we would all like to see prices hold firm," he said. "What the industry needs is a cut in production."

How the June line introductions will be affected was anyone's guess last week. "Some of that June merchandise," predicted one manufacturer, "probably won't be shipped until late fall."

□□□□ **There's good news on the retail scene**, and government economists are clinging to it like a shipwrecked man to a life raft. Retail sales hit nearly \$26.5 billion in March to set a new monthly record; and sales are expected to continue at a record clip through this month. With most economic indicators pointing down, government officials are hoping that the surge in retail sales will turn business up.

Saving rates, for example, have been rising at a dangerous pace as the consumer has become more and more cautious. Now, the hope is that consumer caution has disap-

peared and he is back in the marketplace. Economists had predicted higher retail sales in March, but certainly not as much as the actual 3% rise over February. The sign of the rise seems to support Administration predictions that business will take off again in the second half.

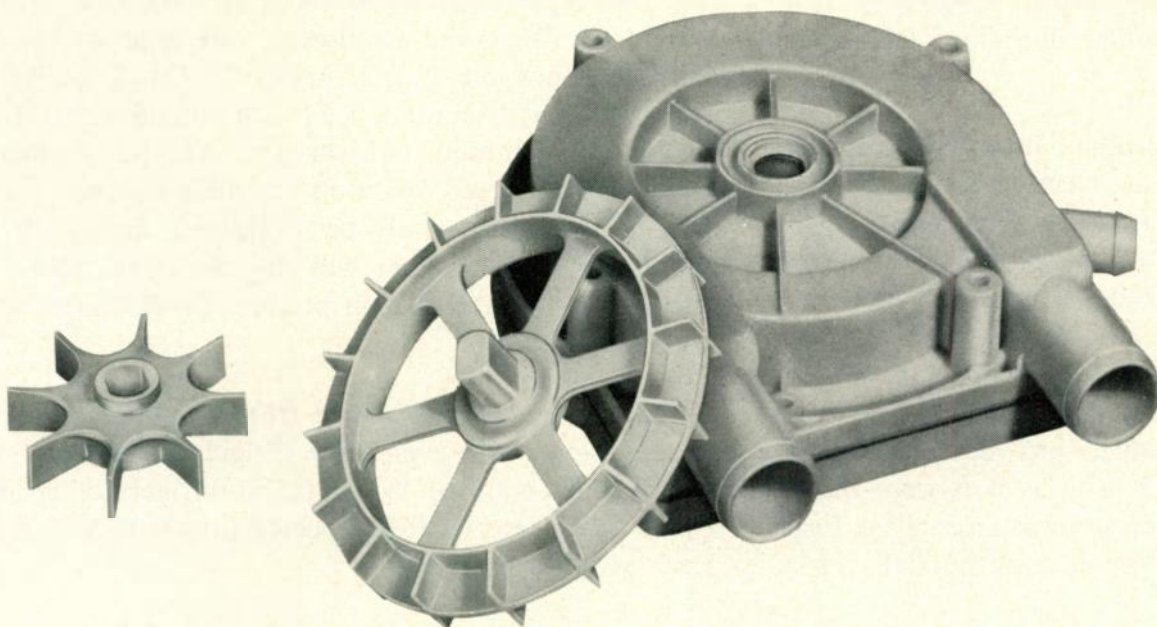
□□□□ **The FTC practice of issuing a press release** when a complaint is brought against a retailer is under fire. A career and finishing school has won a temporary court injunction against the long-time Federal Trade Commission practice, contending the issuance of a press release harms it even if the final decision goes in its favor.

The decision has thrown the FTC into something of a dither. Normally, it issues publicity at three or four stages of any complaint—using the publicity as a weapon to help bring the alleged offender into line. The FTC can be expected to appeal to a higher court—even all the way to the Supreme Court, if necessary.

□□□□ **A quality stabilization bill**—fair-trade under another name—is back before Congress. The measure, awaiting action by the Senate Commerce Committee, was introduced this year by Sen. Eugene McCarthy (D-Minn.), with 11 other Senators as co-sponsors. Despite the delay of support, the bill is not given much of a chance in the current Congress.

□□□□ **The ailing homebuilding industry** may get a boost from lowering of the discount rate from 4½% to 4% by the Federal Reserve Board (FED). This is the interest the FED charges commercial banks when they borrow from the central bank. Other rates follow the discount rate—up or down—and it now can be expected the interest charged by savings and loan associations on mortgages will be cut.

The discount rate cut also is bound to result in lower interest on the money retailers and wholesalers need to expand their inventories—or even their business. To make the situation all the better, most banks—particularly those outside of New York City—already have a plentiful supply of money to lend; they have been seeking borrowers for some time now.



Show her this pump before she chooses her Hamilton.

Otherwise, she may never see it again.

This pump will go for years and years without the need for repair (or a nod of recognition). If you don't mention this to your customer, she'll never fully understand why her Hamilton washer is so reliable. A quick look at the pump would tell her. The pump, like every other component of a Hamilton washer, is ingeniously simple.

For one thing, it's mounted directly on the drive shaft of the motor. That eliminates the usual belt and pulleys. It also has two impellers to re-circulate and drain the water. One pump. Two jobs. Also rust

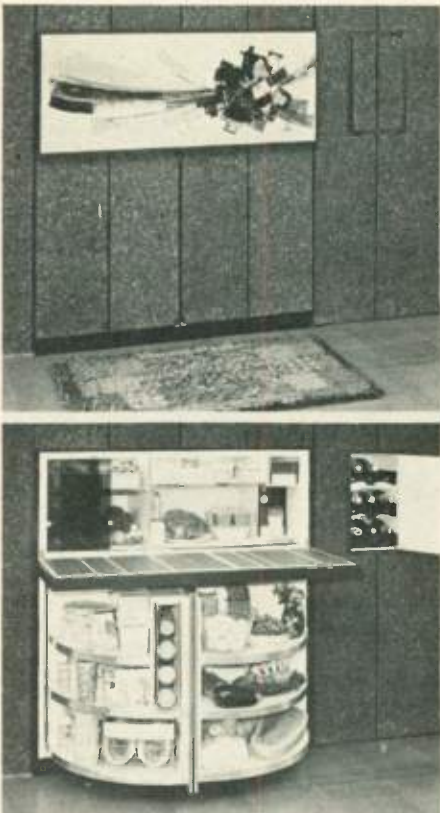
and corrosion don't have a chance with the molded polypropylene parts.

Isn't it nice to be selling something besides price? You can trust Hamilton for the kind of quality you can sell and the kind of profit margin that makes the retail sale worthwhile. Get the full story on all the New Reliable washers and dryers from your Hamilton distributor. You won't have to pump him.



Hamilton®

HAMILTON MANUFACTURING COMPANY, Two Rivers, Wisconsin



Kelvinator's "Art Galley," a wall-hung refrigerator with swing shelves



New ultrasonic dishwasher (at top) and compact plastic refrigerator

Kelvinator works on its future as industry ponders the present

One thing is certain. Kelvinator is making news. In the wake of last week's rumblings (MW, 10 Apr., p.5) of its impending sale by American Motors, the company introduced its Intro 70 new products, which included a long-awaited plastic refrigerator.

Commenting on the possible sale of Kelvinator—either separately or in a package with Redisco (the credit arm of the parent company)—American Motors president, William Luneburg, said, "Whatever this management may decide, the decision will be based on what is best for both. We expect Kelvinator to continue in the appliance industry."

The first plastic refrigerator shown by an appliance manufacturer was the star of the Intro 70 show, which featured five other specially designed working model appliances.

The plastic refrigerator (photo top right) suggests new design and manufacturing possibilities. For example, because the refrigeration system has been reduced to a cartridge-type compartment in the lower righthand corner of the unit, the rest of the cabinet exterior and interior can be produced in one operation. Then the refrigeration cartridge system, which is housed in metal, can be inserted directly into the unit. In addition to the plastic exterior

and interior, the door is also plastic and can be produced in a number of colors and patterns—adding to the flexibility of the unit; the plastic shelves can be removed for dishwasher cleaning. A spokesman said the plastic refrigerator "was not restricted to this smaller size."

The other Intro 70 appliances shown by Kelvinator:

- A Gourmet Cooking Center that contains a microwave oven with see-through glass door, a glass cooktop with heating elements in the top itself, and a refrigerated oven that will maintain refrigerator temperatures until switched to desired cooking requirements by manual or automatic programmings.

- A centrally controlled ducted refrigeration system that allows different-sized refrigerators to be located throughout the home. Solid-state temperature sensors regulate the flow of cold air to these units.

- A vanity-sized compact washer-dryer combination featuring solid-state controls for speed and drying.

- An "Electro-Sonic Service Core" featuring ultrasonic dishwashing and food waste disposal.

- A free-standing refrigerator with the built-in look.



Early American Gourmet Cooking Center



A mini-laundry for tiny loads

□□□□ RCA's first 3¾ips pre-recorded reel tapes have been added to its 7½ips catalog, as the company moves to establish a new 3¾ips standard for the industry. "We waited until we could confidently produce slower-speed tapes equal in sound quality to that normally associated with 7½ips," said Irwin J. Tarr, division vice president-marketing, at the unveiling of RCA's new recorded tape duplicating plant and research development center at Indianapolis. The two buildings offer 123,760 sq. ft. of space and house RCA's Stereo 8 facilities and tape duplicating plant.

What about Stereo 8? According to Tarr, RCA Stereo 8 sales rose 60% in the first quarter of 1967 compared with the same period last year. Once again, in 1968, the company will be supplying customer courtesy cartridges to Ford and Chevrolet. But, said Tarr, cartridge sales for the industry were not up to expectations this year, due to the drop in auto sales. He pointed out, however, that while auto sales went down, player sales did go up. Tarr estimates that between 100,000 and 200,000 8-track home players are now on the market.

Despite moves by Capitol and Columbia to adopt the 4- as well as the 8-track system, RCA will stick with 8-track—holding the price—probably until production costs come down. Already in the past year, labor costs have decreased 50% to 55%, and 80% of the cartridge-loading operation will be automated soon. But company officials say that only lower materials costs can bring down the cost of cartridge production substantially.

□□□□ Blank cassettes from Audio Devices: the company revealed in its annual report that it plans to add blank cassettes to its line of blank 4- and 8-track cartridges later this year; it already supplies tape for the cassette.

□□□□ Montgomery Ward is going metropolitan. The catalog house announced it is adding 21 new stores at metropolitan locations and is moving 14 others to better locations. "We are converting Montgomery Ward from a rural-oriented merchandise company, with catalog profits as its backbone," says a spokesman for the company, "to a . . . national urban retail chain."

□□□□ Despite record sales, Magnavox profits fell during the first quarter of 1967 compared to earnings of the first three months in 1966. Sales rose 16% to \$111,512,000, but profits dropped from \$7.1 million to \$6.8 million. The company reported an increase in color tv set sales in excess of the industry gain, but declining profit margins in this and other consumer electronics categories contributed to the drop in profits. Magnavox also reported a sales increase in console phonographs and a less-than-anticipated decline in monochrome tv set sales.

□□□□ Curtis Mathes Manufacturing Co. reports record sales of \$44.7 million for the 9-month period ending Feb. 28 compared with \$36.6 million for the same period last year—a 22.1% increase. Income for the 9-month period was \$2.0 million compared with \$2.2 million for the same period the previous year—a 9.1% decrease. Charles Mathes, president of the company, says the television industry is experiencing a transition from a seller's to a buyer's market. He predicts, however, a "stronger demand for our products in the last six months of 1967."

□□□□ **The new gas-fired self-cleaning oven** developed by the American Gas Assn. (AGA) during the last six months was shown to 17 appliance manufacturers last week in Cleveland. The smokeless unit, which requires no outside venting after its 1-hour cleaning cycle at 1,050 degrees, will be available for licensing by commercial manufacturers until Oct. 31. A single-burner, single-cavity, oven, the AGA model heats effluent gasses in a special process that eliminates the need for a catalyst after-burner device, which is necessary in electric self-cleaners. The American Gas Assn. expects its type of oven to be marketed in 1968.

□□□□ **Kitchen dealers will convene** June 28-29 for the annual summer meeting of the American Institute of Kitchen Dealers (AIKD). The organization's membership now stands at its highest point: the recent addition of 80 companies brings the total to 394, including wholesale distributors and manufacturers.

Wholesale distributors will conduct their own AIKD session on May 18, in Pittsburgh. Workshops on government-supported training programs and salesmen's compensation at the wholesale level will be included on the program.

□□□□ **AHAM's interest in consumer protection** turned a new corner last week as Guenther Baumgart, president of the Assn. of Home Appliance Manufacturers, accepted a position on the Chamber of Commerce's new Advisory Panel on Consumer Issues. The panel's 46 members will explore areas of consumer complaint and criticism in order to form a basis for Chamber of Commerce recommendations in the field of consumer aid.

In addition, Baumgart offered AHAM's assistance in deliberations over the proposed National Commission on Product Safety to the subcommittee of the House Interstate and Foreign Commerce Committee, which is considering the commission. In his formal statement to the subcommittee on commerce and finance, Baumgart lauded the appliance industry for its "outstanding example of successful regulation by the private sector of the economy."

□□□□ **GE will push its color tv sets this spring** in a giveaway sweepstakes to run from May 1 through June 17. The winner of the first prize will receive a General Electric color set, plus \$10,000. Large-screen color consoles will be awarded as second prize, and GE Porta-Color sets as third prizes. National magazine advertisements will introduce the promotion, backed up with local television and radio announcements, as well as newspaper ads.

□□□□ **A guide to central air conditioning** has been prepared by the National Better Business Bureau in cooperation with the Air-Conditioning and Refrigerator Institute. The 16-page booklet—"Central Air-Conditioning. . . What to Consider in its Selection and Purchase"—contains advice on selecting, contracting, and installing central units. Copies are available, at 10¢ each, from the National Better Business Bureau, Dept. C, 230 Park Ave., N.Y., N.Y.

□□□□ **The Zayre Corp. has bought Shoppers' City**, a 4-store self-service chain in Minnesota. A new wholly owned subsidiary of Zayre, the SC Trading Corp., will operate the newly acquired stores, which recorded \$507,436 in profits on sales of \$43,676,000 in 1966.

A shortage of tv servicemen spurs the industry to action

Television manufacturers are waking up to the fact that they face a critical service problem.

RCA last week announced that it is accelerating and expanding its television service training schools in six key cities, a move which follows close behind EIA's decision late last month to implement a new program for training servicemen.

The purpose of the RCA project, according to A. L. Conrad, president of the RCA Service Co., is "to cope with a serious shortage of tv technicians." To that end, RCA training centers—in New York, Philadelphia, Chicago, Miami, Detroit, and Los Angeles—will move into new, larger, facilities this summer. This will allow them to train some 2,500 technicians during the next year—twice as many as the company trained in 1966.

Conrad estimates that 25,000 additional color television service technicians will be needed by the industry in each of the next five years: "There are more than 10 million color sets now being used in the U.S.," he said, "and this number is expected to jump to more than 16 million by the end of 1967."

W. W. Cook, manager of technical training for the RCA Service Co., says that the training program is "more or less an orientation program to teach color tv repair to technicians who already have some electronics background. About 70% of the training will be devoted to color television."

The demand for quality repair technicians, explains Cook, has become acute because "moonlighters and do-it-yourself repairmen" cannot cope with the complex servicing problems of color tv. "This has placed a heavy strain on professional services."

