

MERCHANDISING WEEK

JULY 24, 1967

EDITED FOR THE CONSUMER ELECTRONICS, APPLIANCE, AND HOUSEWARES INDUSTRIES ☐ READ BY THE RETAILERS ☐ A BILLBOARD PUBLICATION ☐ PRICE 50 CENTS VOL. 99 NO 30

U004092HWK0010H1 3JUL AU67 01*
HAWKES T V SERV SLS
10 HARDY RD
WESTBROOK
ME 04092*



◀ **Kitchen planning:
what the 'other guy'
is doing** ☐☐☐☐☐☐☐☐ p.13

Leo Lemchen (left), co-partner of Barmark Kitchens, East Orange, N.J., talks shop with five other kitchen dealers inside

**Cost of doing business:
how did you shape up
in 1966 compared to
NARDA members?** ☐☐ p.27

**CATV comes to a market:
reaction from retailers
and sales results** ☐☐ p.24

**The retailers other
retailers follow:
Chicago's Sol Polk** ☐☐☐ p.8

NEXT WEEK

**The booming record business: how sharp retailers
can get in the sales groove--and make money**



The biggest stereo news in years is in this revolutionary RCA Victor tone arm

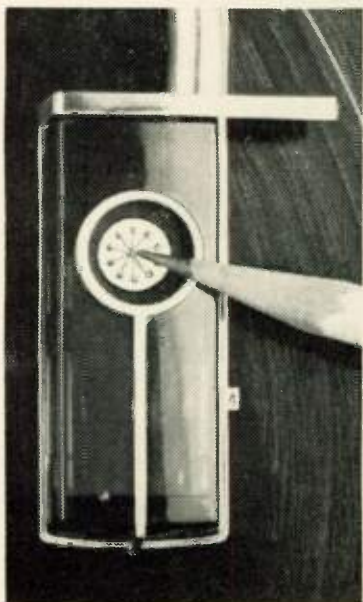
RCA Victor puts an integrated circuit in new 1968 stereo to get your customers closer to the music.

WRH





New RCA Victor stereo tone arm has a solid integrated circuit—shown below—that assures less distortion and cleaner sound.



An integrated circuit in the tone arm provides the first amplification right at the source of sound. So music is purer, less distorted—a difference you can sell. In this year's console line you'll also find such features as 500 watts of peak power and sealed stereo speakers, plus many unique furniture designs. Order now. 10 consoles, one portable phonograph and 11 home entertainment centers *all* have this remarkable new tone arm. See your RCA Victor distributor today. When you're the first name in home entertainment there's got to be a reason and RCA Victor's got it!



The Most Trusted Name in Electronics



MERCHANDISING WEEK (formerly Electrical Merchandising Week) is published weekly by Billboard Publications, Inc.

COPYRIGHT © 1967 by Billboard Publications, Inc. all rights reserved. Title registered ® in U.S. Patent Office. Quotations on bulk reprints of articles available on request. The contents of this publication may not be reproduced either in whole or in part without consent of copyright owner.

EXECUTIVE, EDITORIAL, CIRCULATION, AND ADVERTISING OFFICES: 165 W. 46th St., New York, N.Y. 10036. Telephone: PL 7-2800, area code, 212. Second class postage paid at New York, N.Y., and additional mailing offices.

SUBSCRIPTIONS to Merchandising Week are solicited

only from retailers, distributors, and manufacturers of home goods products. Position and company connection must be indicated on subscription orders. Publisher reserves the right to refuse non-qualified subscriptions. U.S. subscription rate for individuals in the field of publication; \$6.00 per year (single copies, 50¢, except Annual Statistical Issue, \$3.50). Foreign rates on request.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service, and subscription orders to Fulfillment Manager, Merchandising Week, 2160 Patterson Street, Cincinnati, Ohio 45214. Change-of-address notices should be sent promptly; provide old as well as new address; include ZIP code number. If possible, attach address label from recent issue. Please allow one month for change of address to become effective.

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

POSTMASTER: Please send form 3579 to Fulfillment Manager, Merchandising Week, 2160 Patterson Street, Cincinnati, Ohio 45214.



MERCHANDISING WEEK is a member of the American Business Press, the Audit Bureau of Circulations, the Magazine Publishers Association and the Second Class Mail Publications, Inc.

PUBLISHER

Denis C. Hyland

Phone: PL 7-2800; area code, 212

EDITOR-IN-CHIEF

Martin R. Miller

Phone: PL 7-2800; area code, 212

OPERATIONS EDITOR

B. H. Schellenbach

PRESENTATION EDITOR

Ronald D. Wind

Illustration Editor: Joan B. Antoine

Copy Editor: Lucy Schmolka

Consultant: Jan V. White

NEWS EDITOR

Ed Dubbs

Midwest Editor: Wallis E. Wood
(Chicago—Phone: CE 6-9818)

Associate Editors: Amei Wallach
Neil Spann

Assistant Editors: Irene Kanfer
William Hutchinson

Contributing Editor: Joan Bergmann

NEWS BUREAUS: Los Angeles, Eliot Tiegel, Bruce Weber; Nashville, Bill Williams; Chicago, Ray Brack, Jerrienne Roginski, Earl Paige

RESEARCH MANAGER

Alicia Donovan

Phone: PL 7-2800

Associate: Joan Lyons

ADVERTISING DIRECTOR

H. Sherman Davis

Phone: PL 7-2800; area code, 212

BUSINESS & PRODUCTION MANAGER

Marie R. Gombert

Asst. Production Manager:

Joan C. Cooley

Phone: PL 7-2800; area code, 212

ADVERTISING SALES OFFICES

Eastern Region George Neuner
165 W. 46th St. Roland DeSilva
New York, New York—10036
Phone: PL 7-2800; area code, 212

Midwest Region Edward J. Brennan
188 W. Randolph St. John J. Cherry
Chicago, Illinois—60601
Phone: CE 6-9818; area code, 312

Southern Region Robert L. Kendall
110 21st Ave. South John McCartney
Nashville, Tenn.—37203 Herb Wood
Phone: 244-1836; area code, 615

West Coast Region Pete Heine
9000 Sunset Boulevard Dick Blase
Los Angeles, California—90069
Phone: 273-1555; area code, 213

United Kingdom Andre de Vekey
7 Welbeck St., London W.1
Phone: 486-5971

Italy Germano Ruscitto
Via Padova 154, Milano
Phone: 282-23-80

Japan Kanji Suzuki
2-1-408, 3-chome Otsuka,
Bunkyo-ku, Tokyo, Japan

Classified John O'Neill
188 West Randolph St.
Chicago, Illinois—60601
Phone CE 6-9818; area code, 312

PROMOTION DIRECTOR

Geraldine Platt

CIRCULATION DIRECTOR

Milton Gorbulew

PROFIT PROMOTER

ROPER

KITCHEN PLANNING PACKAGE

A deluxe, distinctive portfolio for kitchen planning... brings in prime prospects, brings them back ready-to-buy! The Roper Kitchen Planning Package lets your prospects noodle and doodle with their own arrangements and innovations... helps you interpret their desires... makes the sale easier for you. Handsome, durable vinyl jacket can be personalized with your firm's name.

Colorful, informative Planning Guide takes your prospect step-by-step through planning the "dream" kitchen that suits their tastes and space. This authoritative piece establishes need and value of your professional counseling.

Package also includes floor-plan graph, quantity of layout sheets, and ruler... pocket holds Roper product literature plus materials on your other featured lines. Your Roper Representative has full details on how to add this prestige profit promoter to your sales effort!

STEP UP YOUR BUSINESS WITH ROPER

NEW LOOK RANGES

New Roper Ranges with full Mirror Windows add new kitchen beauty... stop color-matching problems. Decorative, distinctive Roper Mirror Windows reflect the natural beauty of the total kitchen. Easy to see why a new-look Roper makes every kitchen sale easier for you.

ROPER

Gas and Electric Ranges: Electric self-cleaning-oven Range, eye-level-oven Charms, Wall Ovens/Cook Tops, Counter Built-ins. Plus: Dishwasher, Disposers, Hoods, Sinks, outdoor Gas Grill.

GEO. D. ROPER SALES CORPORATION
Kankakee, Illinois

Model 1847

AT PRESSTIME

□□□□ **An FTC hearing on "dummy transistors" is set** to begin Oct. 4. At that time, the Federal Trade Commission will hear arguments for and against a proposed trade regulation that would prohibit—in the advertising and labeling of radios—the inclusion of dummy transistors and those transistors which do not perform the customary functions of radio signal detection, amplification, and reception. The Commission claims that inclusion of such transistors in advertising and labeling is misleading to the consumer, who associates the number of transistors with the quality of radio reception. An FTC spokesman said such practice constitutes a violation of Section 5 of the FTC Act, which declares unfair methods of competition and unfair or deceptive acts or practices to be illegal. Some domestic firms, but primarily foreign firms, he said, appear to be violating this Section. The FTC will accept written or oral comments on the proposed regulation until Nov. 3.

□□□□ **More problems for copper users—but no severe shortages**—are resulting from the strike against the two largest producers: Anaconda and Kennecott. Copper shortages, followed by rising prices, have plagued hard goods manufacturers for more than a year. In recent months, however, most producers were able to stockpile copper supplies in anticipation of the strike. How long the strike lasts may well be determined by how much government pressure is exerted—especially in light of copper needs for the war in Vietnam. Rising prices for hard goods manufacturers are almost certain to result from the strike; and whether they will be absorbed or passed on to the consumer will depend on the size of the increases and other rising cost factors facing the manufacturers.

□□□□ **AHAM's figures forecast a record year** for home appliances. June factory shipments, up 11% from those of last June, contributed heavily to the first-half record of 10,931,600 units shipped, a 3% increase over the 1966 first half. (For complete figures, see Industry Trends, p.10, and story, p.26.)

□□□□ **NRMA calls for minimum wage law changes** in order to provide relief for retailers from "severe and unrealistic provisions" of the 1966 amendments to the law. The National Retail Merchants Assn. specifically recommends that the \$1.60 minimum hourly wage rate, scheduled to go into effect next Feb. 1, be delayed for one or

possibly two years; that smaller stores, with less than \$500,000 in annual volume, be exempted; and that a wage differential be permitted for temporary workers during peak sales seasons. The NRMA claims that payroll costs have risen as the result of the amendments, and that store profits are being adversely affected.

□□□□ **Frigidaire will emphasize national accounts** with its newly reorganized national account sales department, headed by Ralph A. Blakelock. The company's general sales manager, W.F. Switzer, described Blakelock's new function as encompassing "responsibility for all negotiations, policy formation, and contact with national accounts." Another Frigidaire spokesman indicated that the appointment of Blakelock, formerly Los Angeles sales zone manager, shows the importance that the company will place on national accounts. Frank O. Hax and Merle M. Smith will assist Blakelock as national account supervisors.

□□□□ **Maytag will up laundry production next week** by increasing washer output from 6% to 8%, and dryer production by 100%. The company reported first-half earnings up 1.5% as sales rose 7.5% to a record \$66.9 million. Maytag also has filed suit in Federal Court to prevent the Borg-Warner division of Norge from using a "Red Carpet" trademark, claiming that it infringes on Maytag's "Red Carpet Service" repair slogan.

□□□□ **A self-hardening aluminum alloy for cookware** with enamel and ceramic finishes is being put into immediate production by Reynolds Metal Co., making the firm the third supplier to announce such an alloy in recent weeks (see earlier story, p.28).

□□□□ **Ready, cassette—go!** Norelco kicks off the industry's first major advertising campaign to promote the cassette concept. "We re-invented tape recording" is the theme of the \$1.5-million campaign. Between Thanksgiving and Christmas, over \$350,000 will be spent on tv color spot commercials with dealer tag lines and 4-color ads in national magazines.

□□□□ **Philco-Ford kicks off its Diamond Jubilee** promotion with national magazine spreads and dealer-tagged newspaper ads for its \$259.95 refrigerator-freezer, \$164.44 washer, \$125.95 dryer, \$199.95 electric range, and \$124.44 portable dishwasher.

A WORD FROM THE EDITOR-IN-CHIEF

Exciting and dynamic. These are the words that describe the major appliance, home electronics, and housewares industries that Merchandising Week serves—and that describes in particular, you the retailers who sell the industry's products to what MW calls the New Consumer.

This excitement generates in such a way that even now projections of new products and trends of the 1970s are much discussed topics. To keep pace with a need for expanded coverage of our business, Merchandising Week intends to broaden its franchise by pro-

viding more communication in the industry.

With this issue, we are modifying our format to continue to offer in-depth interpretive news—but in an expanded way. Expanded in terms of new features, such as the column on the vital new tape player/recorder market (see p.22) and "The Retailers Other Retailers Follow" (p.8). A "Youth Electronics" column will kick off in next week's issue. These columns will alternate and will be augmented by features of importance to all of you in areas such as service, personnel, retail

management, and utility news.

We also wish to expand and establish more direct communication. We are full subscribers to the old adage, "This Business is People" (p.11).

If you have any gripes about conditions that are affecting your business, let us know about them.

If you have any comments to make about the industry in general, or any company in particular, let us know about it.

If you have any kudos or brickbats for us let us hear from you.

If you have any personal items, let

us know about them.