The EIA considered the problem during its spring conference, at which time an initial \$25,000 was allocated for organizing a staff to outline the scope of the service question.

A spokesman for the consumer products division of the EIA says that the mushrooming demand for technicians is due primarily to three factors: (1) the increasing number of sets in use; (2) the growing number of color receivers in relation to b&w sets; and (3) a decrease in the number of available trained technicians.

"Eventually," the EIA spokesman says, "this is going to hurt our sales."

Sales: where the action is

For the second consecutive year, distributors shipped 29% of their electric refrigerators and 27% of their electric ranges to appliance stores, according to a report of 1966 statistics issued last week by the National Electrical Manufacturers Assn. (NEMA). Department

stores (Sears and Montgomery Ward are included in this category, although Ward's refrigerator figures are not complete) increased their share of the refrigerator market by 1%, but lost 3% in their share of the range market. NEMA's year-end breakdown:

Type of sales outlet	Refrigerators		Ranges	
	1966	1965	1966	1965
Department stores	24%	23%	8%	11%
Furniture stores	12%	12%	9%	9%
Appliance stores	29%	29%	27%	27%
Hardware stores, auto & auto parts outlets, plumbing-heating contractors, building materials dealers	7%	8%	13%	13%
All others: direct contract (includes builder) sales, utilities, food plans, jewelry-music stores, farm implement-general stores, kitchen specialists	28%	28%	43%	40%

Radio mix: what's in a name?

For the third straight year, domestic radio brands lost part of their market share to foreign units, according to the Electronic Industries Assn. (EIA). Domestic radios—those sold under U. S. brand names, regardless of origin—accounted for only 44.4% of last year's total home radio market.

What the figures do not show, how-

ever, is that Japan—long the leading exporter of radios to the U. S.—is also losing ground as a brand-name supplier to the U. S. About half of Japan's radio business now done in the U. S., trade sources estimate, is private label. Three or four years ago, about 70% of Japan's radio business in the U. S. was under Japanese labels.

Year	Domestic radios	% of total	Foreign radios	% of total	Total units
1962	13,541,000	51.1%	12,970,000	48.9%	26,511,000
1963	12,375,000	48.5%	13,163,000	51.5%	25,538,000
1964	12,904,000	50.4%	12,722,000	49.6%	25,626,000
1965	16,039,000	47.3%	17,877,000	52.7%	33,916,000
1966	16,866,000	44.4%	21,146,000	55.6%	38,012,000



Whirlpool

introduces
the all-new Jewel Box
air conditioner series
with
SUPER COOL



The ultimate in air conditioning

Today's customers want better merchandise and have the money to pay for it . . . but they must *see* the additional value. And, that is just what WHIRLPOOL gives you . . . visual value . . . visual quality.

Best of all, its beauty is more than "skin-deep". A brand new feature . . . SUPER COOL . . . gives extra-fast cool down in hottest weather. And, it has two other settings . . . NORMAL COOL and a new NIGHT COOL setting for "quiet

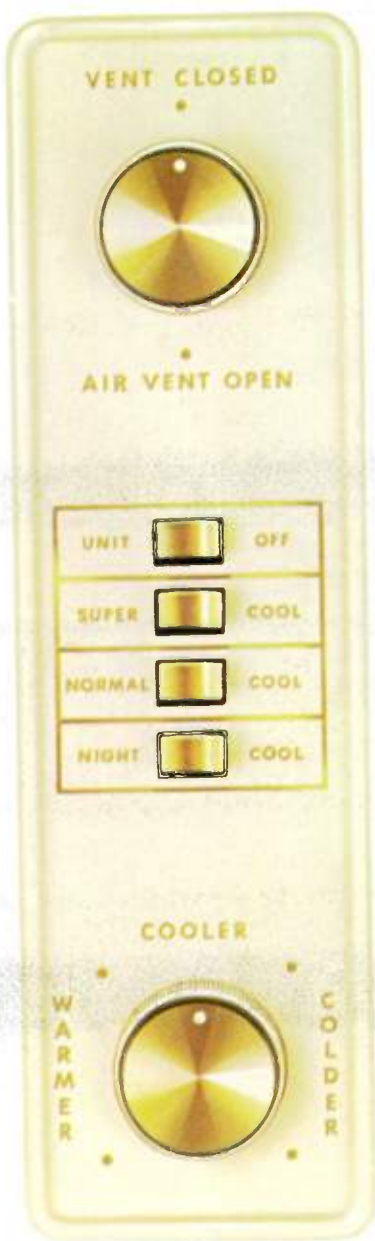
sleeping-time" operation that your customers will like.

It has quality "written" all over it! The front panel of soft white woodgrain finish with traces of gold is accented by rich looking, gold-colored trim. Controls are out of sight and its tasteful styling blends in with any decor.

Turn the page, see the features of these all-new Jewel Box air conditioners. They are designed to help you increase your sales and profits.

Models ARJ-120-2 — 12,000 BTU, 12 Amp., ARJ-P80-2 (not shown) — 8,000 BTU, 7½ Amp.

Maximum capacity at minimum amperage



adds a new dimension to air conditioning... **SUPER COOL**

The new Jewel Box air conditioners have an entirely new feature for greater cooling comfort. It's **SUPER COOL** . . . the answer to extra-heavy cooling loads. For example, it's designed to get rid of the heat build-up in a house or apartment that's been closed up all day. When the owner returns home, he can push the **SUPER COOL** button and put the full resources of the air conditioner to work to bring the temperature down quickly to the desired point. And then he switches to **NORMAL COOL** for quiet maintenance of the comfort level. There's also a **NIGHT COOL** setting that's extra quiet for nighttime use, or when cooling loads are light.

Super-quiet operation — Your prospects can actually *see* a sizeable difference in WHIRLPOOL's approach to sound absorption in this new Jewel Box series! A bigger silencing chamber can do a better job, so WHIRLPOOL has used a larger cabinet . . . just to soak up maximum noise. Everything else has been provided for quietness, too . . . a front panel that acts as a sound baffle . . . and spring and rubber mounts under the compressor.



Exclusive COMFORT GUARD® control — A product of WHIRLPOOL space-age research, this amazing temperature-sensing device goes a step beyond the thermostat . . . smooths out the ups and downs of the cooling cycle. You can tell your customers that it helps to eliminate uncomfortable temperature fluctuations. COMFORT GUARD is good for you, too, Mr. Dealer, because it helps to avoid coil "freeze up" that can lead to troublesome service calls and complaints.



"Dry Steel" construction — Another example of WHIRLPOOL quality! Only WHIRLPOOL takes the important precaution of installing rust-proof non-metallic pans and neoprene hoses to prevent condensate from coming in contact

with the base. Cabinet and base are protected by two coats of epoxy-resin enamel baked on galvanized steel. All these extra-value features are simple to point out.

Easy-operating concealed controls — Recessed just behind the front panel. Convenient access is provided to the gold-colored dials and push-buttons for COMFORT GUARD control, 3-speed cooling and exhaust.

4-way air direction — Direct cool air flow up, down, to either side — anywhere in the room.

Removable filter — Permanent, washable filter, located behind the front panel, lifts out easily for cleaning.

2 new high efficiency models



8,000 BTU – 7½ Amp. Model ARJ-P80-2
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An advertising dollar spent in **one** of these magazines reaches more people living in households owning or having purchased a **color TV** in the past year than it does in any of the others:

American Home
Better Homes & Gardens
Holiday
Life
Look
Newsweek
New Yorker
Reader's Digest
Saturday Evening Post
Sports Illustrated
Time
U.S. News & World Report

It may come as a surprise that Newsweek is that *one* magazine, particularly when measured against all those other major national magazines. But that's what Simmons says—W. R. Simmons and Associates Research, Inc., the people who study markets and the media that reach them.

In fact, Simmons reports that in the two areas measured: (1) owners and (2) purchasers in the past year—Newsweek is 13% and 14% more efficient than are the next ranking magazines.

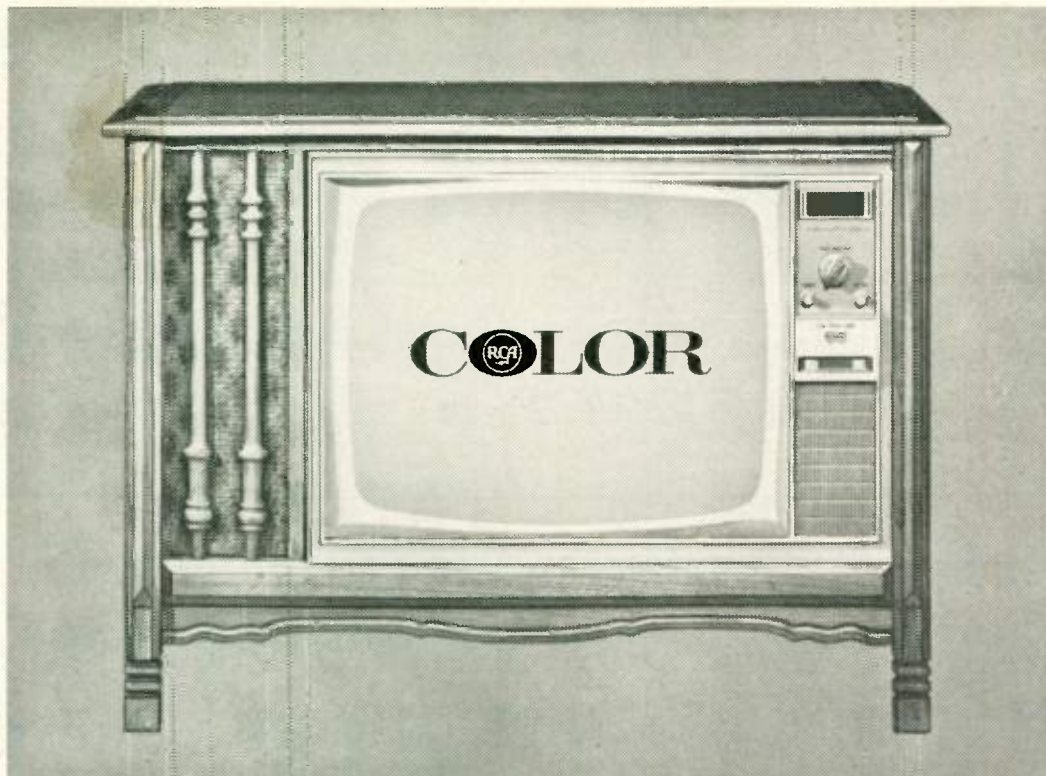
Newsweek's outstanding efficiency becomes all the more significant in view of the fact that—as a recent market survey revealed—as high as 3 out of 4 portable color TV sets are purchased by families who *already own* a color TV.

In other areas, too, Newsweek scores at the top—in efficiently reaching owners of electric ranges, separate clothes dryers, room air conditioners and fully automatic washing machines.

For more information on Newsweek and its quality audience of over 10,000,000 weekly readers, get in touch with Tony Ernst, Building and Home Products Advertising Manager, Newsweek, 444 Madison Avenue, New York, New York 10022.

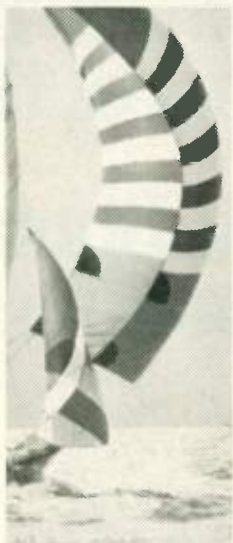
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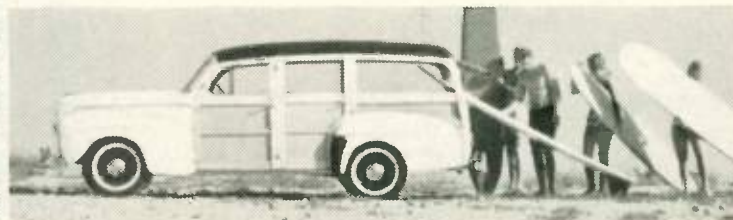
Almada. Moorish in design and magnificent to behold with its 295-sq. in. picture. RCA Hi-Lite Color Picture Tube with Perma-Chrome assures locked-in color purity without changes in fidelity during tube warm-up.



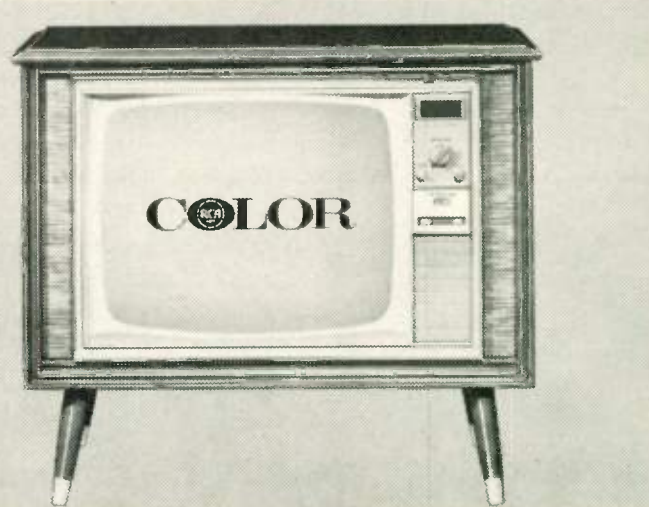
Alcott, a trim Contemporary console, compact in design and big in performance. In every RCA Victor Color TV reliable solid copper circuits reduce service headaches.



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Heatherton, sleek Contemporary design and a 295-sq. in. picture. Another new model for swinging season profits.

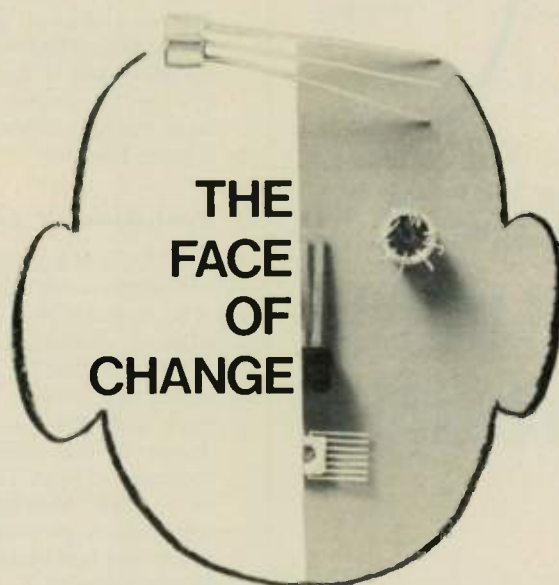


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A BOOMING TECHNOLOGY REVOLUTIONIZES CONSUMER ELECTRONICS

An explosion in the development and manufacture of "atom-sized" integrated circuits (ICs) is spreading a shock wave of nuclear proportions that is being felt throughout the consumer electronics industry. And the fallout—in terms of consumer home entertainment applications—is just now starting to take on equally prodigious proportions. Early last year, when Merchandising Week predicted that the consumer electronics industry was on the verge of an engineering and styling revolution (MW, 24 Jan. 66, p.13), many of the industry's engineers grumbled that we were being far too expansive in that forecast. As it turns out, however, our "guess-timates" were, in fact, too conservative.

Story by Martin Steingesser
Cover expressly designed for Merchandising Week by Joan B. Antoine
and photographed by Robert M. Denelsbeck

Industry marketing experts are now predicting that 40 million transistors and 2 million ICs will be used in television receivers this year, and that 90 million transistors and about 5 million ICs will be used in television receivers in 1968.