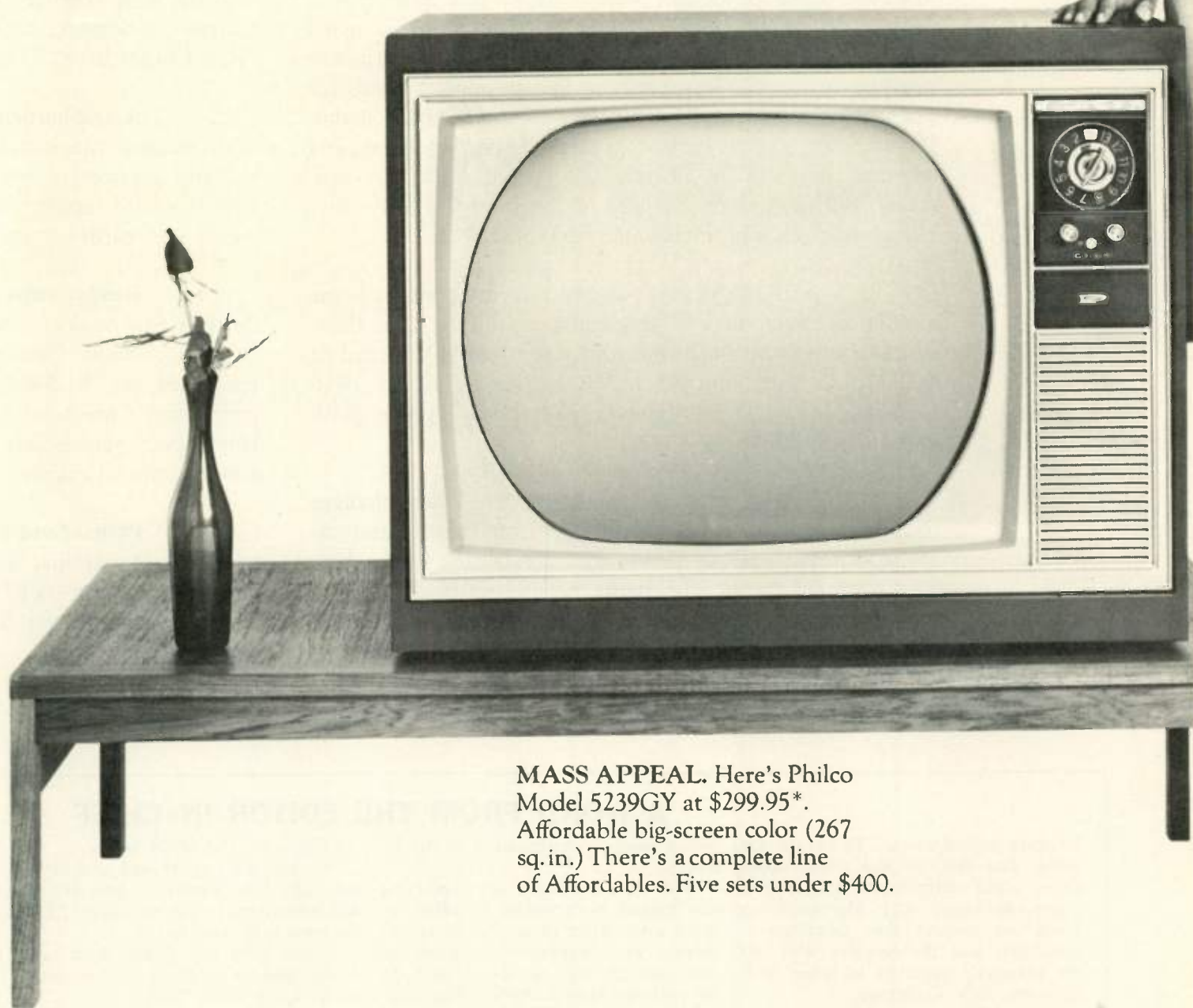
If you have any interesting pictures, send them to us. In other words, we are "accessible," and we welcome any and all comments and suggestions. (We have a regular "letters" column).

We believe closer ties with you will help us produce every Monday morning the magazine read by "the retailers other retailers follow."

—Martin R. Miller

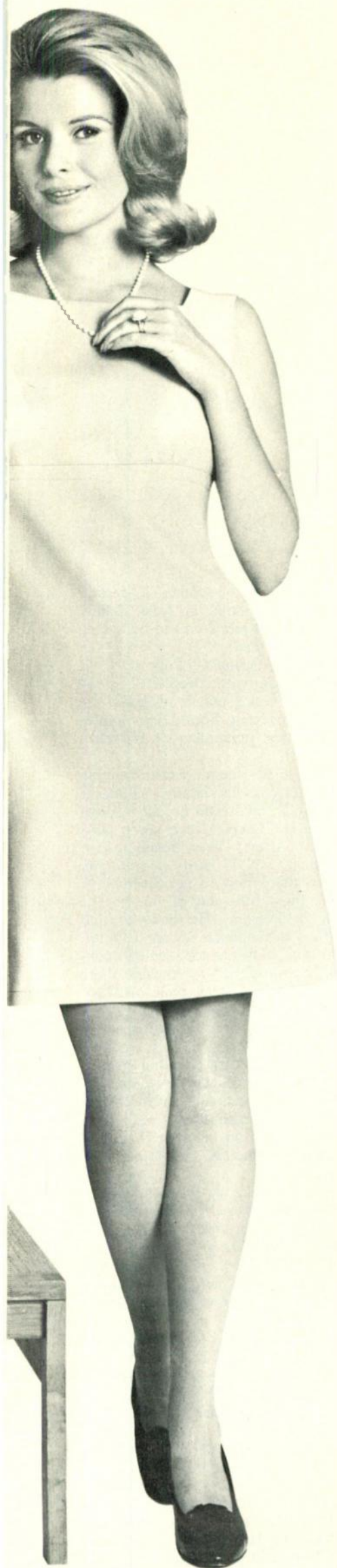
P.S. If you do not want to write, feel free to call me direct. My number is (212) PL 7-0617.

Class market to mass market in 90 days.



MASS APPEAL. Here's Philco
Model 5239GY at \$299.95*.
Affordable big-screen color (267
sq. in.) There's a complete line
of Affordables. Five sets under \$400.

*Manufacturer's suggested list price. Optional with dealer.



You just can't overestimate the impact of Philco-Ford's big-screen Affordable color on color tv sales this fall.

Thousands of people who thought they couldn't afford color will be coming into the market.

Whether they come into your store or not depends on your being ready to show them Affordable big-screen color.

Phone your Philco-Ford distributor—he's expecting your call.



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

The Affordables start at \$299.⁹⁵

Starting July 24, Philco-Ford's Affordable big-screen color tv message will appear in 19 pages of advertising in Look, Life, The Saturday Evening Post, TV Guide and Reader's Digest. It will be backed up by six weeks of dealer listing ads in over 90 big-circulation newspapers and over 170 radio spots on NBC, ABC, CBS and Mutual.



Sol Polk: a look at the private world of a public industry figure

Most people have a public face and a private life. Most of us lead a compartmentalized existence: our jobs are in one compartment, our family in another, our hobbies in still another. Most of us feel a considerable separation between our working lives and our social lives.

Sol Polk is different.

For Polk there is no separation between work and play, business and pleasure, public words and private attitudes. What Polk believes is reflected in what he has accomplished; and what he does is an extension of what he believes. His life is of a piece—and perhaps this is why he is one of the most successful appliance retailers in the country.

'Utopia must be marketed'

What does Polk believe? "You've got to give salesmen back their dignity. *They're* the ones who keep factories humming, the people employed. Do you know who won the last war? The salesmen. *They* built the industry we needed to win the war."

And he supports his belief in his salesmen by training them constantly and paying them well—better, perhaps, than any other retailer in the home goods industry.

Polk believes, too, that "even Utopia must be marketed. We are living in a Utopia and most Americans don't know it. Ours is a consumer-oriented economy and we retailers have fallen down on our jobs. The retailer is a teacher who must train the public to live in its modern Utopia, who must motivate the consumer to fully enjoy the advantages of the American economy."

He markets the Utopia with hard-hitting ads and spectacular promotions: 60-lb. watermelons, soup, pineapples, Christmas trees, life-size plastic Santas, rose bushes, oranges, apples.

And Polk believes that "no one should have to sleep in a stuffy bedroom when there are air conditioners. It should be unlawful for women to work at household chores that mechanical appliances can do. It is definitely unfair to our future generations to make today's woman, after finishing her washing, go into the backyard in the mud to hang up the clothes. It is wrong because it weakens her body. It tires her. It doesn't give her the time she requires with her children."

Sol Polk really believes this—and, because he believes it, he tries to make

sure that women have the appliances they need.

Starting out in the 30s

Sol Polk was born May 14, 1917, the youngest son of immigrant parents who settled in Chicago. He began selling magazines before he was eight years old, and soon had a crew of five other boys working for him. By the time he reached 12, he was a branch manager.

When Polk graduated from Manley High School, he got a job with Commonwealth Edison selling irons, vacuum cleaners, and lamps from door to door. In less than a year, he saved \$1,000 from his magazine business and appliance commissions. With this, plus a partner and his \$1,000 (the partner soon sold out), Polk rented a store on Chicago's North Side and stocked it with appliances.

It was 1935 and Sol was 18. To keep his capital turning, Polk put merchandise in his car after he closed the store and sold house-to-house. The cash from these sales allowed him to build his business without borrowing from banks. He paid himself \$15 a week.

Polk and Polk Bros. have come a long way since then. Today, Polk Bros. has 16 stores in the greater Chicago area, an annual volume over \$100,000,000, and more than 1,600 employees. Sol Polk is an important man: he has just been named NARDA's Man-of-the-Year, and his citations would fill a small book.

'I've never forgotten'

This success, of course, is not Polk's alone. Without his family, his older brothers and sisters, Polk Bros. would certainly be a different company from what it is now. And, apparently they have been able to work together for almost 30 years without any serious breaks—a tribute to their parents.

"A lot of Sol's philosophy comes from his mother," says sister Goldie Bechman Luftig. "He was with her

more than the rest of us, being the youngest, and they spent a lot of time talking together."

Not long ago, Polk was asked, "Do you know what motive drove you to become one of the nation's top merchandisers?"

He thought for a while, then answered: "When I was a young boy, maybe eight or nine, I went with my mother and father to buy a bedroom set. They still didn't understand the language very well, and they were fast-talked into buying junk that they had to keep paying for under some crooked installment set-up for years. I have never forgotten that."

"Not long ago, a little old Polish woman came into this store and paid cash for a new refrigerator. After she had paid for it she began to cry. She told the salesman that she had been saving for years—and now, because her family owned its own refrigerator, she felt she really had become an American."

"If you combine these two anecdotes, I guess you'll understand what has always motivated me. I want to give every customer the best possible brand merchandise at the lowest possible price. If I do that, he'll come back again and again. So, I guess the easiest way to reach success is to think of giving to others, instead of getting for yourself."

It almost seems to be simple when Polk says it—but he really believes it. And the store's success is all the proof he needs to show that it works.

'I like my business'

Is Polk a lonely man? He has never married. He lives in a hotel, the Sherman House. The people who swarm around him in his office or at a meeting are all looking for something: suppliers for an order, dealers for advice, reporters for a story. At least one observer has sometimes wondered whether Polk's activity masks a stream of loneliness.

Perhaps. But it is a little like asking whether President Johnson is a lonely

man. With the job comes a certain loneliness—and Polk, at least, totally immersed in the job, seems to be having a wonderful time.

"I like my business," Polk says. "I enjoy working with people. I enjoy the thrill of seeing people progress, the thrill of converting houses into homes with the latest in appliances and electronics."

Polk says he doesn't work; running the business is his hobby. "I never work at it; I play." And he plays something like 17 hours a day, seven days a week. "Always keep reaching for the ceiling. Try as hard as you can. Try, and that's how to get the most—and the most fun—out of life."

Polk believes it. He believes that "America is the land of opportunity; our history and present society confirm this philosophy. Nevertheless, there are still men who seek their own horizons, yet need help—not charity, but education and training so they can help themselves. Self-help gives a man a purpose, which in turn gives him pride." To support his beliefs, Polk donates trade-in merchandise to vocational schools, state institutions, and state prisons so that students can learn how to repair appliances and television sets.

Polk believes in the independent appliance-tv retailer, serves on NARDA's board of directors, was instrumental in establishing NARDA's "Liberty Collection" fund. He hopes that, through this fund, other dealers across the country can learn to be more effective businessmen.

Polk believes that private labels and "ghost brands" are a threat to the American consumer—and has said so in full-page ads. "Historically, 'ghost brands' have sometimes been used on products of doubtful value," he said. "But now some retailers are using them to destroy your freedom of choice when you buy . . . to create selling monopolies . . . generally to give you less and less for your appliance dollar."

Perhaps the last thing to say about Sol Polk is that he believes in love. He believes that the customers want attention and respect—love. His business has grown because there is no shame, no cynicism in Polk, and people respond to him. As he said recently: "All of us are here only a few years. None of us can afford to get too big for our breeches; nor can we ever turn our heads when someone needs a little help—or a little love."

—Wallis E. Wood

undercover agent.

Looks innocently beautiful while it quietly restores moisture to the air.

What looks like a fine stereo cabinet is Air King's new high capacity portable humidifier. This is the disguise it always wears. So it will look like it belongs, in the best of living rooms. The trick is our exclusive 3-way perimeter discharge (pat. pend.). No louvers. Humidified air flows in 3 directions from hidden vents beneath the top. Flip it up and there are the controls: 3-speed push buttons. Automatic humidistat.



Inside there's a 9-gal. water tank and a mammoth new drum style filter (pat. pend.) with more filter surface than any other humidifier on the market. Making this the highest capacity portable we've ever offered. And the quietest. Don't disguise your admiration. Write for details. Berns Air King Corporation. 3057 North Rockwell, Chicago, Illinois, 60618.



the ones that look like fine furniture



Air King Portable Humidifiers



□□□□ **The President wants to cut domestic spending** by \$3 billion in the new fiscal year. LBJ has asked all federal agencies to come up with a plan to achieve this goal. It is doubtful, however, that even the President believes this can be accomplished. More likely: it's window dressing to win conservative support for his plan to boost taxes.

□□□□ **You may now sue for triple damages** if you can prove injury from a merger that violates the antitrust laws. A three-judge federal Court of Appeals in Atlanta opened the way for such suits in a decision that seems certain to be appealed to the Supreme Court. This is the first time an appeals court has given the green light for treble damages in merger cases.

It would work this way: if your key supplier merged with another company and you ended up with a worse deal from the new merged firm, you could take it to court, seeking three times the amount of your loss. You'll still have to prove, however, that the merger was illegal under the antitrust laws—no mean feat.

□□□□ **A new push for international standards** on consumer and industrial products has been started by Sen. Vance Hartke (D-Ind.). Having just returned from the Moscow conference of the International Standards Organization, he is discouraged by lack of continuous and aggressive representation from the U.S. He cites color tv as a prime sore point. "As tariff barriers are lowered, such as through the Kennedy Round [MW, 17 Jul., p.8], product specifications become increasingly important. If we don't have better representation, we're going to exclude ourselves from world markets," he said.

□□□□ **Robert E. Lee has been reappointed** to the Federal Communications Commission, after notifying the White House that he would not seek a third term with the FCC (MW, 17 Jul., p.4).

It isn't often that one plays games with President Johnson and gets away with it. But Lee, a Republican member of the FCC, seems to have done just that. Within a few days after his second 7-year term expired June 30, Lee let it be known he had several job offers and would not seek renomination. This prompted a summons to the White House—and a quick renomination, which is certain to be confirmed by the Senate.

It now appears that Lee really wanted another term, but didn't want to hang around in a state of uncertainty. A year ago, James J. Wadsworth, also a Republican FCC commissioner, waited five weeks before being notified of his renomination. Lee wasn't about to wait this long—and his little game worked like a charm.

During Lee's 14-year tenure with the FCC, he has generally supported communications industry positions, opposing proposals that would have imposed many restrictions on tv and radio networks.

(For a report on the FCC's latest action—concerning the possibilities of a nationwide pay-television system—see "Home Electronics News" on page 23.)

INDUSTRY TRENDS

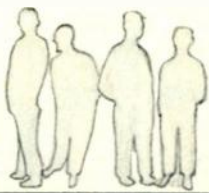
An up-to-the-minute tabulation of estimated industry shipments of 16 key products. New figures this week in bold-face type.