One industry source believes that RCA alone has already committed 3 million ICs to use in tv sets this year—at the top of the line, as well as the bottom—suggesting that the use of ICs is not merely a temporary merchandising gimmick. Last year, no one dreamed the use of solid-state components in black-and-white and color tv receivers would reach such proportions so quickly.

Floyd Kvamme, integrated circuit manager at National Semiconductor Corp., says, "All indications are that by 1970 most electronic equipment will utilize at least some integrated circuits to increase system performance, reliability, and economies to the end user."

Positive industry estimates see at least one IC being used in one of every four tv receivers produced in 1968—and for sure by 1969. Dollar volume, according to suppliers' engineers, will reach about \$4 million this year, nearly \$12 million in 1968.

Motorola's Reed Neddermeyer, marketing manager for silicon annular transistors, says "about 30% of all television sets produced this year will be hybrids (units that use both vacuum tubes and transistors) and roughly 65% or 70% of the 1968 models will be hybrids." Neddermeyer also predicts that seven of every 10 active components in tv receivers will be transistors, spiced with an IC or two.

Total sales of monolithic ICs for all applications amounted to about \$148 million in 1966, according to the Electronic Industries Assn. (EIA). The EIA's estimates for 1967 indicate the total sales figure could exceed \$225 million, with this year's growth primarily attributable to sales of circuits for use in systems already designed.

The semiconductor business—ICs, transistors, and diodes—for all applications increased 47.1% last year to a total of 2.5 billion units, compared with 1.7 billion units in 1965. Semiconductor dollar sales increased 22.6% last year to \$932 million, compared with sales totaling \$760 million in 1965.

Suppliers of ICs are doing their best to keep pace with the growing demand. They say production problems will soon be well in hand; nevertheless, they may soon find themselves in the plight of Sisyphus in Hades, condemned to roll a huge stone up a hill, which eternally rolled back down just as it neared the top. For, while less than 10,000 ICs were used last year, the prospects for this year present a vastly different picture.

Bernard Marren, consumer marketing manager at Fairchild Semiconductor, thinks that he is being bullish with the prediction that "one million integrated circuits will be used this year and two million in 1968." Fairchild introduced its first IC for home entertainment products last year. A second type will be made available in June; the new Fairchild microcircuit will be produced at the rate of about 100,000 units per month.

Motorola's IC marketing manager, James Burns, is a little more conservative than Marren. "I find that [one million prediction] hard to believe," he says. "Something substantially less than a million is more realistic."

Westinghouse Electric's molecular electronics marketing manager, Fred Weigle, says, "Ninety percent of all tv receivers produced will use at least two or three circuits per set, and probably as many as six to eight circuits per set by 1970."

General Electric says that all of its home entertainment products will use some form of microcircuitry by 1970; and RCA says that it will soon be marketing about 30 types of IC for the consumer electronics market.

The semiconductor business today, much like a salmon fighting the current on the way upstream, is indeed in the swim—despite the fact that sales of tv receivers have flip-flopped: inventories are high and sales weakening. But what is certain for this year is that solid-state technology will spawn a new look on the inside of home entertainment products and this, in turn, will affect the outside of consumer electronics: the marketing scene.

THE FACE OF CHANGE

continued

INDUSTRY INNOVATES DESIGNS, PRODUCTS, A WAY OF THINKING

WHERE THE ICs ARE: AN INDUSTRY ROUNDUP

Philco-Ford is using two ICs in an AM desk radio listing at \$29.95. The microelectronic package, called a "flip chip," contains all the active—and most of the passive—elements making up the radio's circuitry. The company also plans an IC in a tv set for introduction later this year.

Andrea will introduce three 23-inch color sets this summer with ICs in the audio stages. Made by RCA, the IC incorporates amplifier, AM and noise limiter, FM detector, and audio preamplifier.

Fisher is offering an AM-FM radio and top-mounted, 4-speed automatic phono combination with an IC in the IF strip.

GE has a clock-radio with an IC that incorporates all active, and some passive components at \$44.95; without clock, it is \$34.95. A monaural phono with IC in the audio stage is \$44.95 and a stereo 8-track cartridge tape player, with an IC in the audio stage of each channel, is \$129.95. The chip in the tape player corresponds to six transistors, six resistors, and one diode. GE also will be putting an IC into a tv set later this year.

RCA is using ICs in the audio stages of two 8.3-inch b&w portables—one at \$119.95, the other on open list—and in 23 models of its

23-inch color tv line, which starts at \$695.

H. H. Scott has three radios with four ICs in their IF strips: a 120w AM-FM stereo receiver, model 388, at \$529.95; a 120w FM stereo receiver, model 348, at \$449.95; and an 85w FM stereo receiver, model 344, at \$399.95. Scott also announced two new components with ICs this month: a broadcast monitor stereo tuner, model 312C, at \$294.95; and a 65w FM stereo receiver, model 342, at \$299.95.

Sony has an IC in a miniature portable radio, which it describes as "the world's smallest radio with an integrated circuit." It lists at \$39.95. The IC integrates nine transistors, four diodes, and 14 resistors.

Westinghouse is offering a compact 4-speed phonograph with an IC. According to Westinghouse engineers, the phonograph's single silicon chip replaces 18 electronic items that would ordinarily be required in a conventional phonograph of similar performance capabilities. The compact phonograph has a suggested list price of \$50.

Panasonic earlier this month introduced a multi-band portable radio—called the RF-3000A Voyager—which uses two ICs in its IF stage.

The technological changes in consumer electronics will soon be apparent in tv sets, radios, phonos, and cartridge tape players. From a comparatively quiet start last year, ICs will be busting out all over this spring; and retailers will be faced with more than the usual ballyhoo about technological advances.

"This June," says B.S. Durant, president of RCA Sales Corp., "we will introduce ICs in new places with significant meaning—and not only in tv sets. These new uses of ICs will have some very exploitable commercial, as well as technical, advantages."

(RCA now has two small-screen b&w portables and a 23-inch color set with ICs in the audio stages; an 8-inch b&w solid-state portable will be available in June.)

Evolution or revolution?

New IC uses notwithstanding, the total solid-state tv set is still out of reach. "The industry has gotten itself into a difficult dilemma," explains Durant. "To build a totally solid-state color receiver, we would have to go up in price and down in performance. The reason is that solid-state devices are not that good yet. There is no transistor, for example, that can replace the 6JE6 tube, which provides the high voltage power and horizontal deflection in color picture tubes."

Clyde Hoyt, staff engineer for RCA Victor's home instruments division, says that "even in large-screen b&w sets, the transistor cannot replace the high-power and deflection tubes."

"It will be several years," he says, "before we have a solid-state device that will be able to provide sufficient voltage and reliability to do this kind of job. In the meantime, we will see more 'tribridization' [sets using tubes, transistors, ICs]. Tubes will stay in tv receivers where they can still do the best job."

The trend will be to refine the existing technology to make solid-state applications in consumer electronics more practical and economical. Durant sees the change to solid-state circuitry in tv as a "slow, evolutionary take-over."

Philco-Ford's Harris O. Wood, director of engineering for the consumer electronics division, sees the state of solid-state in much the same way as RCA's Durant. "In color, new functions will be taken over by transistors increment by increment. The completely transistorized large-screen color set is several years away."

Philco-Ford, too, is going the way of tribridization. It is introducing thick-film integrated circuits—called Philco Electronic Modules (PEMS)—in its new b&w tv receivers. These new components are composed of a substrate

with passive elements, such as condensers and resistors, wedged to a silicon chip with active elements: transistors and ICs.

Philco-Ford's microelectronics division has made a pilot run of 1,000 of the new components, each to replace four condensers, four resistors, and two diodes in initial application.

PEMS will serve the vital function of providing a bridge between first- and third-generation technologies—making it practical and easy to combine tubes, transistors, and ICs in a tv set. They also will improve quality control by reducing the number of components to be handled.

Philco-Ford also announced that all of its new color sets will have solid-state signal systems (about half did in 1966), and that it will use an IC in a tv set later this year.

"GE's next application of an integrated circuit [it now has ICs in a radio, phono, and 8-track cartridge tape player] will be in a tv receiver," says Harwood B. Moore, manager of engineering for GE's radio receiver department. A prototype of this set was shown last year, but was kept out of production until now because of the unavailability of ICs. "The next priority category," says Moore, "is FM radio."

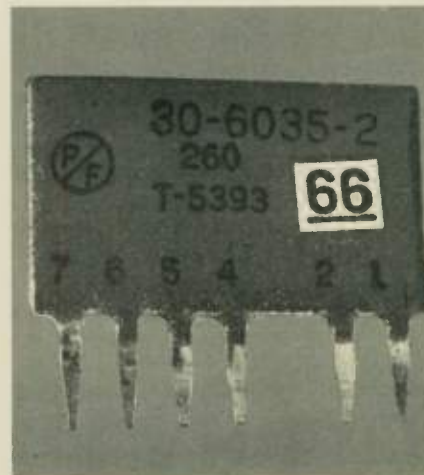
GE is expected to introduce a hybrid color set this June that will be cost competitive with all-tube sets. The logic behind building hybrid sets, according to Moore, is to ease the transition to integrated circuitry. "It is easier to marry ICs with transistor circuitry than it is to marry tubes with transistors," he says. "It is even conceivable that we could make a transistor design interchangeable with an IC design so that a product manufacturer could alternate between the two simply by pulling one out and dropping the other in its place."

The change in attitudes

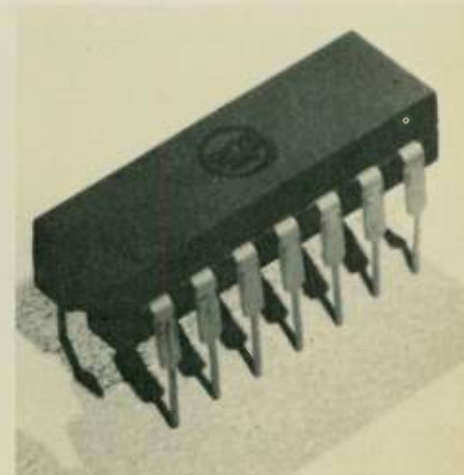
Some set makers, who have not been too enthusiastic about solid-state components for tv sets, are now starting to warm up to the possibilities.

Ted Herkes, president of Motorola Sales Corp., says, "Up to now, the use of integrated circuitry has been more of a merchandising gimmick than a real technical advantage. I think it is going to stay that way for a while. Don't get me wrong, though. I think it's a heck of a good idea. Within a year we may see a solid-state color receiver." Then, after thinking about it for a moment, he added, "It is going to come faster than you think."

At the moment, Magnavox believes ICs are overrated. "In a tv set," a spokesman said, "ICs mean higher cost without any real gain in performance assets." Nonetheless, Magnavox is com-



Philco's Electronic Modules (PEMS) are thick-film ICs that combine active and passive elements in a unit. Philco-Ford will use them in b&w tv sets.



A plastic encapsulated IC. By encapsulating integrated circuits in plastic instead of metal, manufacturing costs can be cut by as much as one third.

mitted to the solid-state concept and already has 15 solid-state b&w sets ranging from \$115 to \$495. When asked when it would have solid-state color, the quick reply was a cryptic "No comment."

Zenith is rumored to be on the verge of going into solid-state tv, too. But the company is tight-lipped about what is forthcoming and when.

The fact that Zenith now has no solid-state, or even hybrid, tv sets should not be construed to mean it lacks engineering and manufacturing know-how to enter the IC race. Zenith introduced probably the first IC application in a consumer product in a hearing aid several years ago; it also had a battery-operated, solid-state b&w portable in 1965, which was subsequently dropped, probably because it was too expensive.

Joe Nola, integrated circuit engineer with Sylvania, says Sylvania is not yet making ICs for home electronics. "There has been a lot of talk," he says, "but no one has been able to pin down what is needed in terms of volume and product specifications." However, Nola adds, "It is a market we recognize is coming."

The change in costs

Cost is the key to the solid-state situation. "All the functions in a tv set—with the exception of the power and deflection circuits—could be solid-state today," says Philco's Wood. "What discourages manufacturers is the cost."

Industry concern with cost was demonstrated at last month's IEEE convention and exhibition in New York City. One question repeatedly asked of components exhibitors was, "How much?" rather than "Can you make them?" or "Can you deliver them?" as has been asked at past IEEE shows.

But the cost picture is changing fast. Today, solid-state engineers agree, a hybrid tv set costs the same to build as an all-tube set, and reliable estimates see hybrids costing 5% to 10% less by year's end. (As was stated above, GE is expected to introduce a cost-competitive color hybrid in June.)

The reason for the decline in solid-state costs is no mystery. The cost of components is continually falling. According to Motorola, the average unit price of ICs has dropped from about \$35 in 1963 to less than \$5 in 1966.

"In fact," says George Seykoski, product manager of Allied Radio Corp., "prices of integrated circuits seldom hold for more than six months. Plastic encapsulation," he adds, "is playing a very, very important role in these cost reductions."

GE is now offering an audio amplifier IC to home electronics manufacturers for the first time. (GE is using

the IC in the audio stage of its stereo 8-track cartridge tape player.) According to GE, the IC was made economically feasible by plastic encapsulation. The same microelectronic package encapsulated in metal, says a GE spokesman, would cost about one third more.

And as component prices fall off, industry activity accelerates. This, in turn, tends to propel prices downward even more. As GE's Moore points out, "Production and cost are all related to how far you go."

Bernard Marren, consumer marketing manager for Fairchild Semiconductor, says increased production volumes are cutting IC processing costs.

Refined production techniques also are cutting costs. For example, dozens of ICs are placed on 1¼-inch wafers (below right) during production stages; later they are diced into individual units. Fairchild recently has increased the size of the wafers to 2 inches in diameter, making it possible to get more ICs on each wafer. "With the use of the 2-inch wafer," Marren says, "the cost per chip declines."

The changing IC lineup

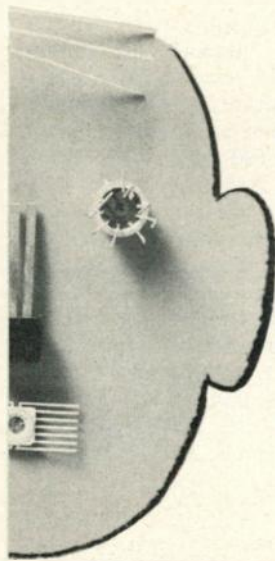
Fairchild will introduce a new IC for use in color and b&w tv sets this June. "It is designed for use as a sound IF circuit and is less expensive than the conventional components it replaces," says Marren. In 100,000 lots, cost is \$1.50 per unit.

The new IC is Fairchild's second for the consumer electronics market. The first, called the micro-amplifier 703, was introduced last fall. It can serve as a color oscillator, a video IF, or a sound IF circuit; and it is now being used in FM receivers by H.H. Scott and in a tv set by Parkard-Bell. The micro-amplifier 703 costs less than 75¢ in 100,000 lots.

Improved ICs for use in tape recorders and phonos also are being developed by Fairchild; two will be introduced this fall, one about the first of the year.

RCA now has three ICs available for the consumer electronics market. One is a universal-type device to perform a variety of functions, at \$1.75 per unit; another is a wide-band FM amplifier, at \$1.40 per unit; the third is a monolithic silicon IC that incorporates amplifier, AM and noise limiter, FM detector, and audio pre-amplifier, at \$1.95 per unit. All prices are for 1,000 or more lots. The last IC is being used by RCA in the audio stages of some of its tv sets and by Andrea in the audio stages of three color sets, to be introduced this summer.

Other new ICs will soon be coming from Westinghouse, Raytheon, and Motorola.



MERCHANDISING ICs

How do you sell something you cannot see? Unlike the pitchman, who specializes in selling something that does not exist, the consumer electronics retailer need not resort to flimflam to sell solid state. Although transistors and ICs are miniscule components—often no bigger than the dot over the letter "i", they were recently referred to in a *New York Times* story as "the stuff of prowess as well as profit" that makes U.S. technology the envy of Europe.

Despite such rave reviews, selling solid state in a clear, coherent manner is still a tough job for the retailer. To help you merchandise the IC generation, here are the ABC's of how to translate the new technology into consumer benefits at the point of sale.

Miniaturization. The design advantages of miniaturization are manifold. Design innovation based on microelectronic circuitry is one advantage that can be sold; good design, in fact, tends to sell itself. Portability is another advantage; models with increased portability, plus new portable versions of other products could expand present markets. For example, says GE, miniaturized transceivers would have more consumer appeal than units now available; this would make an IC transceiver a very valid marketing enterprise.

The sales potential of miniaturization could lead to a boom in mini-products in consumer electronics. As GE's Moore says, "Miniaturization of components is bound to motivate further miniaturization of products."

Performance. It is a fact of life that small things—especially, very small things—are difficult to break. As a simple illustration, imagine breaking a

wooden match in half, then in half again, and again, until it becomes impossible. With this in mind, consider how very small ICs are. Consider, too, that ICs and transistors produce little heat, and, since it is heat that deteriorates the components of electronics equipment. These components have very long lives.

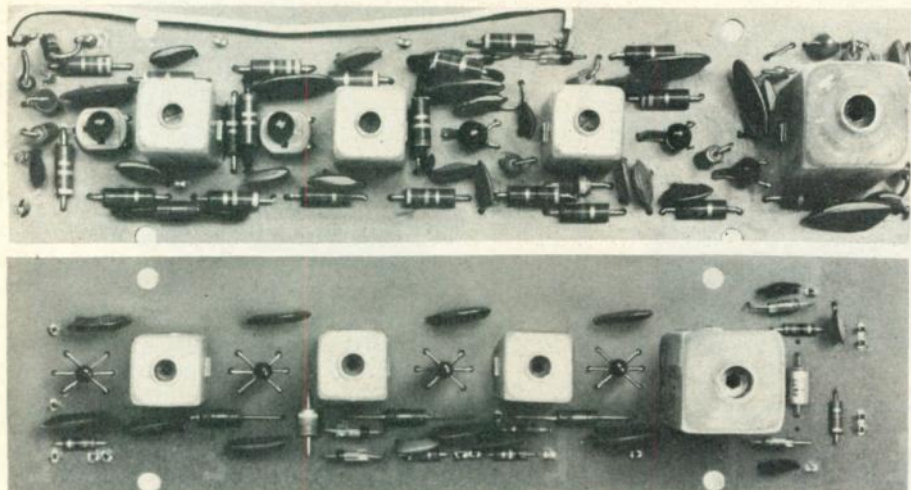
When compared to transistors, however, ICs increase product reliability by a factor of 100-to-1. This high reliability factor is reflected in some warranties. GE's conventional radios, for example, carry 90-day warranties, while its IC radio carries a 3-year warranty.

ICs can also improve performance capabilities. H.H. Scott, for example, has improved the selectivity and capture ratio in a stereo FM receiver—making it possible to bring in more stations clearly—by using four ICs (equivalent to 20 transistors) in the unit's IF strip. Previously, the unit had only five transistors.

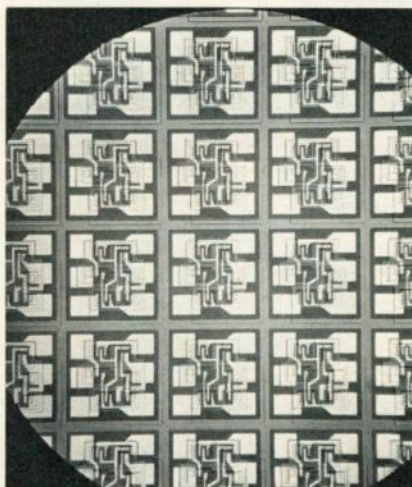
Cost. Cost is inextricably bound to quality; taken together, the two determine the value of a product. ICs hold the potential for greater value in many consumer electronics products. Harwood Moore, of GE, says ICs may bring the performance of low-cost FM up to that of high-cost FM by eliminating variables in component performance.

Scott's IC stereo FM radio receivers (mentioned above) in effect have already realized such a cost saving for the consumer. They offer improved performance—in selectivity and capture ratio—while the price with ICs has remained unchanged from the price before ICs were added.

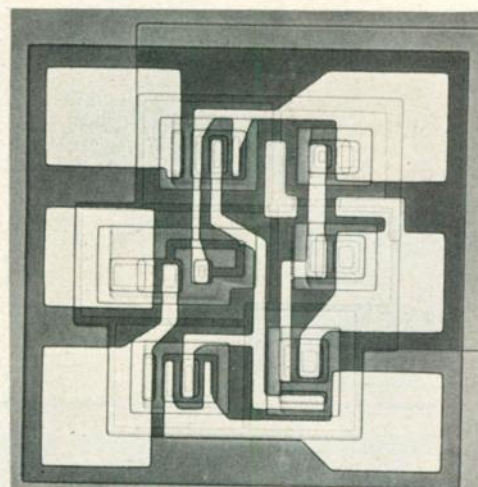
"Other cost savings are coming," says Moore, "but it will take time."



The lower IF strip contains four ICs: These are equivalent to 20 transistors, or four times the number of transistors contained in the crowded upper IF strip. ICs make possible the simplified parts layout on the lower IF strip, which is now being used by H. H. Scott in its FM radio receivers.



ICs on a wafer, prior to being diced into individual units. Each IC is inspected and tested there is virtually no possibility that the unit will fail—either through breakage or deterioration.



A single IC magnified many times. Once inspected and tested there is virtually no possibility that the unit will fail—either through breakage or deterioration.



□ □ Masterwork emphasizes FM in its new portable radio line. There are two models with AM only and nine

AM-FM and multi-band sets. The AM radios are a micro-miniature 12-transistor portable, model 100 (shown right), at \$17.95, and a 1-transistor portable that operates on both batteries and AC house current without adapter, at \$22.50. The FM line starts with a micro-miniature AM model, at \$19.95. At the top of the line is a 6-band solid-state portable with push-button operation and AM-FM, long-wave, and three short-wave bands. Called the World-wide M-2896 (shown left), it has fingertip drop lid, slide-rule dial, fine-tuning control for short wave, automatic frequency-control switch, 6-inch speaker, and RF stage. List: \$99.95. (Masterwork Audio Products, 51 W. 52nd St., N.Y., N.Y.)



□ □ Three new refrigerator-freezer combinations have been introduced by Kelvinator. The units are slimmed down to the compact width of 35 3/4 inches. Called the Trim 36 Foodarama models, they offer 21-cu.-ft. capacities and are being fair-traded in Southern California at \$449.88, \$489.88, and \$539.88.

Three other new refrigerator-freezer units have been shown to the West Coast dealers. These models are all 41 inches wide and offer 25-cu.-ft. capacities. They will be fair-traded at prices of \$489.88, \$529.88, and \$579.88. (The Kelvinator Division of American Motors, Detroit, Mich. 48232)

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We're also adding new products. Included is a battery/AC compact automatic phonograph/AM radio for less than \$60 retail. And a remarkable console for about \$100.

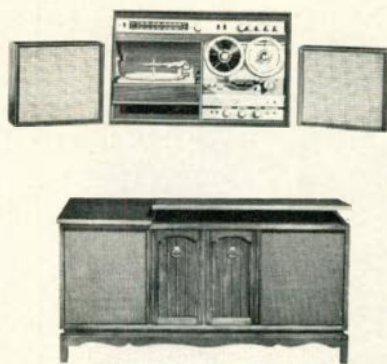
There's also our complete line of Telex-Phonola phonographs and Phonola-Magnecord tape recorders. From \$19.95 to \$549.95. From swinging compacts to sophisticated stereo units.

So, for at least the next 52 years, you can look to Telex-Phonola for the sound of quality. And profit.

□ □ Sliding stereo: Westinghouse has introduced a stereo phonograph that slides out of the protective covering of its own speaker. Speaker enclosures slide together to cover the automatic record changer and transistorized dual-channel amplifier; or they can be slid back to expose the changer and provide a 4-speaker sound system with up to 16 ft. of sound separation. Called the Slide-Apart Phonograph, the new model has a 4-speed fully automatic changer that can intermix 10-inch and 12-inch records of the same speeds. A 45rpm spindle comes with the unit. (Westinghouse Corp., 3 Gateway Center, Pittsburgh, Pa. 15222)

□ □ Down-to-earth operation for air conditioners that are installed above normal reach is being offered on Norge's larger units. New remote-control switches may be positioned within six ft. of the air conditioner, eliminating the need for a ladder when the unit is located above a door transom, for example. All adjustments on 25,000 Btu, 29,000Btu, and 32,000Btu units may be made with the remote-control system. (The Norge Division of Borg-Warner Corporation, Chicago, Illinois 60554)

□ □ Arvin has an AF-FM clock-radio in a walnut cabinet. The radio, model 47R68 (shown) has 11 transistors, a 5-inch speaker, and a doze light. Suggested retail price is \$74.95. The company also offers an AM clock-radio, model 57R78, which has solid-state circuitry and features an automatic alarm shutoff and Repeat-A-Call. It lists at \$24.88. (Arvin Industries Inc., Columbus, Ind.)



TELEX • phonola®

WATERS CONLEY COMPANY, INC., A SUBSIDIARY OF THE TELEX CORPORATION / 645 NORTH MICHIGAN AVENUE / CHICAGO, ILLINOIS 60611 / PHONE (312) 944-5125

Where the sound of quality is heard!

Fresh new Kelvinator selling opportunity! Cash in big during "Foodarama Days, U.S.A."...featuring the all-new 35³/₄" Kelvinator Trimwall Foodarama.®



Here's how →

LIFE

If Mediterranean
turns you on,
this one's for you:
our new
36-trim-inches-wide
Kelvinator
Foodarama®
Refrigerator/Freezer.



We keep on
inventing some
very Original ways
to tempt you.

Kelvinator limited-edition Originals prove that even your refrigerator can be crafted like fine furniture. This year's Originals—every one an exclusive—can all be ordered through your Kelvinator Dealer. So, why settle for less?

How would you custom-design your very own Foodarama? With a Mediterranean flair? The fire of a Hollywood tapestry? In majestic Jade, Town & Country, French Provincial, or timeless Delft? Whatever your design—or desire—there are fabulous Kelvinator Originals styled to complement both beautifully. And the excitement we lavish on the outside of every Original is totally enhanced on the inside.

You can special-order your Original in our trim new 36" Foodarama, in a bigger 36-cu.-ft. model, and in our capacious top-freezer refrigerator.

Many Original designs are offered in complementary dishwashers and ranges. For all the beautiful facts, see your special Kelvinator dealer.

What goes on inside our Foodaramas? Come see →

LIFE

Even our white Kelvinator Foodarama's got a wild story to tell!



The only side-by-side combination that's a trim 36" wide, a neat 65" high and offers a big 312-lb. freezer (biggest by far in its height class). You also get: 21.3 cu. ft. total capacity... No-Frost... automatic ice-maker... all in a fraction more space than your holds-half-as-much refrigerator takes up now!

Choose any Kelvinator Foodarama and you get a lot of refrigerator-freezer quality going for you.

Keeping a temperature eye on everything is our advanced new PolarFlow No-Frost System. With it, food chills fast and moist automatically. There's an automatic ice-maker to make and store cubes as you use them.



Our exclusive Cold-Mist Crisper provides the perfect moist-cold for fragile fruits and vegetables. There's even a built-in meat-keeper for tender, longer meat storage without freezing.

More! Much! A "magic" shelf that glides out easily and can be raised or lowered without moving food for storing bulky items. Plus: Kelvinator's exclusive Triwall® design to stretch storage space beautifully.

Foodaramas come in Classic White, Avocado Green, and Antique Copper. And in a host of gorgeous Woodgrain designs. For heartier appetites, we offer a robust 25-cu.-ft. size.

See the 1967 Foodarama at your dealer's. Where you'll also see superbly-styled Kelvinator Freezers, Ranges, Washers, Dryers, Dishwashers, and Air Conditioners.

Whether you cool it,
cook it, wash it or freeze it...
do it in style with

Kelvinator
PRODUCT OF AMERICAN MOTORS

On April 28, Kelvinator breaks the big news with this 4-page, full-color Foodarama spectacular in Life magazine.

Who'll see it? 45,900,000 readers (including your prospects) will see, read, and react to Kelvinator's big ad in *Life*. And what a salable Kelvinator story it is.

Now your prospects can get famous Kelvinator quality in a trim-size 36" Foodarama® refrigerator-freezer. With a giant 312-lb. freezer—the largest of any 65"-high side-by-side. Made by the inventor of side-by-sides. Styled to make it America's fashion leader in side-by-sides. And backed by one of the most dramatic sales drives in the industry's history.

Kelvinator puts the sales action on your floor with this fabulous "Foodarama Days, U.S.A." retail promotion backup program.



Dramatic Foodarama display. Highlights your store as Foodarama headquarters. Complete with feature tags that spell out Foodarama advantages in big, bold letters.



Foodarama retail ad guides. Product and feature mats, suggested copy, mastheads—everything you need to prepare your own local Foodarama newspaper advertising—featuring both white and woodgrain models.



Foodarama sales training program. Gives you the complete "know-how" to effective Foodarama salesmanship. Sound-slide film, plus retail training book that can be used on the floor to sell prospects.

Retail incentive program. An important extra selling stimulant available to you and your salesmen.



NOW!

From Kelvinator...the inventors of the side-by-side refrigerator/freezer, an all-new Foodarama in a trim new 35 3/4" width!



Here's a trim beauty of a Classic White Foodarama® that holds twice as much as your old refrigerator...yet fits into almost the same space! Inside, you get all that famous quality you expect from Kelvinator: 21.3 cu. ft. 312-lb. freezer (biggest in its 65" height class)...automatic ice-maker...advanced new Polarflow No-Frost System that chills food fast and most economical...Cold-Mist Crisper with built-in meat keeper...exclusive, space-stretching Trim-a-Pull design! Colors: Classic White, Avocado Green, Antique Copper...plus a host of gorgeous woodgrain designs. For heartier appetites, we offer a robust 28-cu.-ft. size. See the 1967 Foodarama now!

CELEBRATE FOODARAMA DAYS, U.S.A. — AT YOUR QUALITY KELVINATOR DEALER'S!

Free 1000-line target-market newspaper ad. Backs up the 4-page Foodarama announcement ad in *Life*. Your name and address will be listed, to direct prospects in your area to your store.

KELVINATOR FOODARAMA DAYS, U.S.A.

SPECIAL INTRODUCTORY VALUES!



NEW KELVINATOR 36" FOODARAMA with giant 312-lb. freezer and automatic ice-maker.

\$000.00
Low Down Payment



Automatic Ice-Maker—Makes fresh, clean-cut ice cubes as you use them. No trays to fill.