	Date	1967	1966	% Change
FLOOR CARE PRODUCTS				
Floor Polishers	May	67,142	81,138	— 17.25
	5 Months	418,836	483,380	— 13.35
Vacuum Cleaners	May	394,884	397,592	— .68
	5 Months	2,198,386	2,327,688	— 5.56
HOME LAUNDRY				
Dryers, clothes, elec.	June	101,400	102,100	— .69
	6 Months	685,000	641,800	+ 6.73
Dryers, clothes, gas	June	44,900	42,800	+ 4.90
	6 Months	306,900	300,600	+ 2.09
Washers, auto. & semi-auto.	June	335,000	362,500	— 7.59
	6 Months	1,824,800	1,946,500	— 6.26
wringer & spinner	June	49,200	54,900	— 10.39
	6 Months	235,000	266,400	— 11.79
OTHER MAJOR APPLIANCES				
Air Conditioners, room	June	601,900	375,500	+ 60.29
	6 Months	3,081,300	2,065,500	+ 49.17
Dehumidifiers	June	49,100	33,600	+ 46.13
	6 Months	184,400	167,800	+ 9.89
Dishwashers, portable	June	34,600	27,300	+ 26.73
	6 Months	245,100	211,700	+ 15.77
under-counter, etc.	June	78,900	86,200	— 8.47
	6 Months	434,100	504,400	— 13.94
Disposers, food waste	June	109,200	110,800	— 1.45
	6 Months	599,100	704,100	— 14.92
Freezers, chest	June	47,400	47,600	— .43
	6 Months	212,300	232,600	— 8.73
Freezers, upright	June	68,500	65,400	+ 4.74
	6 Months	330,400	320,400	+ 3.12
Ranges, electric	June	163,700 [†]	160,400	+ 2.05
	6 Months	905,200	1,060,500	— 14.65
Ranges, gas	May	132,300*	177,400	— 25.42
	5 Months	798,800	937,400	— 14.79
Refrigerators	June	448,100	456,900	— 1.93
	6 Months	2,263,200	2,509,300	— 9.81
Water Heaters, elec. (storage)	May	87,900	84,500	+ 4.02
	5 Months	426,800	442,500	— 3.55
Water Heaters, gas (storage)	May	216,090	206,580	+ 4.60
	5 Months	1,079,690	1,158,360	— 6.79
CONSUMER ELECTRONICS				
Phonos, port.-table, distrib. sales	June 30	75,034	50,112	+ 49.73
	26 Weeks	1,392,292	1,170,744	+ 18.92
monthly distributor sales	May	141,797	146,337	— 3.11
	5 Months	1,155,398	975,503	+ 18.44
Phonos, console, distrib. sales	June 30	28,915	46,804	— 38.23
	26 Weeks	589,945	793,007	— 25.61
monthly distributor sales	May	47,991	69,267	— 30.72
	5 Months	499,452	659,351	— 24.26
Radios (home), distrib. sales	June 30	456,755	279,528	+ 63.40
	26 Weeks	5,345,857	5,976,902	— 10.56
monthly distributor sales	May	764,443	729,425	+ 4.80
	5 Months	4,088,439	4,803,892	— 14.90
B&w Television, distrib. sales	June 30	111,660	142,493	— 21.64
	26 Weeks	2,412,346	3,426,789	— 29.61
monthly distributor sales	May	337,154	424,200	— 20.53
	5 Months	2,027,802	2,882,797	— 29.66
Color Television, distrib. sales	June 30	86,087	96,178	— 10.50
	26 Weeks	1,976,791	1,821,194	+ 8.54
monthly distributor sales	May	263,181	249,877	+ 5.32
	5 Months	1,692,081	1,488,346	+ 13.68

*May Gas Range Total includes: 89,400 free-standing ranges; 17,500 high-ovens; 15,200 set-ins; and 10,200 built-ins.

†June Electric Range Total includes: 115,500 free-standing ranges; 48,200 built-ins. Home Laundry and Major Appliance figures are sales of manufacturers for 1966 and 1967. Source: AHAM, EIA, GAMA, VDMA

THIS BUSINESS IS PEOPLE



Westinghouse's new man in consumer electronics: Cassatt will catch up

"I've got a lot of catching up to do," says Robert E. Cassatt about his new job as general manager of Westinghouse's newly reorganized consumer electronics division in Edison, N.J. (MW, 17 Jul., p.7)

Cassatt is returning to the consumer electronics industry after serving in key positions in the major appliance (air conditioning) and housewares (floor care) fields.

Most recently Cassatt was president and chief executive officer of Regina Corp., in Rahway, N.J. He resigned about two months ago, reportedly as the result of a policy dispute with Regina's parent company. He accepted the Westinghouse assignment after a Mexican vacation.

Before joining Regina, Cassatt held key marketing/sales posts with the York Division of Borg-Warner and with Fedders. Prior to Fedders, he was

with the General Electric consumer electronics operation in Syracuse, N.Y. Cassatt has built a reputation for running an efficient operation and for being a stickler for high quality standards. While at Regina he borrowed from his major appliance background for some floor care marketing programs.

It probably won't take long for Cassatt, a hard goods pro, to catch up on consumer electronics happenings.

BENNY & BRADLEES: What show biz personality is more likely, by reputation, to shop a discount department store than Jack Benny? Well, Bradlees, obviously feeling Jack Benny fills the bill, has signed the ageless 39-year-old comedian to a two-year contract to do radio spots for the 43-store discount chain with stores in the Northeast.

The deal comes to \$500,000, and was set up by Bradlees' new ad agency, Warren, Muller, Dolobowsky Inc. Benny will make 15 commercials to be run over some 40 radio stations in the Bradlees trading area.

Benny, of course, will help Bradlees project itself as an economical place to shop. Sidney R. Rabb, chairman of Stop & Shop, Bradlees' parent firm, points out that Benny's reputation follows that of the typical Bradlees customer—"A frugal fellow who wants the most he can get for his dollar." Benny also projects a "most wholesome image," Rabb added.

The Benny-Bradlees deal also underscores the discount industry's increased emphasis behind a stronger institutional flavor to its advertising programs.

Anyone at Zayre's interested in Zsa Zsa? She's busy, however, with AAMCO. How about Phyllis Diller for Saks?

HOOVER TO EUREKA: Barney Sofia, 20-year veteran of the floor care field, is the latest Hoover field man to be lured away by the competition, this time Eureka-Williams. Sofia has been named New York City branch manager for Eureka-Williams. He had been with Hoover for 19 years, most recently as branch manager in New York.

"It's a tribute to Hoover's sales organization, the number of men who are pirated away each year by competition," an industry observer pointed out. At Eureka, Sofia succeeds Henry Hanin, who is becoming branch manager in Newark, N.J., a new position. **END D104**

TIMES SQUARE BARKER? Former vice president of merchandising for the Barkers discount division of Franklin Stores Corp., Jack Kipperman, has joined Times Square Stores. Kipperman will serve as director of merchandise research and divisional merchandise manager of housewares, electronics, juvenile, toys, trim-a-tree, bedding, and occasional furniture for the Brooklyn-based TSS outlets.

BOSTON MAINSTAY: President of Jordan Marsh in Boston, William P. Reed, 54 (see photo below) marks his 21st anniversary with the department store with his appointment as corporate vice president of Allied Stores Corp. He continues as president of Jordan Marsh, where he started as an assistant buyer.

MICRO-WAVE AUTHORITY: Magic

Chef's planned entry into the microwave oven field for the commercial food-service industry brings Robert M. Stough (photo below) to the firm as marketing manager for its new commercial division. Stough was formerly with Raytheon, in Chicago, where he headed marketing activities for the microwave field.

BACK AT WELBILT: Returning to Welbilt Corp., as marketing and sales director of its appliance division, is Martin B. Cohn, formerly with Delmonico. He assumes some of the responsibilities of Morris W. Morris, who retired recently. Cohn was with Welbilt for nine years before leaving to go with Delmonico.

KEY MOVES: The new executive vp of the Norge division of Borg-Warner is Charles J. (Chuck) Urban (photo below), (MW, 10 Jul., p.5) . . . Ronald E. Weaver has been named corporate vp and general manager of the Seth Thomas division of General Time Corp. succeeding Forrest W. Price, who resigned to join Hamilton Beach-Scovill . . . Ronald Cohen, formerly with Hotpoint in Chicago, has joined Ampex Corp. as national advertising and sales promotion manager for its consumer and educational products division . . . Eureka Williams Co., a division of National Union Electric Corp., has named Gilbert L. Dorsey field sales coordinator to handle all correspondence with field reps and dealers. Donald Smith replaces Dorsey as supervisor of sales analysis.



W.P. Reed



R.M. Stough



C.J. Urban

A retail salesman says: 'the man who sold his soul'

"Never believe a distributor salesman," Bernard said to me bitterly, when I ran into him at a factory showing.

"Which one in particular," I asked. "Joe Shotz, the Supercool man," Bernard replied stringently. "I fell for his siren song and bartered away my soul for a handful of coal."

"What does all this mean?" I inquired, "the last time we met you seemed supremely contented."

"The last time we met was last year," Bernard began, "and I was managing a store for Neighborly Nathan Appliances. I had been with them five years in a real live store with a nice deal and a comfortable over-ride—after all, a 35-deal day was not uncommon with Nathan."

"Unfortunately, there was one minor flaw in the picture—my daughter was getting married soon, and I had a 30-mile drive each way to Nathan's every day, and my wife wanted me closer to home with all the arrangements to make for the big affair. So I asked Joe Shotz if he ever heard of anything closer to home to let me know."

"Joe Shotz has a good job-finding record," I interrupted. "There was one

part-timer in our place who asked Shotz to get him a full-time job. Joe complied and today this erstwhile moonlighter has worked himself up to a chain sales manager."

"I know," Bernard continued. "Anyway, a week later, Joe calls me and says he has a terrific opportunity for me only 10 minutes from my house and if I took this job, not only would I be helping myself, but I would do him a great favor as this prospective boss desperately needed a manager."

"So I called upon the new boss, whom I will call Mr. Lawrence. He was a chain operator. He needed a manager for his leased department in a one-stop suburban department store. He made me such an incredible offer I could not resist, so I bade a regretful farewell to Neighborly Nathan."

"What happened then?" I asked impatiently.

"The first week on the job," Bernard went on, "I began to see why the department was desperate for a manager: we had one sale on Friday and no deals at all on Saturday. There were just no customers to work with. And no wonder. The place did not even

have a grocery department to pull the traffic in. For another thing, there was not an iota of new merchandise on my floor. All last year's television. It seems that Mr. Lawrence was stuck with a lease and he was using the concession as a dumping ground for his other stores."

"For example, the 7.5-amp, 8,500 Btu air conditioner was the best seller in this area. Came the June heat wave, and do you know how many pieces Mr. Lawrence sent me? Exactly four! Also, I had one salesman to help and cover me on my day off. Being just a concession, I had no porter to move the stock around and my salesman hurt his back lifting the air conditioners and soon I was working a six-day week 10 to 10."

"You must have been very happy," I suggested.

"Oh, yes," Bernard smiled wryly, "especially when Mr. Lawrence began to climb upon my back for not doing enough business. I checked further and found that he had had eight managers in two years for this department, including his own brother-in-law, who lasted 37 days."

"You can imagine my feelings. I began to curse. I cursed Joe Shotz. I cursed Mr. Lawrence. I cursed my wife. Most of all, I cursed my own misguided greed that had led me into the job."

"What was the fabulous inducement Mr. Lawrence offered you?" I asked, "Was it a terrific salary—a wad of cash—a share in the business?"

"It was none of these things," Bernard replied simply. "He offered me his Supercool Christmas dealer trip to Pango Pango and Tahiti, and how many managers do you know who have been on a dealer's trip? It was for this I sold myself."

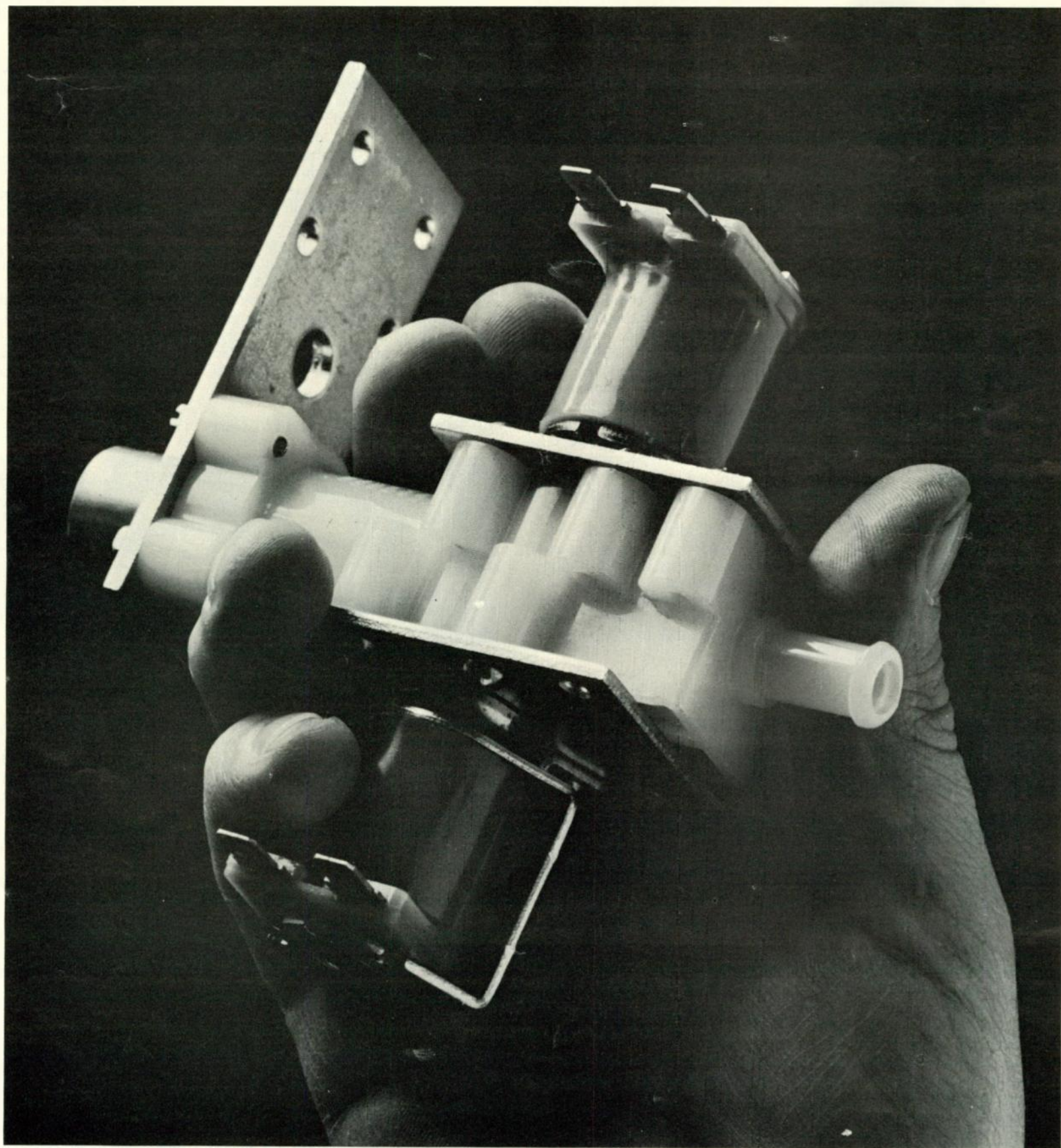
"Will you go on the trip?" I asked.

Bernard drew himself up to his full five feet, six inches. "As soon as my daughter marries this Saturday night, I am going on a trip," he replied. "I will crawl 30 miles on my hands and knees to Neighborly Nathan, kiss his calloused feet, and beg him to take me back."



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

The KitchenAid flood control program.

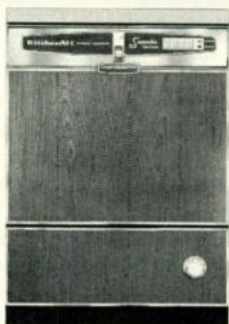


It might happen to you. You sell a dishwasher and it floods over. Your customer's in hot water. And so are you.

We at KitchenAid did something about it.

Our engineers developed a special dual fill valve to prevent over-filling and flooding.

It's special. It makes the odds about a million-to-one against any KitchenAid built-



in ever overflowing.

Maybe our dual fill valve is a little thing. But it's many little things like this that make KitchenAid dishwashers so dependable.

So tell your prospects about it. Point it out as

another sign of KitchenAid quality. Another reason why KitchenAid dishwashers are worth more and are easier to sell.

See your distributor. Or write KitchenAid Dishwashers, Dept. 7DP-7, The Hobart Manufacturing Company, Troy, Ohio 45373.

KitchenAid
Dishwashers

Products of The Hobart Manufacturing Company, makers of commercial dishwashers and food waste disposers.

Kitchen planning: six dealers lay it on the line

HOW VOLUME AFFECTS MERCHANDISING □□□□ HOW THE KITCHEN BUSINESS IS CHANGING □□□□ IS THE TOTAL KITCHEN WORTH IT FOR THE APPLIANCE RETAILER?

So you want to get into the kitchen planning business?

Well, what with an amorphous and sizable market—which was eager enough last year to spend its \$6 billion to hunt through a melange of contractors, interior decorators, lumber dealers, plumbers, private-label chains, and, occasionally, kitchen dealers, in order to find someone willing and able to remodel an old kitchen or design an entirely new one—who wouldn't?

It's an eager market, with comparatively ready money and a definite desire for a place to spend it. It's a market that has developed the popularity of the shelter magazines with its attention to functional beauty, and that has grown to want what the publications show on their 4-color pages of kitchen illustrations.

The kitchen market has witnessed a change in merchandising tactics for major appliances: away from row-on-row presentation, and toward total-kitchen vignette display. And it has watched manufacturers switch their emphasis to decorator styling: Kelvinator's Originals, Westinghouse's "build-it-yourself" refrigerators with reversible front panels, and Chambers' artwork-fronted ranges. Both developments have left an imprint. Today's homemaker realizes that an avocado

side-by-side refrigerator-freezer combination can be both attractive and functional—but not in her pre-VJ Day kitchen. She wants the total look, and she'll pay for it.

But who's doing the selling? Appliance retailers, until recently, have only dabbled. They sold built-ins, merchandised the total kitchen, and welcomed high-end decorator models. Suggest total-kitchen planning to an appliance dealer, however, and you're suggesting extra paperwork, stiff competition for skilled personnel, contract troubles, and a substantial initial investment. So far, even the lure of \$6 billion sales lump has not been sufficient to counteract a prevalent and recurrent "Let someone else do it" attitude toward the business.

"Someone else" has done it. Although a definitive profile of the kitchen dealer is not available (the American Institute of Kitchen Dealers is now conducting such a study), the chunks cut out of the business by building supply dealers, kitchen cabinet shops, manufacturers' outlets, and general home designers are sizable enough to make the odds approximately 4-to-1 that he is not an appliance retailer. Someone else, then, sold about 80% of the 3 million kitchens that were designed or remodeled last year (see chart breakdowns); and

someone else took home the profits on most of the \$6 billion collected for those sales (based on a *Kitchen Business* magazine estimate of the cost of the average kitchen sold during the year of 1966: \$2,100).

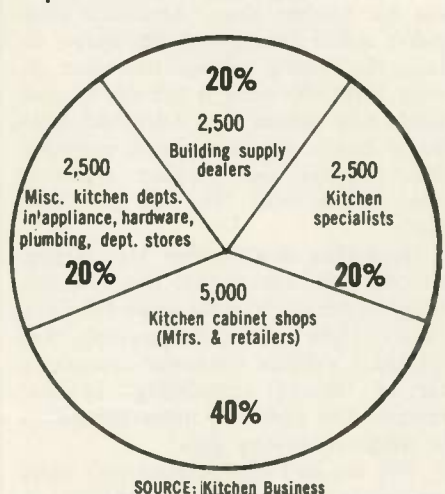
And for the future? The market is still growing, and, if manufacturer shipments of kitchen cabinets (up 12% over last year) are any indication, approximately 360,000 more people will be starting new kitchens in 1967 than during 1966. While housing starts have fallen off considerably, therefore hurting the new-kitchen business, remodeling work is up—giving the appliance-kitchen dealer an edge over his builder competition. If he's ready to jump, the appliance retailer will find a solid total-kitchen market—with ever-increasing emphasis on remodeling—ready to break his fall.

But even \$6 billion isn't enough to make an appliance dealer jump blindly—and the few-and-far-between market studies on the kitchen business are hardly an adequate seeing-eye dog. The only people who know the business, it would seem, are those who seek it out—the consumers who spent their money somewhere—and those who are already in it. What do they have to say? A number of dealers make their points on the following pages.

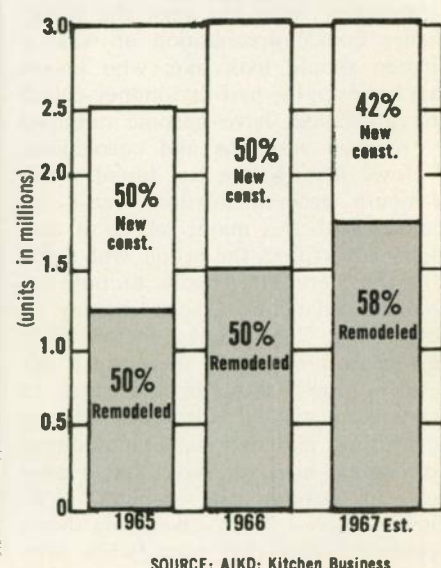
The total kitchen market: who buys and where they live

The Nation	Under \$10,000	\$10,000 & over		
Total U.S. households (58,313,000 homes)	75.2%	24.8%		
Those remodeling kitchens (1,400,000 homes)	63.5%	36.5%		
Spent \$1,000 or less	74.7%	25.3%		
Spent over \$1,000	61.5%	38.5%		
By Region*	NE	MW	S	W
Total households	26.4%	28.8%	28.3%	16.5%
Those remodeling	30.0%	31.6%	23.0%	15.4%
Spent \$1,000 or less	25.0%	35.8%	23.5%	15.7%
Spent over \$1,000	40.9%	22.3%	21.9%	14.9%
*Northeast: Me., N.H., Vt., Mass., R.I., Conn., N.Y., N.J., Pa.				
Midwest: Ohio, Ind., Ill., Mich., Wis., Minn., Iowa, Mo., N.D., S.D., Neb., Kan.				
Southern: Del., Md., D.C., Va., W. Va., N.C., S.C., Ga., Fla., Ky., Tenn., Ala., Miss., Ark., La., Okla., Tex.				
West: Mont., Idaho, Wyo., Coy., N.M., Ariz., Utah, Nev., Wash., Ore., Calif., Alaska, Hawaii.				
Source: 1967 Consumer Market Report, Daniel Starch and Staff.				

Consumer kitchen outlets: a profile of retail sales



New kitchens or remodeling: where the consumer action is



Is selling the total kitchen a headache or profit maker? It depends on who you ask...

To hear Mary Ann Kruce, owner of Western Kitchens in Pomona (Calif.) talk, extending the appliance business into kitchen planning is the only way for a retailer to keep pace with a growing consumer demand for the whole-house, total look.

And for the small appliance dealer, she says, kitchen merchandising can even mean the difference between success and failure of the business: "If I didn't offer kitchen planning as a sales gimmick, I'd be out of business in no time."

Ed Bean, manager of Nashville, Tenn.'s old-guard Allen and Bean Appliance Mart, tells a different story: "It's a low-profit business with a lot of headaches . . . a highly specialized business for someone who has nothing else to do but plan and sell kitchens." Bean had something else to do: he had a 17-year-old appliance business that required attention, and, although he hired a trained specialist to oversee the kitchen part of the operation, he found that there was simply not time for both.

It's the way to go, insists Mrs. Kruce; the logical direction for an appliance dealer to branch out. "Consumers just don't come into a store to look at appliances anymore," she says. "They want their kitchens planned, too—because of this new consumer attitude. We have to consider kitchen planning as part of our over-all appliance business."

Western Kitchens has kept up with consumer-interest fluctuations. When the store opened for business 15 years ago, it relied on building contractors for approximately 75% of its appliance business. Even as recently as 1964, Mrs. Kruce's business depended on builders for about 50% of the total volume.

That's changed. "Now, most of my profit—about 80%—comes from the remodeling market, and only about 20% from the building trade. Of the 80%," she estimates, "almost one-third of it was achieved because we offer kitchen planning services."

With the new trend toward remodeling work, appliance dealers like Mrs. Kruce headed toward the consumer to develop new sales channels and merchandising tactics. Whereas they previously worked through builders, today's appliance-kitchen dealers hit the customers directly. They appeal to the woman who has been inundated with kitchen information; who has seen the glossy shelter books' presentation of what a kitchen should look like; who knows that her once-the-best-that-money-could-buy appliances have become outdated by modern additions and corrections.

How? Mrs. Kruce has found word-of-mouth recommendations most effective. With this major source of customer advertising, the people who come into the store are "ready to buy appliances and ready to spend money on remodeling." She thinks that walk-in customers brought by newspaper advertising are "often in the store to browse, not to buy." General appliance advertising, and national manufacturer promotions, however, have done a great deal to develop the public's total-kitchen interest. Such advertising shows consumers what they want, while Mrs.

Kruce's supplementary pass-it-on system shows them where to find it.

They won't find it at Bean's. The Allen and Bean appliance business is still very active—in fact, annual volume has risen to just under the \$1-million mark—but the kitchen planning operation was killed off after its 2-year trial run. Enough time for a fair trial period? Enough time, as Bean tells it, to discover that there are some aspects of the business that almost nothing will correct, and that too heavy a strain was being put on the established appliance concern.

Allen and Bean followed all the rules. They divided the business into two distinct parts to prevent any confusing overlap from appliances into kitchens. Bookkeeping, selling, and administrative operations were separated. They hired an experienced kitchen planner, Nancy Hardaway, with a background of home economics and drafting. After 17 years of appliance success, they had acquired sufficient contacts and customer prospects to keep the business rolling for a while. They felt that there was a definite kitchen market in the Nashville area, and that they could best fill the market's needs.

The headaches were too great, they decided, despite the time and effort they had invested, and the \$100,000 they earned during the two years of operation. Expecting to receive the same type of co-operation from all suppliers that they had grown used to from appliance manufacturers, the new kitchen dealers found that defective merchandise was too often shipped. Cabinets, Beans suggests as an example, came in damaged and improperly cut. They wouldn't fit into the specified areas of the kitchens.

And what was the customer's reaction to a "flush" cabinet that protruded 2 inches from the wall? "I had customers holding up \$4,000 payments because of a damaged 15¢ plastic knob," says Bean.

The Allen and Bean operation also experienced a common ailment among kitchen dealers: a serious lack of personnel. Miss Hardaway, their original in-store designer, left for another kitchen firm—also since defunct—and Bean found it impossible to replace her. Rather than take the time to train a new designer for a business in which he wasn't happy anyway, Bean phased out his kitchen shop. Appliance sales didn't suffer because of the move. In fact, the store's volume has risen almost \$200,000 since it left the kitchen field. Any chance that Allen and Bean might return to the business, provided that designer and supplier problems were worked out? "Not for me," says Bean.

Headaches don't bother Mrs. Kruce, although she admits that some kitchen business variables could make for difficulties. Tight money, for example, has created a definite consumer caution as far as "luxury remodeling" is concerned. The public is more careful as to where its money goes.

"We are no longer dealing with naive customers," she says. "Advertising on radio and television and in newspapers and magazines has made the general

public more aware of prices, bargains, and quality." Giving a customer what she asks for, suggests Mrs. Kruce, is providing a limitless source of goodwill and favorable image-building.

"A satisfied customer is our best advertiser," and product pricing can contribute substantially to satisfying the kitchen customer. Careful pricing "gives both the customer and the builder security in knowing that our company is fair," according to Mrs. Kruce.

"We don't undercut or make special deals on purchasing with any of our customers. Our prices are steady, competitive, and fair. The contractor gets the same price as the consumer, although a handful of 'preferred builders' will get 'preferred pricing.'"

Mrs. Kruce considers Western Kitchens primarily an appliance store, with kitchen planning services a sales gimmick used to lure wavering customers into purchasing. "When we feel that we are losing a sale," she says, "we give the consumer a propaganda pitch on our kitchen planning and design services—a merchandising technique to woo the buyer."

Because she would rather work directly with consumers than with builders, the Western Kitchens manager will plan and design a kitchen with only a minimal order—but she insists that builders use her kitchen layout services for complete rooms.

The future of the kitchen business lies in remodeling work, predicts Mrs. Kruce, who expects remodeling to be her business' mainstay for at least the next 10 years.

The future of the kitchen business is some place other than in appliance outlets, predicts Ed Bean, who insists that the successful dealer generally cannot afford to devote the money, time, and effort required for kitchens to anything other than the main part of the business: appliances.

What about competition? Can the small kitchen dealer sell against the giants?

Is too-strong competition from big-volume dealers keeping the 'little guy' down?

Not likely. Consider Loerop Kitchens, a 40-year-old, family-owned operation in Berwyn, Ill. Ron and Alyce Loerop, the husband-and-wife team who manage the business today, hope for a \$25,000 volume increase during 1967 over last year's gross intake of \$75,000.

Volume isn't all that separates a Loerop-sized concern from a \$1-million kitchen giant such as East Orange, N.J.'s Barmark Kitchens. The big difference, suggests Mrs. Loerop, is one of market direction. And it is well-defined direction that can mean success for small-volume stores in a business that spawns its share of usurping "big guys."

Although the Loerop family began working with kitchens during the 20s, they originally concentrated on design work for builders. A growing kitchen remodeling market in the suburban-Chicago area, however, sent them packing to a new showroom, a new total-kitchen emphasis, and a new market direction, last April. Loerop Kitchens—in promotion, merchandising outlook, and, to some extent, in pricing—is now an upper-middle-class kitchen center, directing itself toward those who have the money for high-end quality, and want the personalized-service assurance that they will get it.