Cold-Mist Crisper—Fills crisper with moist garden-fresh mist. Keeps crisp longer.

"Magic" Shelf—Can be lowered without emptying bin to make room for large items.

NEW KELVINATOR 25-CU.-FT. FOODARAMA REFRIGERATOR-FREEZER

\$000.00
Low Down Payment



Super side-by-side with big 16.2 cu. ft. freezer, refrigerator and 33.1 lb. frost-freezer. Automatic ice-maker. 15 refrigerated drawers. Subzero storage in refrigerator and freezer doors. 50-lb. Cold-Mist crisper. Many more luxury features. Value priced!

Free 600-line "Foodarama Days, U.S.A." ad. Features both the new 36" and 41" Kelvinator Foodaramas. Pours on more "sales steam" where it counts—in your hometown trading area.

There's more big news: a Kelvinator 53rd Anniversary Program featuring these headline-stealing values.



MODEL-77ANB

◀ Dollar for dollar, feature for feature, America's greatest refrigerator value. "No-Frost" Kelvinator Trimwall "17" with 152-lb. top-mounted freezer. 12.3-cu.-ft. refrigerator. Twin crispers. Meat tray. 2 glide-out refrigerator shelves. Priced to put "spring" in your sales.

Kelvinator Ice-Maker traffic-builder. Offer today's most-wanted refrigerator value—the automatic ice-maker—with this value-priced 13.7-cu.-ft. 2-door. Automatic defrost. 101-lb. top-mounted freezer. 10.8-cu.-ft. refrigerator with full-width crisper. ▶



MODEL-75ANA



MODEL-RF 34ADLW

The luxury of an extra-large window in a 30" Kelvinator Range — Has all the quality features that are standard on Kelvinator Ranges. Including exclusive throw-away foil oven linings that are easy to replace in 5 to 10 minutes. Kelvinator value has never been greater.

And you get a complete Kelvinator 53rd Anniversary promotion package to super-charge sales.

- 1000 4-color, 8-page broadsides mailed directly to your prospects.
- 23-piece display kit.
- Banners, streamers, hang tags.
- Plus premium offer—24 sets of Soreno Glassware.



See your Kelvinator salesman for the full story.
And swing with Kelvinator this spring.

Whether they cool it, cook it, wash it or freeze it
...sell 'em on style with **Kelvinator**

Small screens mean big business in the U. S. color tv market

Japanese tv set manufacturers, seeking to capture a larger share of the U. S. tv market, hope to grow bigger by thinking smaller. New small-screen models—particularly color sets—are expected by many in Japan to mean growing export shipments to the U. S. market.

In 1967, Japan's tv set manufacturers estimate they will send approximately one-half of their total one-million-unit output to the American market, a percentage with which they are not completely satisfied. Nevertheless, Japan's position in the U. S. market for the low-priced 18-inch sets is not as secure as it was before domestic American competition started moving in strongly. With the new sizes, Japanese manufacturers feel they can not only increase their exports of tv sets to the U. S., but also maintain a lead in the field.

Mini-models mean mini-prices mean mini-profits. And Japan thinks this formula will keep much U. S. competition away from the new sizes. Japan can make them cheaply and, what is more important, ship them cheaply. The country's experiences with transistor radios and other portable electronics items have taught her manufacturers that the decrease in shipping costs that comes with the decrease in an item's size and weight can often be substantial enough to balance the lower profit margin that is one inevitable result of marketing portable units.

Evidently, Japan's timing is right. Retailers have expressed high sales hopes for the two comparable domestic models on the market: GE's 10-inch Porta-Color, and RCA's new 14-inch portable (MW, 27 Feb., p.14). The American consumer, it would seem, is ready for a small-screen color portable, and Japan is already meeting the demand. At present, Tokyo Shibaura Electric Co. Ltd. (Toshiba) is shipping 14-inch hybrid sets—those with both tubes and transistors—to Sears; and Matsushita expects some success in the U. S. from its newly introduced 14-inch Panasonic set (MW, 10 Apr., p.10).

But Japan is only getting its feet wet with this set. It is only a beginning.

Enter 14-inch color

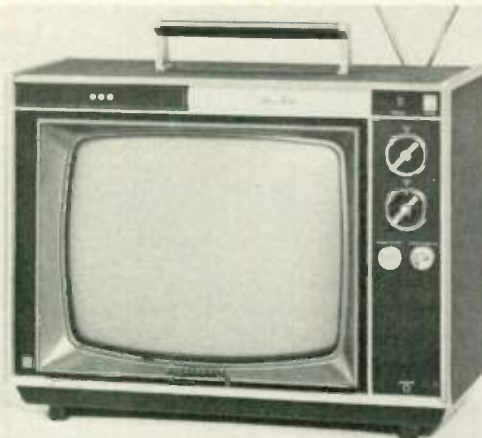
The big push will come with a new 14-inch color model expected to enter the American marketplace late this year. Already, Asahi Glass, Japan's major picture-tube bulb supplier, is preparing to manufacture a 14-inch color bulb for summer delivery. The bulbs will be built to specifications established by Corning, with whom Asahi has a license agreement, and will be exactly the same size as those used by RCA. The other 14-inch set, though of equal viewable diagonal, is somewhat different in other tube dimensions.

From a production standpoint, Japanese set makers see great advantages in the 14-inch color set. It uses a low-voltage electron gun, rather than the high-voltage gun necessary for larger tubes, and this means a \$5 step-down at retail for the set. Most importantly, servicing for the set will be an extremely simple procedure, because American competitors such as RCA have provided a ready source of tubes for a set of this size, eliminating the necessity for keeping Japanese tubes in stock.

Hayakawa Electric is so firmly set on keeping its 14-inch color tube compatible with RCA's that it has had 8,000 bulbs imported from the U. S.,



Color tv picture tubes being turned out by Matsushita (Panasonic) in Japan



Panasonic's new 14-inch color portable: \$379 Completed 18-inch color sets



for use before Japanese bulbs are shipped. Matsushita plans to switch from its former 14-inch tubes to the new 14-inchers as soon as the bulbs become available. Although Toshiba is not yet certain of its tube preference, it most certainly will go to the new 14-inch tube if its customers—particularly Sanyo and the General Corp.—prefer that tube dimension and back that preference with big orders.

Asahi, although willing to continue production of its present 14-inch tubes after the introduction of the new 14-inchers, leans toward phasing out the former tube. Japanese engineers generally indicated that color tubes cannot be economically produced in a wide variety of sizes, except by huge volume operations such as RCA, and they suggest that the industry should therefore concentrate its production on one or two tube sizes.

But why stop there?

Obviously bitten by whatever it is that spreads the trend toward smaller screen sizes, Japanese manufacturers are eyeing decrease even beyond those now scheduled. They are looking at something called color tinyvision: 11-inch and 12-inch sets that look as if they were borrowed from the interior

of an airplane—as was exactly the case in this situation.

Sony, considered the most likely company to introduce a color set of this size in the near future, will almost certainly use the 11-inch Chromatron tube that it developed for American Airlines' video tape entertainment system.

So far, Sony has refused to speculate on manufacturing possibilities for a tinyvision color set; but most of its competitors are speculating as to what Sony will do. Sony says it will not introduce color in the U. S. until it can come up with something spectacular. Industry rumors have indicated that Sony's 18-inch set is somewhat less than that, with Sony losing money on every set it sells. But Sony has chosen to stay in the color circle because it plans to introduce a color video tape recorder fairly soon and because color is the area that holds television's brightest potential for sales bonanzas to come.

Sony is working on a set—with its Chromatron tube—that has the advantages of similar tubes (low power requirements that make it ideal for transistor use) but which, it says, can be built much more easily and much more cheaply. Attempts by other manufacturers to develop a tube for similar use have met with substantial

financial problems. Transistor costs are on a decline, however, and Sony's available capital makes it the most likely manufacturer to continue development. Some speculations indicate that Sony may well have an 11-inch set on the U. S. market by this summer. If so, other manufacturers are expected to begin production late in 1967, or early next year.

Despite such predictions, Asahi Glass does not plan to concentrate on an 11-inch bulb until after it launches its 14-inch unit. Toshiba, however, already has an 11-inch prototype tube that could be turned out by its glass-making subsidiary, should market demands make it necessary.

There are other concerns

Right now, Japanese manufacturers are pushing their own domestic market heavily, despite their efforts toward export increases. Profit margins on domestic color sales, naturally, are higher than those for domestic black-and-white sales or export color sales. Whereas last year's picture tube supply was tight, manufacturers such as Toshiba and Matsushita are now asking their customers to buy more color picture tubes.

By this spring, tube manufacturers expect to have the following monthly production capacities: Toshiba, 60,000; Matsushita, 30,000; Hitachi, 30,000; Nippon, 20,000; Mitsubishi, 5,000; and Nippon-Columbia, 5,000. In line with tube increases, Asahi expects to increase its monthly bulb production to 20,000 by the end of 1967. Monthly set production also turns to big numbers with Toshiba and Sanyo at about 30,000 each, Matsushita at around 20,000 units, and Hitachi's production at about 15,000 units.

Japan has learned the dangers in developing a one-market export business, particularly in consumer electronics, and more particularly with the U. S. A deep recession in 1965 cut back the home market for electronics sharply in Japan, but the American demand proved substantial enough to bring about big-volume business. Big volume does not mean big profits, however, when manufacturers become willing to sell their products at only slightly above cost. This, Japanese manufacturers did, however, in an effort to keep their plants open and perhaps recover some of their large investments in color television production.

Toshiba and Matsushita were particularly involved in such operations—cutting costs drastically while indulging in capacity-straining volume gains. Then, in early 1967, manufacturers had their first lesson in American supply and demand. General Electric and a few other major American customers cancelled or postponed their Japanese orders and, in fact started laying off their own workers in this country.

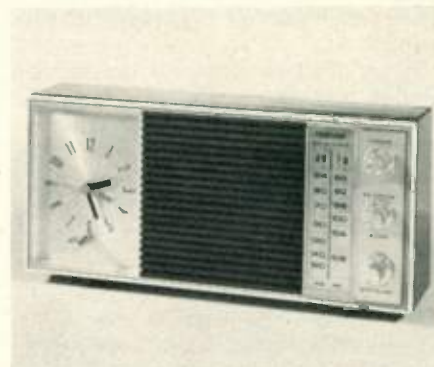
Japan learned not only to further develop other export markets, but also to push its home market in the interest of business security. So, with more attention being paid to the Japanese consumer, the country is taking on its own form of a boom in home electronics retailing. Retailer, and therefore manufacturer, preferences in Japan are becoming more and more parallel with those of their American counterparts, to the extent that Japanese set makers feel the domestic popularity of small-screen models is a strong indication of successes that can be expected in the U. S. consumer electronics market.



□ □ **Phonola's new line of phonographs and tape recorders** features two solid-state stereo phonographs with vertical turntables that swing to a horizontal position when in use. One, model 4107, lists at \$159.95. The other, model 5103 (shown below), has an AM-FM-FM stereo radio and lists at \$219.95. Both have walnut cabinets. Also new in the line: a solid-state stereo component tape recorder, model 9006 (shown above), in a hardwood cabinet with walnut veneer, at \$289.95; a stereo console, model 6113, with a solid-state phonograph and an AM-FM radio, at \$159.95; and a portable phonograph and AM radio combo, model 2105, that can be powered on batteries or AC house current, at \$59.95. In all, there are 19 models in the line, ranging in price from \$19.95 for a small, manual high-fidelity portable to \$549.95 for a stereo phonograph, AM-FM-FM stereo radio, and tape recorder combo. (Telex Phonola, 645 N. Michigan Ave., Chicago, Ill.)



□ □ **A new breed of high-fidelity components** is promised by Harman-Kardon with the introduction of its new receiver-turntable. The unit is similar to the company's compact model, but will be sold without speakers. It features AM-FM-FM stereo with a special electronic circuit that switches the receiver to stereo and back to regular FM automatically, and the facility to handle a tape recorder for record and playback. Retail price: \$239.50. (Harman-Kardon Inc., Philadelphia, Pa. 19105)



□ □ **Realtone adds five radios** to its line. A 6-band portable (shown) with AM-FM, marine, long-wave, and two short-wave bands is included in the new models. The company also is

showing a battery-electric 4-band unit; a 3-band, 10-transistor portable; a 4-band, instant-play solid-state radio, and a solid-state table model. (The Realtone Electronics Corporation, 34 Exchange Place, Jersey City, New Jersey 07302)

□ □ **New on the market:** an 8-transistor plus diode portable radio from Arvin Industries. Available in a walnut leather finish, the unit has an RF amplifier stage and tone control. It comes equipped with an earphone and four "C" cell batteries, ready for use. Arvin offers \$29.95 as a suggested retail price for its new radio. (Arvin Industries, Incorporated, Columbus, Indiana 46208)



□ □ **Two more from GE:** the company has added one monaural and one stereo solid-state tape recorder to its line. The stereo unit features swing-out speaker design; a 4-track system with matched dynamic wing speakers producing 3w of peak power on each channel; and removable speakers for stereo separation. The unit—available in a walnut-finished polystyrene cabinet—carries a suggested retail price of \$129.95.

The monaural model has an extra-large 7-inch by 5-inch dynamic speaker and sound output of 3w peak power. The cabinet is walnut-grained polystyrene. Suggested retail price for this model is \$89.95. (General Electric, Bldg. 2, Electronics Park, Syracuse, N. Y. 13201)





A manager's lament

There is a new sales gimmick abroad in our town these days. It is a refinement of group buying, closed-door discounting, and I can-get-it-for-you-almost-wholesale. Let me call this phenomenon the Buyers' Bund.

An enterprising entrepreneur has set up this Buyers' Bund. He has arranged with large corporations to get a discount for all their office workers on any tv set, home appliance, or car they can name. Then he arranges with my boss and kindred other appliance-tv and automobile dealers to honor his discount certificates. The Buyers' Bund has only one cooperating dealer

in each area of our town. My boss is the "franchise" holder in our section. Here is how the Bund works:

I get a phone call on the store's unlisted number. It is a member of the Bund. He asks for me by name—as he has been instructed to do—since no mere salesman will be able to give him the real low-down discount price, and, believe me, this is true.

The buyer tells me he wants a Scratchberry 18-inch portable tv set, model 514. Just like I am a doctor, he makes an appointment to see me.

One hour later, a \$20,000-a-year

man comes in and asks for me. He presents his Buyers' Bund certificate and we get down to business. I show him my carload cost on the 514 less any S.P.A. [special promotional allowance] as I have been instructed to do. The cost of the Scratchberry is \$120. To this, I add a stated 6% and that is his price: \$127.20 for a set that costs anyone else \$149.95.

Because the Scratchberry is under strict fair-trade, I give him a receipt which says only "tv" on it—no make or model. In return, the tycoon hands me \$127.20, his Bund certificate, plus a \$1 handling fee.

That is all there is to the "sale." The customer comes in knowing exactly what he wants. It is strictly "verboten" to try to switch him. About 95% of all my Bundists buy their first time in. The other 5% go out to beat my price, and, for all I know, some of them do.

I give the customer only what he asks for. All the actual leg-work that goes into shopping for the item he does on the floors of department stores and other appliance-tv dealers. I hate to think of the salesmen's time these guys have wasted.