Barmark Kitchens, headed by Leo Lemchen and Marvin Waiman, started out the same way in 1947. The store concerned itself with the monied carriage trade, pricing its kitchens in the \$4,000-to-\$5,000 range. As the business expanded, and as the desire for total kitchen planning spread to all income groups, Waiman and Lemchen guided Barmark to its position as a something-for-everyone concern, and guided the annual volume to the \$1-million range.

There's a place for everyone in the kitchen business, suggests Mrs. Loerop. Admitting that there are obvious advantages to a big-volume business, she suggests that the little guy has his edge, too. The bigger dealers work more with contract builders, for example, which both increases the time necessary for the operation—what with financing delays that often occur—and decreases the profit for the job.

The small volume dealer, indicates Mrs. Loerop, very often acquires a

range and intensity of knowledge that the bigger dealer—with a separation-of-responsibilities staff—doesn't reach. He has to, she explains. A person who comes into the Loerop showroom is rarely a browser. He is a definite customer with established ideas of what he wants in his kitchen, and some knowledge of what is available to him. He has questions that his desire for a total-kitchen has developed, and the small dealer finds that he must have quick and ready answers.

Knowledge is the key to success in the kitchen business—knowledge of product lines, costs, family living requirements, and design elements: on this, the Barmark partners and the Loerops agree. How to get it? On-the-job training seems the best, indeed the only, way. Waiman and Lemchen started their business with appliance knowledge and merchandising backgrounds. The Loerops—he handles design and she does the decorating—supplemented their family-business experience with courses at local design schools, and participation in the American Institute of Kitchen Dealers (AIKD) Design School.

Barmark's Lemchen estimates that selling the total kitchen means selling about 1,000 different items—with knowledge to match the diversity. Regardless of volume, a kitchen business requires extensive managerial control, he says, of all facets—and control takes knowledge. "The kitchen dealer has to know how to find prospects, and keep them. He has to learn to control the flow of work, rechecking orders to insure that they are being filled accurately. He has to know each of the suppliers with which he works. He has to know prices and preferences."

The knowledge that has made Barmark among the most successful of the country's kitchen centers is used in establishing a complex system of organization. The 32-member staff, which includes nine skilled designers, is separated into installation, design, sales, and administrative divisions. Barmark handles about two-thirds of its jobs independently, subcontracting the remainder. The company has used its own standard contract forms—one for the showroom and one for its kitchen

departments in the Bambergers department store chain.

The Loerops are looking at the AIKD standard contract form, considering it for possible use in their business. The size of their operation necessitates heavy subcontracting, although they do have from two to five installation men working for them, depending on the work load. The Loerops work with fairly standard markups, ranging from 30% to 50% on total kitchens.

To the prospective kitchen dealer, both concerns emphasize that the way to make a business work is to go into it entirely. "It just isn't the time for an appliance retailer to get into the kitchen business unless he's completely serious about it," says Lemchen.

The appliance retailer, he explains, must be willing to separate his new kitchen business from his established appliance concern. Mixing the two just doesn't work. "We're appliance consultants," he says of his business, "for that is the only way to give kitchen customers exactly what they want." When a dealer attempts to mix an appliance business with a kitchen center, Lemchen explains, he ultimately compromises between customer preferences and his dealer-franchise responsibilities, and his integrity suffers.

Lemchen estimates that most of the kitchen dealers who were in the business when he and Waiman started have since left it. The reason? Insufficient knowledge played a part, coupled with a lack of sincere business desire and business integrity. At Barmark, the customers pay an average of \$2,500 to \$3,500 for a kitchen and they expect what their money warrants. Lemchen's advice: give them what they pay for.

The Loerops expect to stay in the business for some time. Success for the small volume dealer? Market direction, Mrs. Loerop re-emphasizes, is fundamental. Find your market and sell it. Whoever else comes along is just an extra break. To the new dealer, the Loerops recommend a strict specialization that will provide a basis for business expansion and an eventual broadening of scope and profit.



Barmark Kitchens, East Orange, N.J., is a big-volume kitchen dealer. It prides itself on its display mix of the eye-catching original and the fashion-conscious traditional. Kitchens in the Barmark showroom, above and on the cover, show an attention to functionalism, color and design

Photos above and on cover by The Robert M. Denelsbeck Studio

Starting a business:
is there still some
room at the top? ➡

THIS AUGUST AD IN LIFE AND POST WILL



Now! Your at the same

\$299⁹⁵

Price optional with dealer. Subject to fair trade where applicable. Prices slightly higher in the West.

Now you can choose between a top or bottom freezer model in your new GE refrigerator—for the same low price. About \$299.95! Both these big capacity models require very little space (they're only 30½" wide) and have all the features you want.

No defrosting ever—in freezer or refrigerator. Separate temperature controls for each section. Mobile Cold—forced air circulation for ideal temperatures throughout. Slide-out shelf. And these models come in a wide range of colors—Avocado, coppertone and white.

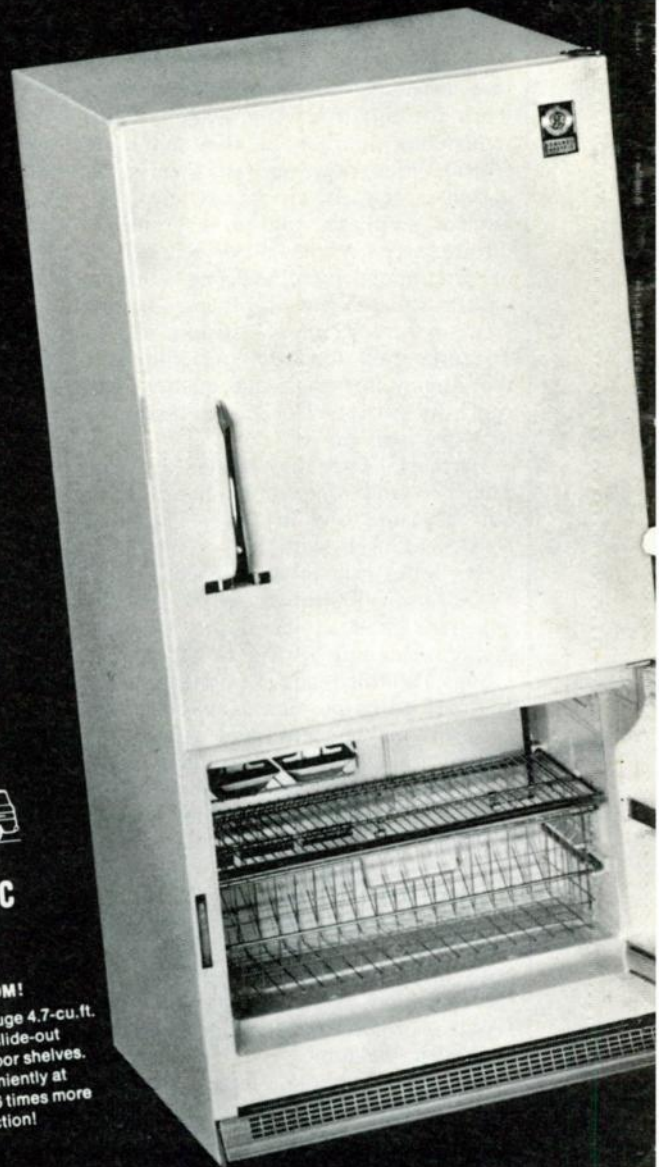
Top freezer? Bottom freezer? You decide. Both these fully-featured GE refrigerators are the same low price. About \$299.95! See them soon as you can.

Quality service wherever you live.



GENERAL  ELECTRIC

FREEZER AT THE BOTTOM!
Big 15.2-cu.ft. capacity. Huge 4.7-cu.ft. zero-degree freezer with slide-out storage basket and two door shelves. Fresh food section conveniently at top—because you use it 6 times more often than the freezer section! (Model TCF-15D)



DELIVER THE PROSPECTS.

choice low price

FREEZER AT THE TOP!

Big 15.6-cu. ft. capacity with giant 4.2-cu. ft. zero-degree freezer. Jet-freeze Ice Compartment freezes cubes extra fast and protects ice trays. Also two door shelves. (Model TBF-16S)

THEY'RE ON WHEELS!

Both models roll out on 6 sturdy wheels for easy cleaning. With adjustable "base stops" that let you fix them to the floor so they never stray out of position. Only GE offers you this!

BE READY TO CASH IN!

Be ready to cash in when this 2-page spread appears in LIFE on newsstands August 7th and SATURDAY EVENING POST on the 29th. Tie in your local advertising with this powerful national promotion.

Display models TCF-15D and TBF-16S under the "Your Choice" banner. In both size and price, you'll be appealing to 3 out of 4 families. Right at the height of the selling season, you'll be giving

them a choice of models with the most wanted features. Big capacity. No defrosting ever. Separate temperature controls. Wheels. And fashionable new avocado, coppertone or white.

Remember, prospects will be coming in to look over GE refrigerators—top to bottom. Sell them "Your Choice" for more volume and profit.

GENERAL  ELECTRIC

Is there room for beginners, or do the oldtimers have the business wrapped up?

Wrapped up? Maybe not entirely, but the older dealers certainly have a firm and highly advantageous grip on the kitchen business, suggests Lewis E. Schucker Jr., of Washington D.C.'s 30-year-old Kitchens Inc.

"Customers are becoming more and more conscious of quality," he says, and very often they measure quality by experience. Kitchens Inc., founded in the 1930s by Lewis Schucker Sr. (who is still active in the operation), attracts its customers through the appeal of its long-established name, spread mostly through customer referrals. Sufficient, even for an old-guard business? Sufficient to attract two Presidential contracts: one for the White House remodeling work of the early 1950s, and the other for a kitchen in a Kennedy-family home in Virginia.

"The biggest problem that the new kitchen dealer may face," suggests Schucker, "is the competition from the experienced people around."

But there is room at the top, counters William Bova, who was certain enough of it to expand his Appliance Kitchen Centers of New England to two Connecticut stores for increased kitchen business. A 20-year appliance veteran, Bova had always placed some store emphasis on merchandising the total kitchen. ("Every appliance dealer is something of a kitchen dealer," he explains.) He decided just less than four years ago, however, that the market was big enough to go after in "a big way."

"A big way" meant moving from a single office-showroom in Darien, to new added-floorspace quarters in that city and in New Canaan. It meant that modest partial-kitchen vignettes had to be augmented with total-kitchen displays, and that other kitchen concerns would have to be scouted for acquirable sales and design people. A considerable initial investment was involved to get the business off the ground and put it in front of the public.

The result? Bova's volume has risen from his \$150,000 pre-kitchen annual take, to today's \$500,000. "Our appliance background helped," he reasons, explaining that the reputation of his appliance store was a considerable draw to his area's kitchen market and that the two have developed into a perfect dual-business operation.

The Schuckers have held their volume to the \$250,000 range for some time. White House jobs not withstanding, the Schuckers prefer to keep their business away from high-pressure, big-volume regions. "We don't want to get so big that we don't know what we're doing. Some kitchen businesses have made the mistake of getting so large that the quality of their work decreases. Customers get tangled up in a kind of business beurocracy," explains Schucker.

Like Alyce Loerop ("Big Volume vs. Small," page 15), Schucker feels that there is a decided place in the kitchen field for small businesses.

"With us," he explains, "the customer knows that he will work with one person throughout the entire opera-

tion." The small-business personalization, he feels, allows Kitchens Inc. to keep out of the production-line type of merchandising. Customers who come into the showroom have the opportunity to talk at length about what they want their kitchens to be, what they want in them, without the annoyance of super-salesmen high pressuring.

But it's not a place to browse. Schucker makes plain his store's image as a kitchen dealer: a place to come after the decision to plan a kitchen has been made, not the place to make it. To this end, the operation relies heavily on customer referrals for new jobs. "Television and newspaper advertising has been unsatisfactory for us," he says, explaining that such promotions often attract "the wrong customers"—those that need a big sales pitch before making a decision.

Appliances? A necessary evil, says Schucker, who handles them only to be able to provide the complete kitchen package. In the Washington area, he says, the real kitchen people are not appliance dealers. Service and pricing headaches keep heavy appliance emphasis out of the kitchen field. "They just aren't worth the headaches."

Not true, says Bova, who disagrees strongly with those who feel that merchandising kitchens with what goes in them (appliances) doesn't work. Indeed, he indicates that an appliance background is all but essential for the successful kitchen dealer.

He recommends that the appliance dealer with an ample amount of devotable time and money could very definitely benefit by expanding into total-kitchens. The tight-money housing situation, he says, has shifted consumer emphasis from new homes to remodeling, and kitchens are high on the interest list. It is in remodeling that appliance dealers can find the greatest marketing success—away from builders, interior designers, and similar competitors. Bova's volume is approximately 90% remodeling work.

Schucker agrees that the money in the kitchen business is—if not strictly in remodeling—in personalized custom-kitchen work. Kitchens Inc. shies away from working with builders, even for the 35% of its volume that goes to new homes. The Schuckers work with the customers directly, rather than through contractors and outside designers, though they admit that the new kitchen dealer might find experienced building people to be a good source of guidance.

The best source of guidance, however, says Schucker, is the dealer's own common sense. A kitchen customer is interested in how she can expect her completed room to look, but this does not really necessitate expensive full kitchens in the showroom. Vignette settings are fine, as long as they are professionally designed and executed. The customer is impressed by a "homey kitchen atmosphere" that reflects what it will be like to work in her new kitchen. Obviously, indi-

cates Schucker, she doesn't want it to appear dirty and disorganized: "That would make her think of the way her own kitchen looks." She wants to see a careful attention to detail, as reflected by how the display floor looks, to give her assurance of the type of work that she can expect from the dealer.

Decorator items are important, agrees Bova, and they should be displayed with care. Without home-like extras on view, he says, "the kitchen showroom would look like a builder showroom." The store should look like it is part of a profitable operation, he continues, which takes neatness and care as well as money.