Big Brothers Buyers' Bund has all the figures on cost and you better believe it. Once I made a mistake and forgot to include the S.P.A. on a color television sale. Don't you know that my boss got a phone call from the Bund within 24 hours? He raked me over the coals for my booboo and we had to give the customer back our \$7 S.P.A. This was a \$700 sale where we ended up netting \$43.

Another time, a dame comes in from Buyers' Bund and orders an avocado 19-cu.-ft., lefthand door, bottom-freezer refrigerator. She already has gotten all the specifications, dimensions, and the model number at a department store. It costs her \$576 after I add the Bund 9% refrigerator markup to my cost plus delivery. She gives me a \$200 deposit and I special-order the box for her.

Two weeks later, it arrives from the factory and I lose no time in shipping it out to her. An hour later, she is on the phone—spitting expletives. The box is in her house now, she tells me. Did I know I sold her something that does not fit?

I remind her that she came into me with the model number and measurements. She demands I take it back and refund her dough. I point out it was special-ordered for her and I sell one maybe every 73 light years.

Sure enough, my boss gets a phone call from the chairman of the central committee of the Buyers' Bund or whatever they call their leader. It is suggested that my boss look for someone to buy the refrigerator from the lady. That was two months ago. He is still "looking."

Why does my boss have such an arrangement like the one with Buyers' Bund, which permits him to work close, lose markup on fair-trade items, plus he has to pay the Bund 2% of the profit on each Bund customer?

Well, I am only a dumb manager; but: No. 1, he saves the salesman's commission on every Bund deal; No. 2, on big-ticket appliance sales, the 9% add-on is occasionally quite respectable; No. 3, it adds more volume—which is the name of the game.

Bund sales build volume. Maybe it gives the boss an extra carload here and there. And the extra carload can lead to certain rebates that Buyers' Bund doesn't know about. The extra carload can also lead to a trip to Waikiki. And for a trip to Honolulu, my boss would gladly sell his soul to Buyers' Bund, or to the Devil, in whatever guise he appears these days.

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 of *Merchandising Week*.

DURACELL® the battery that preserves its fresh power...

...gives you 2 to 4 times more profit—lasts longer in any battery-operated equipment!



NEW DURACELL BATTERIES,
"THE LONG DISTANCE POWER CELLS"

STAY FRESH UNTIL THEY'RE SOLD! No more worries about selling half-dead batteries—Duracell batteries preserve their power for 2 years or more!

LONGER-LASTING! Duracell batteries outlast ordinary batteries in every use. Radios may vary, but in a recent test a set of Duracell batteries actually played one transistor radio over 1250 hours—more than 52 days non-stop!

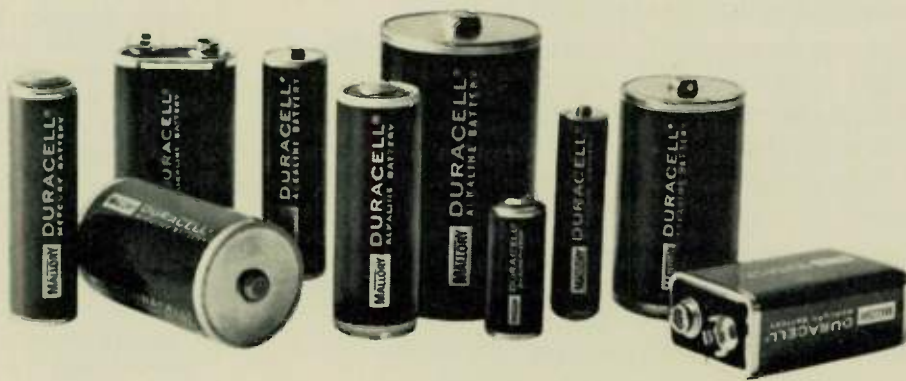
2 TO 4 TIMES MORE PROFIT! Duracell batteries are higher-priced, so they give you more profit—up to 4 times the profit from ordinary batteries!

FREE MERCHANDISERS! Mallory displays and merchandisers take up little space, yet fill all battery needs. They're free with an order for a balanced assortment of hot-selling Duracell batteries.

Make more money while you're making your customers happy. Talk to your Mallory distributor or representative today. Or write Mallory Battery Company, a division of P. R. Mallory & Co. Inc., South Broadway, Tarrytown, N.Y. 10591 (Telephone: 914-591-7000). It's good business to do business with Mallory

Registered trademark of P. R. Mallory & Co. Inc.

MALLORY



Need each other?

Nonsense!

Dear Sir:

A number of things have been appearing in print lately along the same line as Ed Dubbs' item on page 19 of the March 20 issue of Merchandising Week to the effect that "the name-brand manufacturer and the name-brand department store need each other now more than ever before."

One of our people who doesn't share this point of view is Patrick K. Stewart, a consumer marketing specialist in the New York Office of N. W. Ayer for the past seven years and earlier a merchandising executive with

Strawbridge & Clothier in Philadelphia for 10 years.

At my request, Pat has put on paper briefly a statement of this dissenting voice, because I suggested to him that you might like to carry another item giving the other side of a controversial subject.

Frank G. Kenesson
Director of Information Service
N. W. Ayer & Son Inc.
Philadelphia, Pa.

Dear Sir:

Recently there has been a spate of trade press reports, editorials, and tough-minded oratory delivered on the subject of improving relationships between appliance manufacturers and

department stores. We keep hearing the plaintive old cry, "We need each other."

Not really. I suggest—and suggest strongly—that the prerequisite for developing a satisfactory business climate lies in a fundamental realization by both parties that they actually don't need each other.

Forget all about the ethereal idea that these two important industries must find a basis for mutual understanding. As a matter of fact, throw out the whole idea of any kind of group communication between the department store industry and the appliance manufacturers.

Look at it from the point of view that here are two separate entities: one with a product to sell that carries

a carefully nurtured brand name, that views as its target consumer market penetration at a profit, and that has the whole world as its potential customers; the other a powerful and potent retail force profitably supplying a broad range of goods to consumers residing in a limited geographic area.

The owner of a strong consumer appliance brand can live very well without the support of the leading department store in a given market (or even the second or third stores). It's being done every day. The consumer has demonstrated time after time that she will put her faith in a brand she knows, and pay little attention to the retail store where she is buying it.

Conversely, many department stores are doing very well, thank you, without aggressively merchandising strong consumer appliance brands, because they, too, have achieved a position of trust with the consumer. This allows them to sell her a lesser-known national brand, to switch her to their own brand, or to abandon the category altogether.

Now it's certainly true that there are some fine relationships between certain appliance brands and specific department stores. But, for the most part, they are tenuous, with each party wondering whether there might be a better deal for him around the corner.

For the department store that is capable of revising this kind of thinking, capable of dealing with an appliance manufacturer on a mutual reward basis, the opportunity for increased profits from sales of appliances is incredible. The manufacturer who recognizes the competitive requirements of a department store, who deals with an open hand, and who feels a moral as well as profit obligation to the store, can reap market shares beyond his expectation.

But I believe we must recognize that each, or either, can go his separate way and be extremely successful.

Need each other? Nonsense!

Patrick K. Stewart
N. W. Ayer & Son Inc.



Send a technician to Philco service classes, and you'll get a salesman in return.

He'll be the most persuasive salesman you ever had, even without opening his mouth.

It's reliable after-sales service that really moves goods today.

When you can put up the Philco Qualified Service sign in your store, you'll give prospective customers real confidence in your service. And that means confidence to buy.



Your service technicians can get all the training they need right there in your area. And from then on, our Tech Data Service keeps them up with what's new in servicing and design. It'll mean faster diagnosis and remedy, fewer call-backs. And from Philco-Ford you get the fastest parts delivery in the industry.

It can all mean *more* service business — more repeat business. Your store can appear in our Yellow Pages listings, making you the headquarters for Philco Service in your area. Remember, we tell all Philco buyers about Philco Qualified Service in our product Use and Care books.

That's the outline of Philco Qualified Service and how it'll help your sales. Call your local Philco-Ford Distributor for the details.

Ask for the Service Manager.



Philco-Ford Corporation
Philadelphia, Pa. 19134

FAMOUS FOR QUALITY THE WORLD OVER

KEY MOVES

Hamilton—T. A. Ramey, former advertising mgr, is named mgr of Hamilton's new Marketing Services Div. Jack Kestly is promoted to regional mgr in Wisconsin. Also, Hamilton appoints General Distributors Inc. as authorized home laundry distributor for parts of Pennsylvania, Ohio, and Virginia. The Homeright Co., Dallas, Tex., is named a home laundry distributor, as is Canyon State Distributors Inc., of Phoenix, Ariz.

Sony—Clarence Lange is named sales mgr for the New York City metropolitan area. Otis Jackson & Assoc. becomes the company's sales rep in Alabama, Georgia, North Carolina, and South Carolina.

Sylvania—Garlan Morse is elected senior vp for the corporation, while John M. Palmer is named mgr of the color picture tube plant.

Concord—Arthur D. Gaines is appointed mgr of marketing for Concord's complete line of audio and video tape recorders, closed circuit tv, and communications products.

Superscope—Jack Tushinsky is appointed assistant sales mgr.

The new chart: Floor polishers, no! Rug shampooers, yes!

Floor care producers are working hard to pump sales life into the polisher/shampooer, a product area that has never lived up to its potential.

The current slump in the floor care category is viewed as a temporary drop-off that is not limited to floor care alone, but which is part of a larger, generalized economic business slump affecting the entire housewares industry and other consumer goods markets. Most manufacturers expect the national economy to perk up and consumer spending to come alive.

An easy scapegoat for the drop-off in polisher sales is the Underwriters' Laboratories (UL) and its more stringent safety standards. Undoubtedly, the new UL requirements, which forced all producers to come up with re-designed lines, have had a momentary effect on unit sales, as some manufacturers failed to meet the UL deadline.

The UL listing change, however, will probably turn out to be a blessing in disguise—for a number of reasons: (1) the new polisher lines which resulted are better styled in terms of appearance and performance, as well as safety; (2) manufacturers were obliged to make an investment in the floor polisher business for which they now want profits in return; (3) there is an increased promotional effort on the part of the producers.

The real villain behind the poor performance is self-polishing liquid wax—chiefly a supermarket product—which is heavily supported by large television budgets. The big names in liquid wax—Johnson and Armstrong, among others—have spent millions to convince consumers that they can get long-lasting shine by applying their particular liquid wax with a manual applicator.

Most floor care producers have decided that they cannot fight—or hope to match—the heavy television commercial budgets which back liquid wax. As a result, a major change in emphasis has been under way for some time and appears to be picking up additional momentum.

The big shift in marketing is away from floor polishing and toward rug shampooing. Manufacturers believe they can sell the rug shampooing idea to the consumer better and more easily than they can attack liquid self-polishing wax. Floor polishing is fast becoming secondary to rug shampooing in selling emphasis.

Sunbeam is a leader in playing up the rug shampoo idea for its polishers; but other producers have begun to stress it as well—adding more polisher/shampooer models and reducing the number of polisher/waxers.

All major manufacturers have checked in with new models, Hoover being the most recent to add a beefed-up, longer line. Sunbeam, Eureka-Williams, Westinghouse, and the two largest producers—Regina and Shetland—offered styled-up lines earlier. (Regina reportedly is making the new Westinghouse polishers.)

Only Shetland has chosen to fight the liquid self-polishing wax with a head-on campaign, which began this spring. Shetland's ads (MW, 27 Feb., p.21) promote the Six-Month Waxer—promising the consumer a long-lasting shine with paste wax and the Shetland polisher. The company is convinced that housewives believe paste wax does a better job than liquid wax, but buy the latter because it is easier

and quicker. Shetland is hoping to show the consumer how easy it is to use paste wax with the help of a floor polisher.

Other major producers, however, are clearly more inclined to switch than fight.

The word is going out to retailers and distributors—from Sunbeam particularly, but others, too—to start focusing more on the rug cleaning aspect than the polishing. Consumers will be told how they can "dry clean" (with dry foam rather than wet liquid) their own rugs and pay for the cost of a polisher/shampooer—or better, sham-

poor/polisher—with one or two rug cleanings.

Eventually, floor care producers, through the Vacuum Cleaner Manufacturers Assn. (VCMA), hope to provide retailers and distributors with an industry-wide promotion behind the product. Although the VCMA is expected to discuss the matter at meetings this year, trade sources indicate that it is unlikely the association will be able to map out a campaign for fall. However, an industry-wide effort behind the shampooer/polisher is viewed as probable for 1968.

Since more homes are adding wall-

to-wall carpeting—in the kitchen, bath, rumpus room, and even outside, as well as in the main living and sleeping quarters—floor care producers would appear to be on the right track by concentrating on rug cleaning. Certainly, the industry has not had much sales success by playing up floor polishing.

With new lines, a change in marketing emphasis, and increased manufacturer and retailer promotional efforts, 1967 can still be the year of the shampooer/polisher—or at least the beginning of a long and steady growth pattern for the product. —Ed Dubbs

\$150,000.00

LAWN BOY SWEEPSTAKES

Talk about building traffic! Between May 1 and July 1, your customers can share in \$150,000 in prizes—just for walking in your front door. \$10,000 cash first prize—plus 1,440 other valuable prizes... just for bringing in Lucky Numbers and matching them to the Lawn Boy Sweepstakes listing in your store. For details, read the full-color, two-page announcement ad in the May 5 Life Magazine. And be sure to display your Sweepstakes Lucky Number Listing right up front. It's a record-breaking traffic builder if there ever was one!

By the makers of Johnson and Evinrude Outboard Motors



LAWN BOY

OUTBOARD MARINE CORPORATION
GALESBURG, ILLINOIS



It was very warm in January, February and March



Last year, TV Guide rang up the largest ad-dollar gain of all major magazines. Advertiser interest did not cool with the weather. Our ad revenue for the first 12 issues of 1967 was 16% above the first 12 issues of 1966. And our editors attracted a weekly circulation in excess of 12 million copies—almost a million more per week compared to this time last year. Probability forecast: Invigorating climate all year for TV Guide advertisers.



Source: Publisher's Estimates.

MASS MERCHANDISING

The NRMA sits in: Robert L. Gur-Arie (l.) of the NRMA staff, and Martin B. Kohn, of Hochschild, Kohn & Co., of Baltimore, and NRMA president.

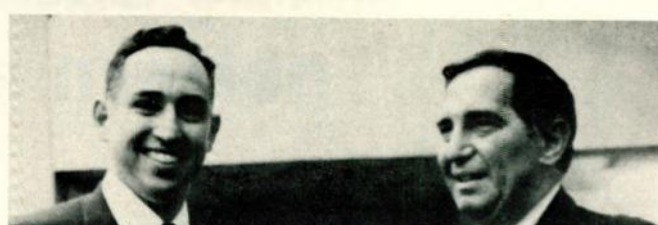


(L. to r.) John F. Geisse, Target Stores; H. E. Youssi and S. S. Raab, Walgreen; M. B. Rudnick, Globe Discount City.

Increased sophistication in the discount industry was underscored at a 3-day conference sponsored by Mass Merchandising Research Foundation Inc. in New York City last week. From the sound of things, it might have been a National Retail Merchants Assn. convention. Emphasis was on improving profits—chiefly through better markup, promotion, and through EDP. One of the biggest problems—as for other retailers—is personnel. While some discounters still rely on the old way (self service, low margin, high turnover), a new breed—more promotional department store than discounter—is bringing new sophistication—even finesse—to discounting.



Alec G. Land (left), of Alec Inc., a three-unit chain in San Francisco, and Jack Gottlieb of J. M. Fields in Philadelphia.



Tilden Bennett (l.) and Joseph E. Allon of Treasure Island Department Stores, a 3-unit chain in Pittsburgh.

Discounters come to grips—and gripes—with their 'markup bind'

Three companies that traditionally have been the darlings of the discount world—GE in housewares, Columbia in records, and DuPont in paints—have been taken to task by mass merchandisers for being, of all things, unprofitable to sell.

Of the three, GE fared worst during a panel session featuring the national accounts managers of all three firms. Representing the "other side"—the national retail account—on the panel was Abraham Jacobson, E. J. Korvette senior vice president. The discussion was one of the most heated during the conference.

While sitting among the three big name brands in hard goods—brands on which the discount industry has built its low-price image—Korvette's Jacobson, the lone discounter on the panel, used the opportunity to plug private labels.

Times have changed in discountland. After three days of intensive discussion, there could be no doubt of this.

In addition to talk of private labels and concentration on improving profits, the discounters on the whole were showing new finesse in both merchandising and management operations. Time after time, discounters stressed the idea that low price by itself is not the answer, that sharp pricing has lost much of its former sure-fire appeal with the consumer. Time after time, discounters spoke of new glories and sophistication—and improved profits—that can result from the use of EDP.

The "national accounts concept"—often a polite phrase for direct-sell—

was endorsed by the national account managers of GE, Columbia, and DuPont, as an efficient method of serving the mass merchandiser. Manufacturer-participants were Charles W. Dingle, sales head for national accounts in DuPont's consumer products division; James A. Riddell, manager of chain retail accounts for GE's housewares division; and William Gallagher, vice president for Columbia Records.

Columbia's Gallagher expressed general gratitude to mass merchandisers for "putting our product where the traffic was."

The need for cooperation was stressed by GE's Riddell and DuPont's Dingle; however, both laced their short talks with some mild criticism of the discount industry. Korvette's Jacobson and discounters in the audience were quick to reply and to follow up with their own criticism.

Riddell used the opportunity to criticize mass merchandisers for cutting off open-to-buy on GE products in the weeks prior to last Christmas. GE's Willard E. Sahloff, general manager of the housewares division, previously had leveled the same charge at traditional department stores.

GE was not getting the re-orders before Christmas, Riddell said; GE's urging that re-orders be placed—so retailers would not be out of stock when Christmas momentum finally picked up—"fell on deaf ears" among the retailing giants. "The gap," he added, "was between the retailer and the distributor." Riddell also criticized discounters for flirting with private labels.

DuPont's Dingle criticized discounters for "low-ball" pricing policies: "It is unreasonable to drive the price down to a point where the manufacturer has trouble with his other retailers."

Korvette answered GE's criticism: "I have never advocated shutting off open-to-buy per se." Jacobson said. "I don't know who shuts off open-to-buy. They may on GE products if they are overloaded. Certainly he [Riddell] can't be serious when he asks why private labels."

Korvette pointed to Sears, citing the giant retailer as a good endorsement for the private-label merchandising. "There must be some very good reasons," Jacobson said, adding "We are all in a mark-up bind."

In answer to GE's criticism of discounters being out of stock on basic merchandise, Jacobson said, "With his [Riddell's] dealer servicing operation, I would like to ask him why [GE's accounts are out of stock on basics]."

Jacobson did praise Columbia, GE, and DuPont for their recognition of the importance of the "national accounts concept" in selling to discounters and generally for providing good service to retail accounts. "Representatives of other companies leave a lot to be desired."

Zayre's took GE to task for poor retail profits in a question from the floor by Sumner L. Feldberg, senior vice president of the over-100-store New England based chain.

Feldberg praised GE for its innovation of new products and features in housewares but asked that "greater

thought" be given to "better profits to be generated on their products."

"We are not anxious," Riddell answers, "to see the dollar go down the drain. We have made the Universal line [GE's 2-year-old consigned and fair-traded line] . . ."

Minimum co-op pricing was attacked by several discounters—somewhat paradoxically, considering their earlier criticism of poor profits. Minimum co-op pricing generally has been adopted by manufacturers to deter low-ball newspaper pricing.

(Editor's note: GE's housewares division, one of the first to establish minimum co-op pricing, has since dropped it.)

"Remove your restrictions on co-op advertising," said Korvette's Jacobson. He indicated that when minimum co-op pricing varies from market to market, it prevents big retailers from running chain-wide ads with the same price and reimbursement by the manufacturer.

"We are treated like a Momma and Poppa store" when it comes to co-op advertising, said George Branfeld, Bazar Discount Stores, Portland, Ore.

DuPont's Dingle conceded his firm sets minimum co-op pricing on its Lucite paint line, but that the policy was adopted in answer to "pressure brought by people like yourselves."

What the conference made clear—although none of the national account executives were saying so publicly—was that servicing the discount industry is "damned if you do and damned if you don't." —Ed Dubbs

Discounters look to Wall Street for a new type of electronic buyer

The profit-minded discount industry clearly is looking to electronic data processing (EDP)—and the new type of controls and new type of buyer it will bring with it—for its profit salvation.

In a world of drop-shipments, few central warehouses, and far-flung stores, mass merchandisers appear to be counting on EDP as much, if not more, than are the traditional department stores.

The lack of qualified personnel, especially on the store level, also is forcing the discount industry deeper into electronic controls systems.

A new type of buyer will result, judging from the statements of participants in the mass merchandising conference in New York City last week.

"The buyer of tomorrow," said Ray Kaufman, general merchandise man-

ager, Hartfield-Zodys, "will more than likely be like the Wall Street analyst." His success, Kaufman said, will rely on his ability to quickly interpret and react to EDP reports.

"A buyer can function successfully and never see the inside of his stores," Kaufman added.

Thanks to EDP, the buyer will be free to think, according to William Levi, senior vice president and general merchandise manager of J. M. Fields. He will not have to bother with the "routine."

The age of "exception reporting" is coming to retailing, Levi said, adding that buyers will concern themselves only when performance on a certain product or product area is out of line: either behind expectations or ahead of goals.

"We want buyers to see only where

action is required," he explained.

Most participants discussing EDP said they expected it to "take care of the basics:" that is, to provide the most help in seeing that stores are never out of basic stocks and that reorders are placed when needed.

Levi hinted that J. M. Fields is aiming for a 95% in-stock position at all times on basics. By way of contrast, he pointed out that it may take 25% more inventory in order to maintain a 99% in-stock position than a 95% in-stock position, and the added costs are not justified.

The "mini-max" re-order system—whereby the central buying operation sets a minimum and a maximum re-order number on the amount of goods that can be re-ordered—came under attack from several discount executives.

"My pet peeve," Levi said, "is mini-

max stocks. There is only one way to reorder and that is based on rate of sales."

EDP will lead to forecasting, Levi said, with much of the guesswork being taken out of buying and planning open-to-buy positions.

The question of lost punch tickets was raised by Abraham Jacobson, of E. J. Korvette, in a question from the floor. Jacobson said Korvette suffers from a loss of punch tickets that are fed into computers.

Levi said Fields' loss of punch tickets—either through loss or mutilation—runs from 15% to 35%, which does cut down the accuracy of EDP reports. However, he added, Fields is seeking to solve the problem by going to "double pass," a system in which information is punched onto tape at the checkout register.

The bath mix: pattern and texture plus color



A jungle full of fake-fur trappings from Norway are tamed for a Macy's bath shop ad.



The reptile look in Jakson's Dakar curtain joins with Norwood's fake furs in a black-and-white display.



The brown tones predominate in a vignette that combines fake furs and Para's Tiki curtain.

The bath shop message: mix the media. Color is the main ingredient. Pattern and texture complete the blend.

Frankly fake furs stalk the display scene; colorful, uninhibited prints are taking firm root. The totally coordinated look is being promoted. The masculine point of view for the bath is offered. And the over-all effect: bath shop vignettes that are young and swinging.

The Italian way with color, which has invaded the fashion world, is now making inroads into the bath shop. This was clearly defined when Springs Mills introduced its new line of bath towels, which is topped off by an imaginative grouping from the Italian designer Emilio Pucci.

"Motion and movement are the essence of life today," says Pucci, whose towels are patterned and colored to "produce an image of the times in which we live."

Although Pucci's towels will not reach the stores until fall, his message is already being received. At B. Altman's new Ridgewood/Paramus (N.J.) store, the bath shop is rapidly moving toward the "zingy type of modern looks."

The light, bright shades—hot pink, lime, and orange—along with art-nouveau-type prints in black and white are favorites with the north Bergen County consumers. "It's Pucci as a concept," Altman's buyer explains. "The prints aren't as controlled as Pucci's—they're splashier; but the philosophy is the same."

At Macy's New York, the mix is Norwood's plush, fake-fur accessories, captured and caged with curtain like Para's Tiki, an art nouveau print, or Jakson's black-and-white Dakar. Colorful towels and Op art wall coverings complete the vignettes, which appeal to the masculine, as well as the feminine, fashion eye.

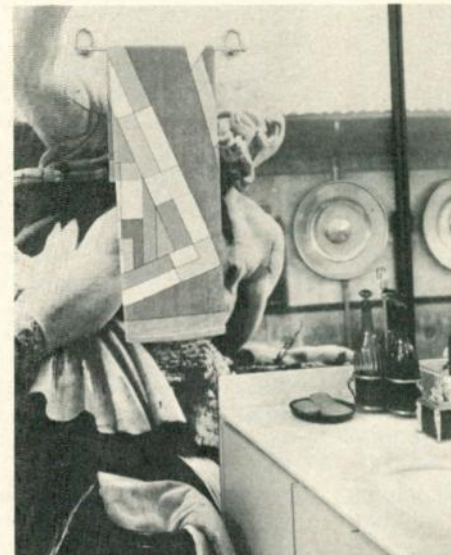
A totally coordinated, totally matching look is being presented in at least 34 stores throughout the country, which have picked up Stevens' Time of the Bath promotion focused on the company's Utica Romanesque Medallion towels. A less flamboyant—but highly fashioned—look for the bath, these towels have been accessorized with a matching hopsacking curtain flocked with the medallion motif. Seth Thomas has carried through the design in a transistorized bathroom clock, and the Birge Co. has created a washable, flocked wall covering. Hampers, wastebaskets, and tissue boxes with the Birge paper complete the look.

The bath mix to come: Springs Mills plans to enter the bath shop in January, 1968, with a line of shower curtains and bath mats to match its towels. Sleek vinyls are receiving new applications, as the popularity of the "wet look" begins to wane. A preview of some of the new lines points to bolder floral prints, more art nouveau patterns, and the possibility of paper curtains and bath accessories, which could bring new excitement and decorator flavor to the mix.

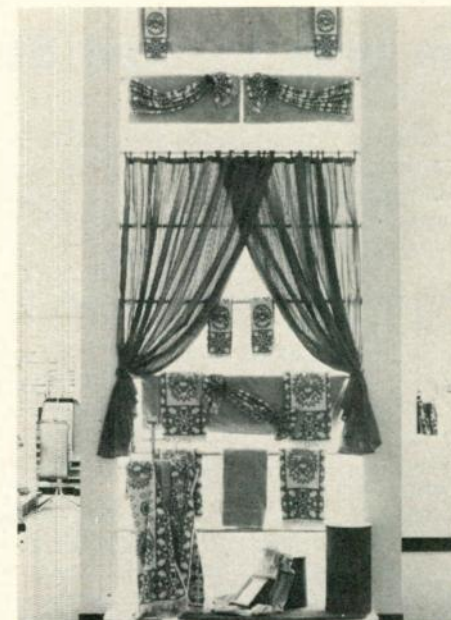
—Irene Kanfer



Stewart's Dry Goods featured Stevens' Utica Romanesque Medallion towels with Seth Thomas' matching clock and paper by the Birge Co.



Pucci's towels for Springs Mills present an exciting look, which may lead to a new approach to bath decor.



Jakson's flocked Vellura curtain and Stevens' Utica American towels appear in a tall vignette at Altman's.

From top

Forecasts for refrigerator sales show that over 49 percent of your customers will want top-mount freezers. So we offer seven models in this category with sizes up to 18 cubic feet. And the features they want most: from Meat Keepers to snap-in adjustable shelves to automatic ice makers. It's a big mix of models, features, and price that lets you step-up on a sale, gently, without losing it.

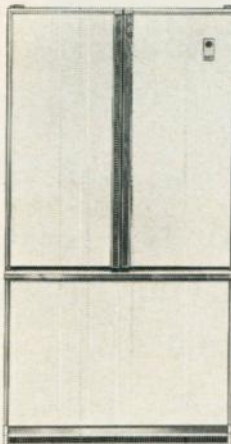
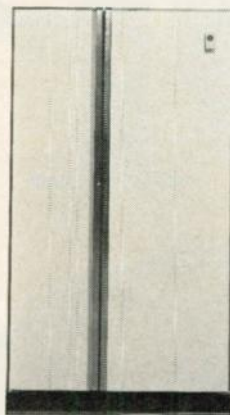
What about the exciting new side-by-side category, the fastest-growing in the industry? People are buying the higher capacity, unique styling, and greater convenience. We give you four models in two sizes with all the features that make step-up selling a breeze.

About 24 percent of your customers will ask about conventional, single-door refrigerators, and talk price. So Westinghouse gives you four models to make it easier for you to step-up profitably from the low ADV model.

As many as 12 percent of your customers want bottom-mounts. And again, Westinghouse gives you a line within a line, three models, including the eye-catching, French Door Continental. It all adds up to the Westinghouse Customer Category Selling concept. It's designed for fast-closing, customer-satisfying and profit-making sales. Ask your Westinghouse distributor for details.

You can be sure if it's Westinghouse

Westinghouse 



to

bottom

**Westinghouse gives you what
your customers want.**

□□□□ **GE has joined Sunbeam in raising prices**, making further price adjustments by other electric housewares producers almost inevitable—if not immediately, at least by the June Housewares Show. The price hikes by General Electric, which were announced last week, affect 25% of the models in the line and average out to 1.1%—a figure considerably below the 5% to 10% price increases already effected by Sunbeam. GE's new prices are effective May 1. The company said the new pricing represents a "continuing effort to hold the line on price wherever possible, despite increased promotion costs."

□□□□ **Korvette will beef up private labels** in hard goods under its new senior vice president and director of merchandising, Abraham Jacobson. Jacobson, who came to Korvette from its Spartan Industries parent, said in a short interview that he believes Korvette's private-label program—particularly in major appliances—has not been merchandised and promoted properly. He pointed out that the discounter will soon name a hard goods merchandise manager (replacing Leo Cohen, who has left Korvette) and hinted that an expanded effort behind private labels will result.