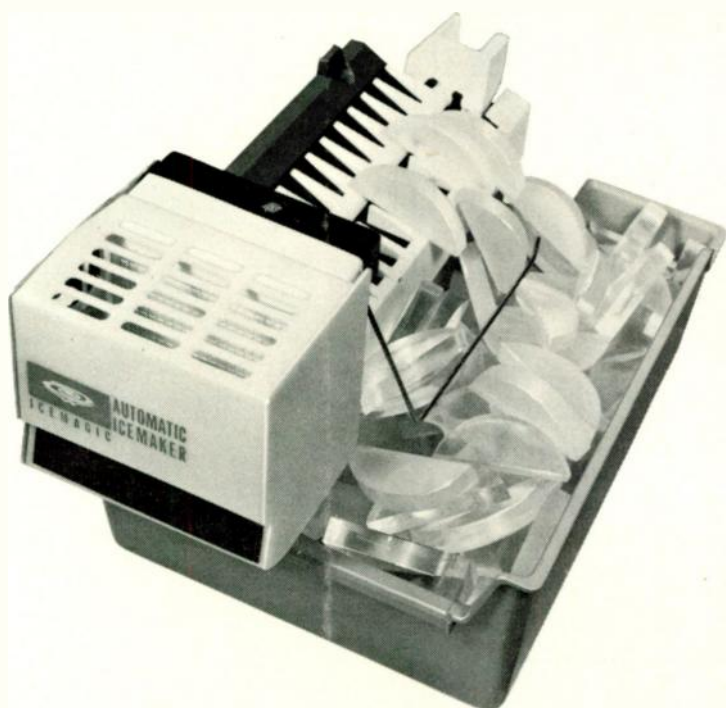
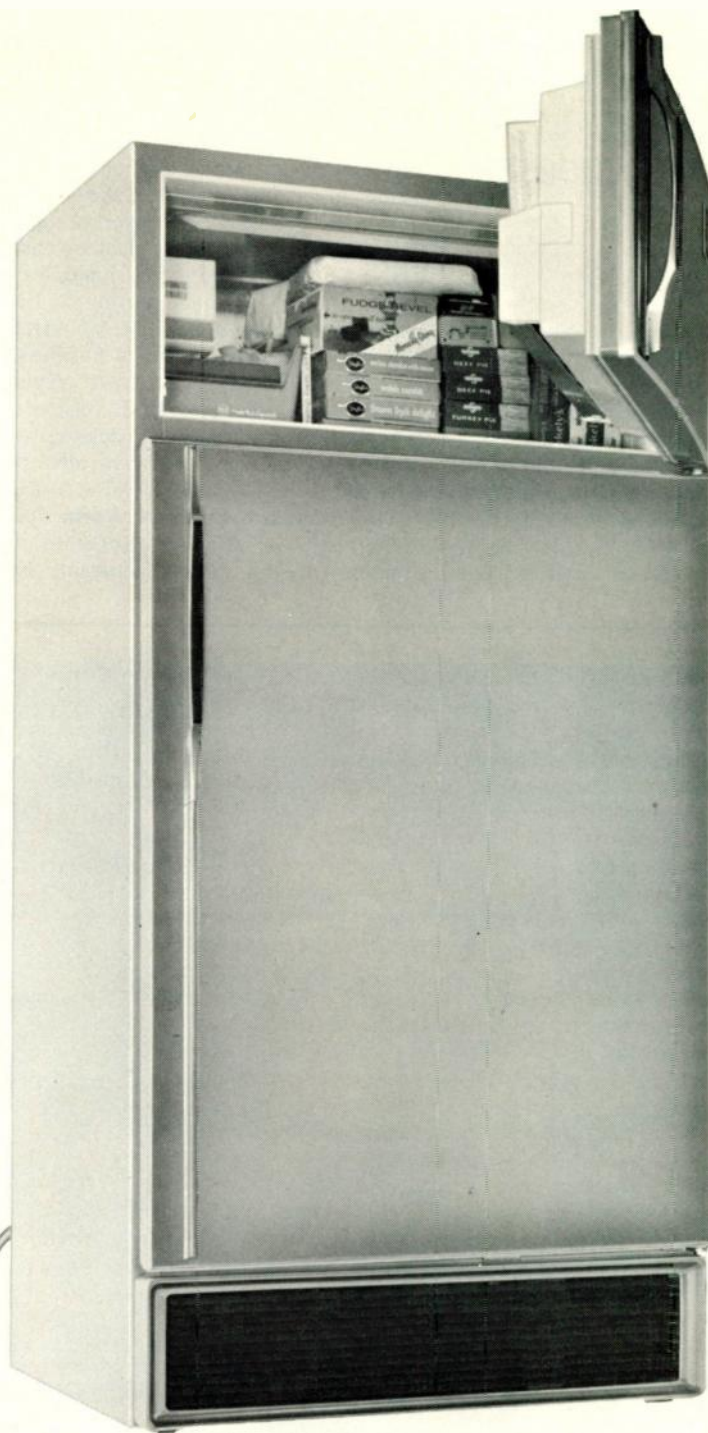
What's different about today in the kitchen business? New competition is the biggest change says Schucker. "When the store first opened, we had only two real competitors." While the number of active kitchen dealers hasn't substantially risen since then, the number of occasional competitors—those who get into the business and get out quickly, or are forced out with as much speed—is great. The new kitchen dealer should expect a good deal of competition from many sources, advises Schucker.

Another big change in the business—and one that is a definite advantage for the new dealer, says Schucker—is the formation of a trade organization, the American Institute of Kitchen Dealers (AIKD). The Institute, which has been in operation about as long as Bova's kitchen centers (4 years), offers planning guidance for new and old dealers that wasn't available to old-timers like Lewis Schucker Sr. The AIKD, while it does require that its members be in business for a certain number of years before they can be approved, is willing to provide information and advice to all kitchen personnel—those at the "the top" and those seeking to get there.

"Room at the top" for new kitchen dealers? Even the old-guard Schuckers admit that there may be some advantages to getting into the business without the certain-way-of-doing-things reputation that long establishment sometimes carries. As Bova sees it: "It's a new, innovating industry that needs its share of new people, as well as the old, to carry it through."

What about the AIKD?
What is covered by
the industry "umbrella?" ➡

Earl Pierce in San Francisco went to great lengths (150 feet) and sold 30% more Whirlpool automatic ice makers



The tried and proven automatic ice maker design . . .
over 1,500,000 in use.

It wasn't easy. It required 150 feet of water line "to give life" to a Whirlpool refrigerator-freezer with automatic ice maker on the sales floor of Brentwood Hardware in South San Francisco. But, that didn't stop Earl Pierce.

He . . . as any good salesman . . . knows that a live demonstration always makes a sale easier. So, it's not surprising that sales of more profitable IceMagic models are up about 30% at Brentwood Hardware.

If you're a Whirlpool dealer, by all means hook up one or more IceMagic® models for live demonstrations. Nothing else in the refrigerator business can beat

this sales feature "in action" for customer appeal.

If you're not handling Whirlpool, by all means talk to your distributor. He can give you many reasons why it's easier to sell Whirlpool than sell against it.

And you know what? He's right! Successful dealers like Earl Pierce know this to be a fact. That's why Mr. Pierce sells Whirlpool white goods exclusively.

Whirlpool
CORPORATION

KITCHEN PLANNING *continued*

AIKD blueprints plans and programs for a stronger industry

Problems and gripes are nothing new to any retailer, but for the kitchen dealer, whose stock-in-trade is service and that intangible, "taste," the problems can sometimes seem insurmountable. So kitchen dealers, through their 4-year-old-going-on-five industry association, the American Institute of

Kitchen Dealers, are trying to do something about it.

Under the guidance of director Klaus Paradies, the Hackettstown, N.J., based association relies on training programs, courses, standardized forms, and services to attack kitchen planning problems at their roots. Take for instance the problem of the verbal agreement. "Until now, many dealers based a job on the shake of a hand," explains Marvin Waiman, partner in Barmark Kitchens, and treasurer of AIKD. "Is that any way to run a business?" And those dealers who have experienced non-payment of bills, misunderstandings with customers, delays, and cancelled jobs, agree emphatically that it is not.

The Standard Contract Form (pictured below) is AIKD's answer to the problem of the verbal contract. For

the first time, the kitchen planning industry can rely on a standard, written agreement. The form, which was tailored by an AIKD committee to fit the special needs of its member dealers, consists of two parts: a standard agreement, listing the types of services contracted for; and a description sheet, itemizing the specific goods and services to be provided.

The standard agreement specifies: a one-year service warranty; a guaranteed delivery date; a provision that the purchaser will not cancel his order (unfinished jobs are one of the bugaboos fledgling kitchen dealers worry about most); a specification that only written agreements are binding; a provision for late payments; and an arbitration clause.

The form comes in sets of threes—one original, a customer copy, and a

file copy, and is available only to AIKD members, at \$14.95 per hundred, with an additional charge of \$7.50 per hundred if the dealer wishes his store name on the form.

To combat the delinquent account, AIKD has also devised a collection service, consisting of three dunning form-letters and a telephone answering service. Members can order a collection folder at \$3.50 per set of three.

A **Standard Accounting System** is also in the making, as AIKD attempts to help kitchen dealers unsnarl their finances. When completed, the system will consist of three parts:

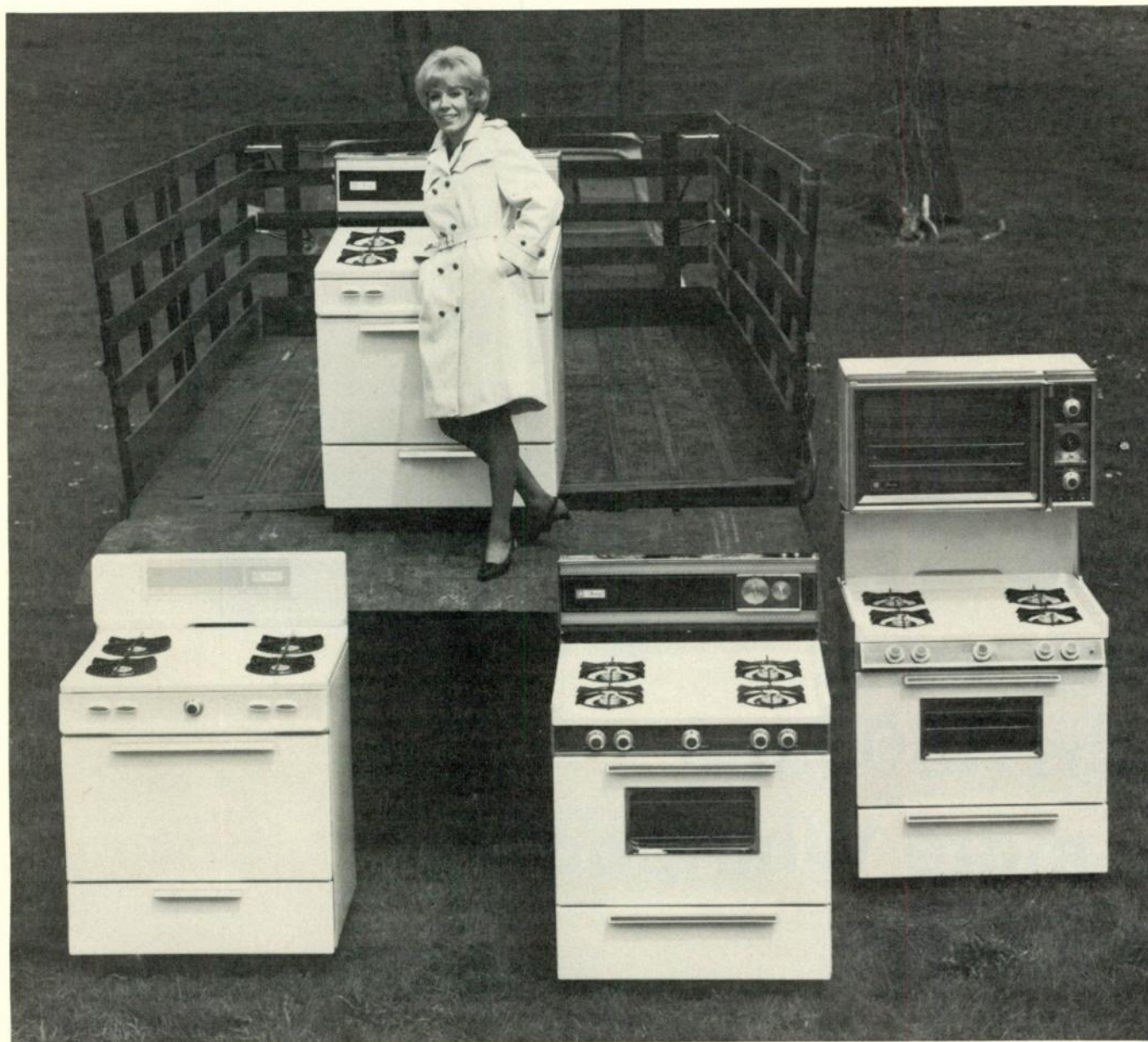
1. A standard manual, plus seminars for dealers and their personnel.
2. Simplified forms and methods which will adapt themselves to electronic data processing in the future.
3. A computer reporting and analysis service offering monthly profit-and-loss statements, income and expenditure analysis, salesmen's productivity analysis, sales analysis, and contract analysis.

Initially, the package will be available to AIKD members only, at \$85 per person; later, to non-members, at \$150 per person.

Schooling is the biggest need in the kitchen industry. There simply are not enough kitchen specialists to take full advantage of the market. Until now, apprenticeship to an expert was about the only method of training available. Now AIKD is trying to change all that.

Last summer, the association initiated a government-sponsored training program. The initial grant was \$39,241. Now the association wishes to raise another \$100,000 to form an accredited two-year academic program which could lead to a degree of Associate of Arts in kitchen planning.

The University of Illinois already has submitted an outline for such a program, and two colleges—Danville Community College in Ill., and Orange County College in N.J.—have expressed an interest in adopting the program.



Your customer is taking home a model that increased your gross 53%.

Because we planned it that way.

She came in to look at the budget priced model on the left. Your salesman did a good job by pointing out the features on a slightly higher priced model.

Features she always wanted and was more than willing to pay for.

But the lady didn't pay 53% more. Of course not. She only paid about 18%.

Of course, she bought the "first switch." You'd have done even better if your salesman had moved

her on up.


We planned this, too.

The four ranges in the picture were designed with step-up features that are worth a great deal to the housewife . . . but which cost you relatively little.

Can you see why we call our line a "dealer line"? It's designed to be good for the dealer. And if it's good for you, it's bound to be good for Sunray.

Anyway, that's our philosophy.

You can make money with Sunray...because we planned it that way.



Standard Form of Agreement for Kitchen Design and Installation

APPROVED BY THE

AMERICAN INSTITUTE OF KITCHEN DEALERS

BETWEEN	SIGNED
AND	PUBLIC #3509
WOMED ADDRESS	
	ZIP CODE
PHONE NUMBER	
DELIVERY ADDRESS	

I, SELLER, AGREE TO FURNISH THE MATERIALS AND SERVICES SET FORTH IN THE
 GROUPED AND DESCRIPTION SCHEDULE HEREIN. PUBLIC AGREES TO MAKE PAYMENT
 THEREFOR ON RECEIPTANCE OF THE SCHEDULE OF PAYMENT.

UNION SCHEDULE OF THIS AGREEMENT	\$	
UNION DELIVERY OF	\$	
UNION DELIVERY OF	\$	
UNION INSTALLATION OF	\$	
TOTAL	\$	
SALES TAX	\$	
TOTAL PUBLIC PRICE	\$	

ACCEPTED

SIGNED

ACCEPTED

PUBLIC #3509



The Sunray Stove Company • Delaware, Ohio

**There's still time
to get your name
on this ad.**

**You've never seen
values like this before...**

**because Philco-Ford has never
had a Diamond Jubilee before.**



16 cu. ft. Refrigerator/Freezer. No defrosting ever!