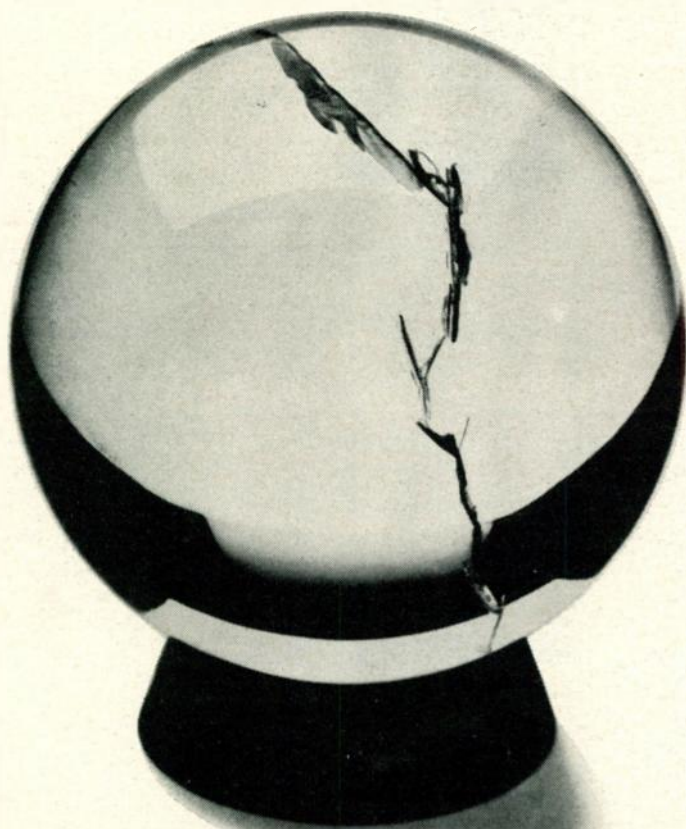
Korvette is reported to have shelved a stepped-up private-label program in housewares about the time of the Spartan takeover. Jacobson stresses that no such program had been shelved, but that "other problems" must be solved, too, and that this will take a little time. Jacobson was a participant in the annual conference sponsored by the Mass Merchandising Research Foundation Inc., in New York City, last week. He used the opportunity to plug private labels, and pointed to Sears as showing the way. (See related stories on mass merchandising on p.27.)

□□□□ **Spin-A-Bin goes vanity** as Rubbermaid seeks to move from the housewares to the cosmetics department with the creation of a separate Vanity Accessories Division. The initial items in the line—all priced under \$10 retail and all featuring revolving bases—are a Vanity Carousel, a Vanity Susan, and a Vanity Tray. The Vanity Carousel is styled after Rubbermaid's canister Carousel and has three removable storage drawers and an adjustable mirror on top. The tray and the susan are available with a mirror or a changeable fabric inlay.

The line should begin to appear at retail about May 1. The items are also being considered for possible introduction into "better bath shops."

A spokesman for the division said that plans are now under way to expand the line of beauty-aid-storage products to include tissue boxes, nail-polish kits, 2-faced mirrors with compartments for lipsticks and other cosmetics, and travel kits. These are scheduled for January, 1968 introduction.

OOPS!



**We figured 8 out of 10
Industrial Buyers use the Yellow Pages.
But a new study proved us wrong.
It's 9 out of 10.**

We don't need our crystal ball any more, anyway. Audits & Surveys Inc. gave us cold, hard facts. And they prove that buyers for manufacturing firms use the Yellow Pages even more than we thought they did.

9 out of 10 Industrial Buyers used the Yellow Pages to find suppliers for their companies! The average buyer uses the Yellow Pages 85 times a year!

These facts are part of the new Yellow Pages Industrial Usage Study.

We admit the study was designed to prove how important it is to advertise in the Yellow Pages. But in gathering facts on over 6000 buyers in more than 5000 manufacturing firms, we learned a few other things. And, this new study may have information on *your own* market that you don't have.

It covers 140 different classifications of manufacturers in 9 broad categories, broken down region by region for the entire country: Outside Productions Services • Power

Transmission • Production Tools, Machinery or Equipment • Electric Equipment & Supplies • Electronic Equipment & Supplies • Materials Handling Storage • Industrial Materials • Packaging & Shipping • Operations, Maintenance & Safety.

If you sell to industry, this study is for you. Ask your Yellow Pages



representative for a copy. You can find him in the book under Advertising—Directory & Guide.

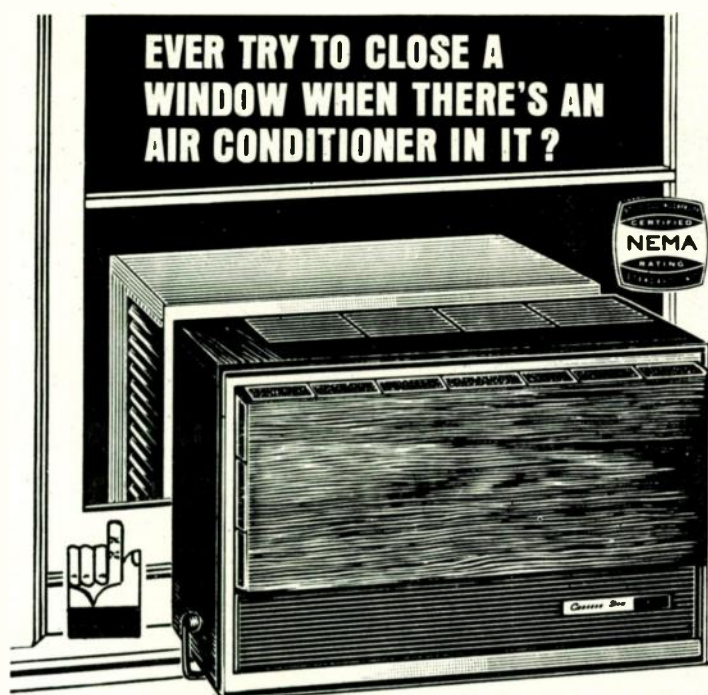


MEET THE PERSUADERS

They move most of the consumer electronics in this country. It's no coincidence that they also read Merchandising Week—every week. Merchandising Week commands their attention with the facts and forecasts they use to dominate retail sales in their

markets. That's why we insist, when you want to persuade the persuaders—the only place to do it is on the pages of Merchandising Week. Just call (212) PL 7-2800 or your Merchandising Week District Representative.

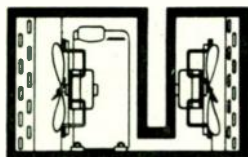
MERCHANDISING WEEK
Read By The Retailers Other Retailers Follow



EVER TRY TO CLOSE A
WINDOW WHEN THERE'S AN
AIR CONDITIONER IN IT?

YOU CAN WITH THE *Comfort-Aire* **TWIN** ROOM AIR CONDITIONERS

LOCK OUT
heat, noise,
humidity.



SEAL IN
comfortable
cool air.

why pay more and accept less?
COMFORT-AIRE TWINS

Exclusive TWIN inside/outside design uses your double-hung closed and locked window as a SOUND BARRIER. This advanced design gives you whisper quiet, refreshing room comfort, as no other room air conditioner can. Our sixty-second demonstration shows why this is your very best buy. Do come in today!

HEAT CONTROLLER, INC. / 1900 WELLWORTH AVE., JACKSON, MICH. 49203

Reduce Your Risk of Heart Attack

1. Control high blood pressure
2. Don't smoke cigarettes
3. Reduce if overweight
4. Eat foods low in saturated fats and cholesterol
5. Exercise regularly, moderately
6. Get periodic health check-ups, and

**GIVE ... SO MORE
WILL LIVE HEART FUND**



INDUSTRY TRENDS

An up-to-the-minute tabulation of estimated industry shipments of 16 key products. New figures this week in bold-face type.

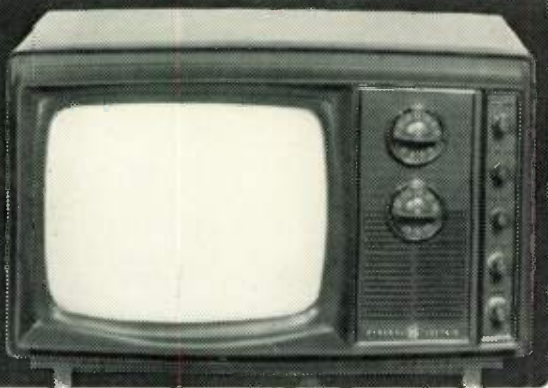
	Date	1967	1966	% Change
FLOOR CARE PRODUCTS				
Floor Polishers	February	89,621	113,118	- 20.77
	2 Months	169,593	196,252	- 13.59
Vacuum Cleaners	February	444,285	517,037	- 14.07
	2 Months	899,184	951,535	- 5.50
HOME LAUNDRY				
Dryers, clothes, elec.	February	140,629	130,998	+ 7.35
	2 Months	293,670	255,672	+ 14.86
Dryers, clothes, gas	February	61,606	62,191	- .94
	2 Months	128,943	124,181	+ 3.83
Washers, auto. & semi-auto.	February	288,781	325,850	- 11.35
	2 Months	574,882	614,332	- 6.42
wringer & spinner	February	36,573	38,887	- 5.95
	2 Months	67,530	67,834	- .45
OTHER MAJOR APPLIANCES				
Air Conditioners, room	February	264,000	225,000	+ 17.33
	2 Months	531,800	424,500	+ 25.28
Dehumidifiers	January	24,000	21,200	+ 13.21
Dishwashers, portable	February	35,000	25,500	+ 37.25
	2 Months	74,000	56,800	+ 30.28
under-counter, etc.	February	69,000	65,600	+ 5.18
	2 Months	142,800	131,200	+ 8.84
Disposers, food waste	December	94,600	122,300	- 22.65
	12 Months	1,345,900	1,344,800	+ .08
Freezers, chest	February	27,000	33,000	- 18.18
	2 Months	55,100	63,500	- 13.23
upright	February	46,000	44,000	+ 4.54
	2 Months	92,000	85,900	+ 7.10
Ranges, electric	February	140,000†	165,500	- 15.41
	2 Months	296,700	338,300	- 12.30
Ranges, gas	February	159,300*	180,700	- 11.84
	2 Months	297,500	343,200	- 13.32
Refrigerators	February	308,000	325,100	- 5.26
	2 Months	624,300	681,400	- 8.38
Water Heaters, elec. (storage)	February	75,000	86,000	- 12.79
	2 Months	147,200	166,200	- 11.43
Water Heaters, gas (storage)	February	213,680	207,380	+ 3.04
	2 Months	405,780	432,720	- 6.23
CONSUMER ELECTRONICS				
Phonos, port.-table, distrib. sales	March 31	67,156	38,458	+ 74.62
	13 Weeks	832,831	688,544	+ 20.95
monthly distributor sales	January	254,616	196,584	+ 29.52
Phonos, console, distrib. sales	March 31	32,404	28,041	+ 15.56
	13 Weeks	382,390	491,446	- 22.19
monthly distributor sales	January	112,594	156,521	- 28.07
Radio (ex. auto), distrib. sales	March 31	300,778	231,156	+ 30.12
	13 Weeks	2,651,429	3,264,467	- 18.78
monthly distributor sales	January	661,432	831,350	- 20.44
B&w Television, distrib. sales	March 31	109,736	143,045	- 23.29
	13 Weeks	1,370,677	1,983,219	- 30.89
monthly distributor sales	January	398,070	650,904	- 38.84
Color Television, distrib. sales	March 31	107,098	83,511	+ 28.24
	13 Weeks	1,162,825	941,984	+ 23.44
monthly distributor sales	January	313,442	231,238	+ 35.55

* February Gas Range total includes: 114,600 free-standing ranges; 19,700 high-ovens; 13,100 set-ins; and 11,900 built-ins

† February Electric Range total includes: 103,000 free-standing ranges and 37,000 built-ins.

Now trading up your personal color TV customers is as easy as

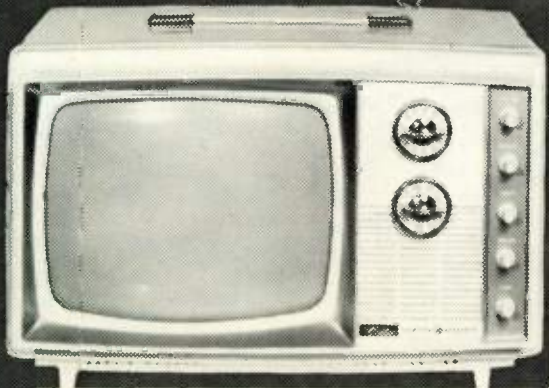
a.



\$199^{95*}

Model 210HBN. 60
square inch picture.
Brown case only.

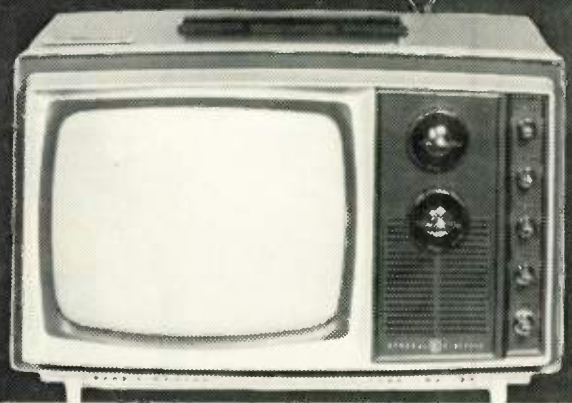
b.



\$229^{95*}

Model M211HVV.
Ivory with
contemporary trim.
Luggage-type handle.
Antenna included. Full
year warranty.**

c.



\$249^{95*}

Model M213HWD.
The famous GE
PortaColor TV.
Deluxe case with
collapsible handle,
dial lights. Full year
warranty.**

Today, General Electric offers you the most exciting color TV step-up program in the business: Three great personal color TV sets—all under \$250 retail! Nobody else in the industry has a program like this and today there's *nothing* people want as much as color TV.

A dynamic program of national advertising is telling the startling news of color TV for under \$200. National ads in *Life*, *Look*, *Saturday Evening Post* and *TV Guide* will bring customers into your store.

Once there, they'll see not one, not two, but *three* General Electric personal color TV sets. The trade-up is duck soup for you. Very profitable, too.

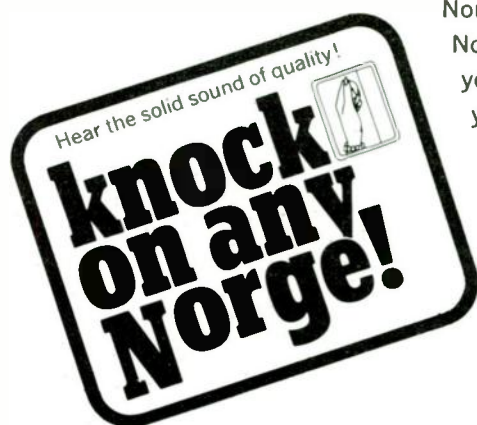
So get in touch with your General Electric Sales Counselor right away.

GENERAL  ELECTRIC

*Manufacturer's suggested retail price.

**General Electric Company warrants to the purchaser of each new General Electric PortaColor television receiver that in the event of manufacturing defects occurring during the first year from the date of original purchase for use, it will repair (including labor) the defective parts, provided the receiver (including proof of purchase date) is brought to and picked up from an authorized General Electric Television Service Agency anywhere in the U.S.A.

Give 'em another good reason to buy from you.



Norge "Merit Service" puts you in a professional class prospects look up to. They know that the quality Norge products they buy from you are backed by a quality service organization second to none. Result: you make more money selling and servicing. And you can count on Norge to make good on everything you need to do the job right.

Examples: up-to-date training sessions; instructional materials; complete identification package that includes special wallet cards, service truck decals, automobile door signs, service uniform program, indoor and outdoor service signs and Yellow Page listings.

Add this to the "Knock on any Norge" campaign (the biggest selling idea in appliance merchandising) and you'll see that nobody does more to help you sell quality and service—the 1-2 selling punch you need for today's market. If you're not already a factory certified Norge "Merit Service" dealer, call your Norge distributor and see what you're missing.

NORGE®

home appliances **BORG WARNER**®