No defrosting ever in either refrigerator or freezer. Giant, 152-lb. freezer. Instant Cold—chills faster, better. Thin-wall insulation—more room inside, same floor space. Twin porcelain-enamel criques. Model 14RT90C.

Diamond Jubilee Price: Only
\$259^{95*}

Automatic Washer

Permanent Press wash
down cycle. Permalin-
seamed top and lid
Hot fiber dispenser
Water level selector
Matching Philco dryer
(gas or electric)
available. Dryer shown.
DA6422, only
\$125.95*

Diamond Jubilee Price:
\$164⁴⁴*



Tilt-Top Automatic Electric Range

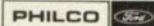
Electric Range
White cooking surface lifts up—wipes away spills in seconds. Lift-off oven door with glass window. Built-in storage space. Fully automatic controls.
Model 305PTB
Diamond Jubilee Price:

Only \$199⁹⁵*



Family-Sized Dishwashers

Takes all dishes, cutlery, pots, pans for 12 table settings. Detergent wash, 4 times. Cycles in energy-saving system. Model KJ1702. **Amazon Jubilee Price:** Only

^S124⁴⁴

See the Diamond Jubilee Specials at these Philco-Ford dealers today.

[illegible]

It's not too late to get in on the biggest appliance event in Philco-Ford's history—the Diamond Jubilee Special.

Powerful newspaper ads like this will run in over 100 of the biggest-circulation newspapers across the country. Every one of them carries full dealer listing. And there are 3 more to come.

And that's not all. A big 2-page spread has just run in Life, Look and The Saturday Evening Post. It is being seen by thousands of potential customers in your area.

There are still plenty of newspaper ads to run. Your name and address could be on them. Call your Philco-Ford Distributor today for the details.

PHILCO



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

Sign up for the big one - three big selling weeks left.

TAPE PLAYER-REORDER NEWS



□□□□ **New markets for tape** loom ahead, as prerecorded tape goes the record route, with monthly clubs and subscription services. Whether the new clubs help the retailer by opening new markets, or harm him by bypassing him, they are a

force to consider. It was Columbia Records which first set the tape-club reel spinning, some years ago, with a reel-to-reel subscription club. Now a new company has carried the concept to its logical extension with a tape cartridge club.

□□□□ **Tape-of-the-Month-Club** is the name of the new cartridge subscription club, and of the company which sponsors it. The California-based company uses the lure of a free cartridge player to sell cartridge tapes. Here's how the system works: Customers who respond to a Tape-of-the-Month ad—four ads have run so far—get their choice of a 4-track automobile player with speakers, or a 4-track deck for the home. In return, they agree to make



an initial purchase of six cartridges, plus one additional cartridge each month for a year. The players come from Japan, and the fact that they are 4-track is well hidden in the ads that have appeared so far.

"Customers don't know the difference between 4 and 8," says LeRoy Rodde, president of the firm. He chose 4-track units, because he feels they are less likely to need repairs than 8-track players, and service comes hard to a mail-order firm.

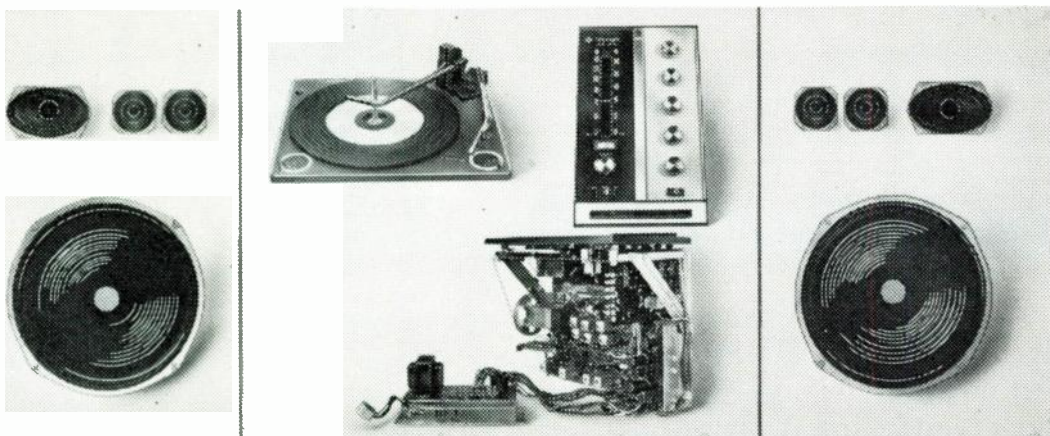
While Rodde is new to the cartridge field, he does have a dining club and music business background. His engineer, Julian Black, was once with Muntz Stereo-Pak; other staff members came out of real estate.

□□□□ **Columbia's club** — the Columbia Stereo Tape Club — is, on the other hand, a direct off-shoot of the record company's experience in the record-club field. No equipment—only free tape—is used to promote subscriptions to the club, which specializes in reel-to-reel stereo tapes for the audiophile. Ads for the club, which is divided into popular and classical sections, run in magazines like "Esquire" and "Playboy."



OUTSIDE

- Distinctively different, authentically detailed Mediterranean styling
- Beautiful furniture cabinets, handcrafted in genuine Pecan veneers
- Full 60-inches wide, moves easily on oversized Roll-a-Round casters!



INSIDE

- Solid State! Stereo FM, FM/AM Radio, deluxe Stereo Hi-Fi Phono
- 100 watt peak! Power transformer, preamplifier, AFC, three-stage IF
- 8 speakers! 2 giant 12" concert-type woofers, 2 mid-range, 4 tweeters
- Exclusive "2-at-Once"! Radio and phonograph, in two separate rooms!

Inside and out, only Olympic builds a complete line of stereo "Money-Making Machines" for you!

Olympic.



LEAR SIEGLER, INC. OLYMPIC RADIO & TELEVISION DIVISION, LONG ISLAND CITY, N. Y. 11101



The Far East import picture: multibands up average radio \$

As Japan upgrades its transistor radio business, with 53.4% of its transistor radio imports to the U.S. in the multiband category (compared to 45.7% in the first two months of the year), the average f.o.b. price is up more than \$2. The average price of a Japanese transistor radio in May, 1967, was \$9.66, up from \$7.39 in the same month last year.

While neither Hong Kong nor Okinawa seems to be upgrading its product

mix, average radio prices are, however, rising. For Hong Kong: \$2.92 in May, 1967, compared to \$2.31 in May last year. For Okinawa: \$3.87, compared to \$2.76.

Dramatic spurts in radio imports came from Taiwan, up 373% over May, 1966, and South Korea, up 1,387%—as these two countries begin to establish a footing in the U.S.

U. S. Imports From Japan +

	PERIOD	UNITS			DOLLARS		
		1967	1966	% chge.	1967	1966	% chge.
Television, Total	MAY	99,040	88,858	+ 11.45	7,236,554	6,247,662	+ 15.82
	5 MONTHS	545,110	444,354	+ 22.67	42,918,607	29,195,404	+ 47.00
Television, B&W (10 inch & under)	MAY	24,234	—	—	1,345,947	—	—
	5 MONTHS	141,333	—	—	8,334,194	—	—
Television, B&W (over 10 inch)	MAY	56,698	—	—	2,898,872	—	—
	5 MONTHS	299,397	—	—	16,652,659	—	—
Television, Color (10 inch & under)	MAY	582	—	—	94,072	—	—
	5 MONTHS	1,232	—	—	151,835	—	—
Television, Color (over 10 inch)	MAY	17,526	—	—	2,897,663	—	—
	5 MONTHS	103,148	—	—	17,779,919	—	—
Transistor Radios, Total	MAY	860,687	749,498	+ 14.83	8,314,767	5,536,426	+ 50.18
	5 MONTHS	4,296,326	4,196,201	+ 2.38	35,555,779	29,719,616	+ 19.63
Transistor Radios (AM only)	MAY	365,165	—	—	2,368,235	—	—
	5 MONTHS	2,127,801	—	—	10,941,644	—	—
Transistor Radios (FM, AM-FM, Multi Bands)	MAY	452,898	—	—	5,446,445	—	—
	5 MONTHS	1,942,288	—	—	21,927,169	—	—
Transistor Radios (Auto)	MAY	42,624	—	—	500,087	—	—
	5 MONTHS	226,237	—	—	2,686,966	—	—
Tube Radios	MAY	134,199	79,855	+ 68.05	1,392,694	890,580	+ 56.38
	5 MONTHS	574,160	430,411	+ 33.39	5,542,490	5,276,986	+ 5.03
Phonographs, Total (incl. tape players, record changers)	MAY	135,651	58,441	+132.11	1,915,410	989,884	+ 93.49
	5 MONTHS	544,431	276,382	+ 96.98	8,570,432	4,466,691	+ 91.87
Phonographs (with speakers)	MAY	17,001	—	—	206,329	—	—
	5 MONTHS	122,465	—	—	1,565,189	—	—
Phonographs (stereo)	MAY	8,946	—	—	135,091	—	—
	5 MONTHS	46,186	—	—	743,055	—	—
Phonographs (monaural)	MAY	8,055	—	—	71,238	—	—
	5 MONTHS	76,279	—	—	822,134	—	—
Phonographs (without speakers)	MAY	3,326	—	—	30,337	—	—
	5 MONTHS	5,016	—	—	46,284	—	—
Tape Players (Auto)	MAY	80,882	—	—	1,253,372	—	—
	5 MONTHS	272,100	—	—	5,196,285	—	—
Tape Players (other)	MAY	34,442	—	—	425,372	—	—
	5 MONTHS	144,850	—	—	1,762,674	—	—
Radio-Phonos	MAY	75,049	51,957	+ 44.44	1,029,300	793,652	+ 29.69
	5 MONTHS	300,750	166,742	+ 80.36	4,616,437	2,774,172	+ 66.40
Radio-TV-Phono Combos	MAY	192	—	—	19,008	—	—
	5 MONTHS	620	—	—	69,881	—	—
Tape Recorders*	MAY	—	—	—	5,294,966	—	—
	5 MONTHS	—	—	—	27,033,291	—	—
Transceivers	MAY	225,329	—	—	1,803,484	—	—
	5 MONTHS	992,050	—	—	7,691,439	—	—

U. S. Imports From Hong Kong +

Transistor Radios, Total	MAY	372,258	539,822	- 31.05	1,085,882	1,248,764	- 13.05
	5 MONTHS	2,170,325	2,532,308	- 14.30	6,432,891	6,431,074	+ .02
Transistor Radios (AM only)	MAY	278,285	—	—	711,793	—	—
	5 MONTHS	1,773,225	—	—	4,916,461	—	—
Transistor Radios (FM, AM-FM, Multi Bands)	MAY	93,973	—	—	374,089	—	—
	5 MONTHS	397,100	—	—	1,516,430	—	—

U. S. Imports From Okinawa +

Transistor Radios, Total	MAY	24,700	76,843	- 67.86	95,614	211,762	- 54.85
	5 MONTHS	153,472	246,850	- 37.83	508,792	674,608	- 24.58
Transistor Radios (AM only)	MAY	20,876	—	—	79,868	—	—
	5 MONTHS	109,732	—	—	361,783	—	—
Transistor Radios (FM, AM-FM, Multi Bands)	MAY	3,824	—	—	15,746	—	—
	5 MONTHS	43,740	—	—	—	—	—

U. S. Imports From Taiwan +

Transistor Radios, Total	MAY	187,856	39,736	+372.76	724,499	143,700	+404.17
	5 MONTHS	754,384	513,794	+ 46.82	2,786,117	1,383,812	+101.33
Transistor Radios (AM only)	MAY	102,466	—	—	307,111	—	—
	5 MONTHS	515,984	—	—	1,504,374	—	—
Transistor Radios (FM, AM-FM, Multi Bands)	MAY	85,390	—	—	417,388	—	—
	5 MONTHS	238,400	—	—	1,281,743	—	—

U. S. Imports From South Korea +

Transistor Radios, Total	MAY	22,300	1,500	+1,386.66	81,074	5,075	+1,497.51
	5 MONTHS	63,192	55,975	+ 12.89	281,274	191,088	+ 47.19
Transistor Radios (AM only)	MAY	21,000	—	—	77,663	—	—
	5 MONTHS	52,878	—	—	219,488	—	—
Transistor Radios (FM, AM-FM, Multi Band)	MAY	1,300	—	—	3,411	—	—
	5 MONTHS	10,314	—	—	61,786	—	—

+ Source: United States Customs.

*Tape Recorder \$ figure includes dictating and transcribing machines.

□□□□ Pay-tv talks are on again at the FCC. The Federal Communications Commission reversed its pay-tv subcommittee and ordered further oral arguments this fall, on whether or not to authorize a nationwide, over-the-air subscription television system. The 3-man subcommittee had recommended authorization without further hearings.

After Harley O. Staggers (D-W.Va.), of the House Commerce Committee had protested that the FCC was about to authorize pay-tv without consulting him or his committee, the Commission made a purely political decision to continue the talks. The Commission also says it will make a further study of the possibility of authorizing cable pay-tv, using community antenna tv systems.

□□□□ Music bootlegging may go the way of plagiarism.

Bootlegging, the bugaboo of record companies and cartridge tape duplicators, got a right to the chin recently, when Capitol Records won the first California record "piracy" suit involving cartridge tape duplicators. Capitol had sought injunction and damages against Frank D. Campoy, owner-operator of Record City, for unauthorized duplication of Capitol material on cartridge tapes. To date, bootlegging has been one of the major problems facing prerecorded cartridge tape manufacturers. About 5% to 10% of the 8-track business and 30% to 40% of the 4-track trade is being lost to bootleggers, according to industry experts.

□□□□ An answer to the voice-only tape recorder?

GE is test-marketing a new method of voice recording: a recording phonograph. Labeled a letterwriter-phono, the unit is being tested through Spiegel's fall-winter catalog and at retail outlets in Indianapolis, Ind. With a telephone receiver-type microphone through which it can record up to 4½ minutes of messages on 33 1/3rpm discs, the 6-lb., solid-state machine comes in a styrene case at \$49.95 retail. A 1-lb. package of 25 discs is priced at \$3.

□□□□ EIA-AEM merger talks collapsed when the as-

sociations failed to agree on changes in respective bylaws. Presidents Ira L. Landis of the Assn. of Electric Manufacturers Inc., and Robert W. Galvin of the Electronic Industries Assn. said the two groups would continue as independent but cooperative associations. EIA membership bylaws exclude some companies currently belonging to AEM, and the former was unable to extend full membership rights to the entire AEM group.

□□□□ Video tape recorders are popping up all over.

Craig Panorama's entrance into the field came at the National Audio-Visual Assn. Convention, last week in Chicago; the company showed its 6401 helical-scan, ½-inch tape vtr system, priced at \$1,035 for the deck alone. The b&w deck is already on the market, and a color adapter plus color monitor will be added in September, at a price of \$1,100. Farther in the future are plans to market pre-recorded video tape, probably under the Craig label.

Panasonic is bolstering its line of vtrs with a prestige mailing piece that pushes last year's NV8000 as well as the high-style NV8100 vtr introduced for \$1,100 at the Consumer Electronics Show. In non-technical terms, the lushly illustrated booklet explains the uses of vtr in education, industry, science, show business, and sports. In January, Panasonic will add a \$1,000 color adapter to its vtr line.

CATV

how it changed the retail picture and revived a town's tv dropouts

Tv retailers in the scenic Berkshires are singing a new tune about CATV. The chorus of opposition to community antenna tv—lucrative antenna business down the drain—has mellowed to acceptance and even enthusiasm for growing retail color tv sales.

Cable tv installations began in Great Barrington, Mass. (population 7,100), in early May. Prior to the cable hook-up, tv reception was limited in most sections of the community to two channels. Only in some places were homes located high enough that three to four channels were received with private antennas.

The antenna business, in fact, was the financial mainstay of small shops in the area, and when High Fidelity Cable TV Co., a division of Billboard Publications, Inc., began stringing its cable system, retailers were united in opposition. For them the cable meant the loss of antenna sales and a possible infringement on their repair business. Promises from the cable company of expanded tv sales, particularly in color, as more and more residents tuned in to the cable, was received with skepticism. Attempts of the cable company to solicit dealer cooperation failed.

In Great Barrington today, however, the tide has changed. Skepticism and indifference have been supplanted by enthusiasm, sometimes even vigor. And this goes not only for the CATV subscribers, who now receive 12 channels instead of two, but also for the majority of retailers.

Local merchants, interviewed recently by Merchandising Week, agreed that the business tempo is gaining momentum. A good color tv market, they said, is within grasp, now that nearly 1,000 persons have subscribed to the cable system.

Herman Morelli, local General Electric and RCA dealer, called the coming of CATV "the best thing that could happen to the area." But at Morelli's Barrington Electric Shop, sales are still in a summer slump. "Right now," Morelli said, "a few people are buying because of the cable, but sales won't really pick up until September when people get back into their houses."

At Sears, across the street, the outlook was even more peppy. Store manager William Buck said, "I'll bet on a 100% increase in color set sales over the past year, and we'll probably sell more b&w's, too."

Buck attributed the store's slow turnover of color sets to poor reception. "Right now we've got \$600 in antenna equipment on the store's roof," he said, "and we still can't get a clear picture. We're lucky to sell a set off the floor; it's that bad."

Each of the nine appliance-tv dealers interviewed expressed similar points of view; each was certain that CATV would bring a big boost in tv sales, particularly in color.

Fred Vorck of Dewey Electric and William S. Gallup of the Snyder Store, the area's Zenith and Emerson dealers, agreed that the cable's stronger signal would spur color sales.

But the "better times around the corner" attitude was not without reservation. Some outright criticism of the new system came from Philco-Ford dealer John Modolo, owner of Modolo Bros.

Modolo's criticism was that High Fidelity Cable had encountered "regeneration" problems, which involved leakage of radiation from the cable. This causes interference with sets not connected with the cable, he said. These problems are caused by "human failings" and can be cleared up, but they have not been resolved yet, he said.

"Also, I think it's ridiculous," Modolo continued, "that the service leaves pockets of the community that aren't hooked up, even though in some cases those residents affected are willing to pay."

A response to Modolo's criticism came from Warren B. Syer, manager of the cable company and publisher of High Fidelity magazine.

Acknowledging what he called a natural run of difficulties, he said, "We may never completely overcome all these technical problems, no matter how fast we work. But the installation has gone smoothly so far. We haven't had any problems we couldn't clear up within a moment's notice."

According to Syer, about 95% of the Great Barrington area eventually will have access to the 33.7-mile-long cable. One mile of cable, he said, costs the company \$4,000. With this expenditure involved, he said, about 25 subscribers are required within a one-mile section to make the investment profitable.

Syer had criticism of his own for the local merchants. He said that they did little to encourage the presence of cable tv, and that, through their indifference and skepticism to promotional programs, they had actually missed opportunities to capitalize on CATV as a merchandising tool.

As an example, Syer cited the meeting he had called in early spring to explain to local tv dealers how CATV worked. At the meeting in his office, Syer presented details on his company's installation campaign through which those people subscribing to the cable within the opening period could have the cable hook-up installed at a reduced rate of \$9.95. After that, the installation charge would be raised to \$25. Local dealers were given first crack at the installation business, and Syer asked that the group give him a service charge rate.

Then the dealers asked him to leave his office, he explained, while they discussed the matter among themselves. When he returned, he said, they gave their price—\$19.95. That was just for the hook-up, he said, which takes less than an hour.

Syer turned down the dealers and hired off-duty telephone men within the area at about \$5.00 per hour. The dealers protested. They carried their grievance to Great Barrington residents, warning homeowners that any adjustment of their sets must by law be made by licensed repairmen.

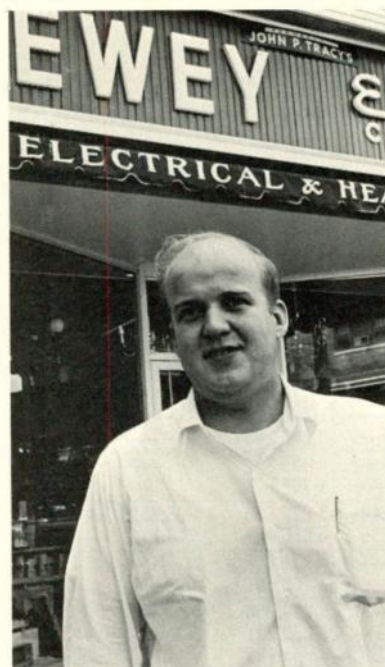
Gradually, the tension has lessened. And as increasing numbers join the cable program, consumer interest in tv quickens. The merchants have come to realize that CATV is a bonanza. For the first time they have a good market shaping up for color tv receivers.

Fall profit for tv retailers is expected to be the result of summer-sustained optimism over CATV.

—Neil Spann



Sales staffers at the Sears store, Louise Sigorski and Ray Vignault, have three sure sales if they tune in Batman on one of the 12 channels.



Dealer Fred Vorck says CATV will increase his sales of color tv.



"Human failings" are bugging the new cable tv system, says Philco dealer John Modolo.



GE-RCA dealer Herman Morelli (left) says the new cable system is the "best thing that could happen" to his sales area.

EXTRA CARE makes the quality difference at Zenith



We put the show on the road

Every new Zenith TV chassis design is thoroughly tested. In the laboratory. And under the toughest conditions in the field, such as in very weak signal areas or where electrical interference poses problems. A mobile laboratory truck goes to the test area. An antenna like those used by local viewers is erected. Then Zenith's

proposed new chassis is tested against standard Zenith sets. And against competitive TV. No Zenith chassis goes into production until we have field tested it to be sure it will deliver superior performance under various signal conditions. Extra care like this makes the quality difference in Zenith Handcrafted TV.



ZENITH The quality goes in before the name goes on®

□□□□ **The Westinghouse-Zodys match was confirmed** early last week, after a week of trade speculation that the manufacturer would take over the leased appliance-tv departments in Zodys' eight Los Angeles-area discount stores (MW, 17 Jul., p.3). W.C. Busbin, vice president in charge of distribution at Westinghouse Appliance Sales and Service Co., admitted that the company plans to fill the appliance-tv void created at Zodys when the former lessee, Dorn's Stores, left about six weeks ago.

In his statement, Busbin explains that Westinghouse plans a heavy advertising program. "The combination of a full-line display of merchandise along with strong advertising is expected to generate more volume for all Westinghouse dealers in the market," he said.

□□□□ **An AGA-GAMA meeting on home appliances** will replace the traditional American Gas Assn. all-gas-industry conference in 1968. The Gas Appliance Manufacturers Assn. will cooperate in sponsoring the research-development-marketing conference and will exhibit with the AGA next Feb. 25-27, in Washington, D.C. The exhibit section of the special-focus conference will be an enlarged version of the suppliers' exhibit sponsored for 35 years by the Institute of Appliance Manufacturers, which recently merged with GAMA.

□□□□ **New refrigerators and freezers from Fedders**, which arrived in New York City-area retail stores last week, include a 32-inch, 18-cu.-ft., side-by-side combination that the company calls "the smallest in the industry." The frost-free unit, which carries a 1-year service policy, is being fair-traded in New York at \$389.95. The combinations so far announced are all side-by-sides or top-mounts, available in white, avocado, or coppertone. Prices range from \$389.95 to \$569.95 for a 22-cu.-ft., frost-free, side-by-side with an automatic icemaker. Freezer models begin at \$189.95 for a 12-cu.-ft. unit, and extend to \$269.95 for a 20-cu.-ft. model.

□□□□ **No move for Westinghouse appliance production** is the word from a company spokesman, denying trade reports (MW, 17 Jul., p.6) that some majors would be shifted out of the Mansfield, Ohio, plant to facilities in Columbus. Home and commercial laundry equipment and ranges are now produced in Mansfield. However, as reported, Westinghouse will phase out housewares manufacturing at the plant.

□□□□ **NARDA offer "Waltz through Washday" help** for its member dealers. Tabletop ironing boards will be available to laundry equipment retailers for use as 99¢ traffic builders during this fall's U.S. Steel-sponsored promotion.

□□□□ **Sylvania will light up appliances and electric housewares** with its Panalux lamp panels, newly adapted for kitchen use. Tappan, Modern Maid, and Hotpoint are working with the lighting manufacturer in developing uses for the solid-state controlled system, which has long been available in home electronics products. Timers and control panels with Panalux lamps can be read in the night-light-like illumination produced. Some air conditioner manufacturers, including Fedders, are also considering the system; but no production orders have yet been set.

Have manufacturers given up on the 1967 appliance year?

If the appliance industry has "thrown in the towel on 1967"—as the *New York Times* reported last week—then newly compiled manufacturer sales totals for the first half are going to spark a few hasty retrievals.

"The appliance industry—both gas and electric versions—have just about thrown in the towel on 1967. There are exceptions in the case of individual appliances, but most are hoping now to limp through this year and look for improvement in 1968," suggested a business reporter in last Monday's *Times*. The basis for his conclusions of industry pessimism: disappointing—and outdated—4-month shipment totals, from January through April, as reported recently in other trade publications.

Six-month totals, however, show that any industry-wide write-off of this year (if any was truly made, and manufacturers heartily deny it) has been made prematurely. The individual appliance "exceptions" cited by the *Times* have proven enough to balance the sales slumps that tight money—and the understandable consumer caution that resulted—have brought about.

In fact, if manufacturer sales trends since 1960 are any indication, total 1967 manufacturer shipments of major appliances will exceed those of 1966 by approximately 2%, or 414,200 units.

There are increases...

Air conditioners and clothes dryers—both up substantially in sales over 1966 first-half totals—are the foundations for the increase. Projected 1967 shipment totals indicate that dryers—gas and electric combined—will be up 11.2% in 1967, to 2,680,800 units. Air conditioners? Up a healthy 33.4%, to a 4,740,500-unit total predicted for the year. Additional increases projected for dehumidifiers and freezers contribute to the estimated rise in 1967 shipments.

The new 6-month figures provide the basis for revised appliance projections; and they are a substantial improvement over the disheartening 4-month totals. While still no cause for cheering, new figures point to an "It might have been better, but it certainly could have been worse" year for the industry.

While the weather—considerably cooler than during last year's peak-season heat wave—has made it more difficult for dealers to move air conditioners off the floor, manufacturers shipped 49.17% more units through June 30, 1967, than during the comparable 1966 period. Last year's big-demand, no-supply pressures forced the over-1-million-unit increase. And, since manufacturers traditionally ship about 65% of their annual air conditioner output during the first half, a predictable second-half slowdown in new orders should not substantially affect the year's total upturned record.

Dehumidifiers began a strong upward shipment trend in June. The 46.13% rise over 1966 figures contributed to the product's 9.89% 6-month increase.

Dryers? Gas units rose 2.09% for the first-half, and electric models increased by 6.73%.

Breaking down 1967 appliance shipments into two main product areas shows that laundry equipment (all washers and dryers) will increase by a slight .67%—projected, again, on the basis of first-half figures. All other majors—air conditioners, dehumidifiers, dishwashers, disposers, freezers, electric and gas ranges, and refrigerators—will exceed last year's shipments by about 2.2%.

and some decreases...

There are minuses. The Gas Appliance Manufacturers Assn. recently admitted that manufacturer sales of gas-powered appliances for 1967 will not be up to 1966 levels. Gas ranges, for example, will be off about 7% for the year, if first-half sales results continue to be the rule. Electric ranges will be even worse off, with an 11.7% dip predicted for the year. Disposers will be hardest hit: down 12.3% for the year, as based on the 14.92% 6-month dip. Refrigerators, down 9.81% for the first half, will better their sales records during the rest of the year, but will still come out of 1967 6.1% behind 1966. Automatic washers will fall about 4.9% cutting back the laundry-equipment increase for the year to its less-than-1% margin.

Tight money could loosen up, of course, sending a bit of financial adrenaline to the appliance sales nerve center, and the year's sales totals well above those for 1966. Or, another prolonged hot spell could send air conditioner sales soaring to meet thermometer readings. Generally, however, the first half should be a fairly good indication that the year will remain no worse (considered on an all-product cumulative basis) and not much better than 1966. (See Industry Trends, p.10. for complete figures.)

but no 1967 'write-off'

As far as reports that the industry has "written off" the year go, appliance manufacturers seem to be the last to know. Has Whirlpool, for example, thrown in the towel? "Absolutely not," commented a spokesman. "The year to date has not been that bad, and the remainder should continue to show improvements. While manufacturing costs have risen and cut down somewhat on total earnings, sales are very good. It may not be a record year, but it will be very close to 1966. In fact, all the pessimistic talk about this being a bad year is a contributing factor to keeping business down," he said, referring to the *Times* article.

Frigidaire? "The industry is showing about a 40% gain in shipment orders over the first half of 1966." Though heavy early-season air conditioner sales are generally the reason for the upturn, the spokesman admitted, "We are looking ahead to a successful second half in which sales will well exceed last year's performance."

Guenter Baumgart, president of the Assn. of Home Appliance Manufacturers, concurred with the optimism: "With the first half of 1967 topping 1966's record sales, the industry looks forward confidently to even greater increases, and another record year."

—William Hutchinson

Do dealer "incentive" trips work? Here's what retailers say now

Are incentive buying trips offered by manufacturers really welcomed by retailers? It's a perennial question that has been raised once again—this time by retailers themselves.

"Trips are nothing more than dealer-loading programs," said one retailer, expressing the "con" point of view. "The cost of them is inboarded in the price I must pay for the merchandise, so I actually end up paying for my competitor's vacation."

The "pro" view is expressed by another retailer: "My distributor makes no bones about it: I could have saved about \$400 if I had bought the goods without the trip. But at that rate we would have to save a long time to take one vacation abroad. As it is, we've been to Europe, South America, and Asia six times in the past eight years, and we're hoping to go again this summer."

These comments were made in unsolicited letters to the National Appliance & Radio-TV Dealers Assn. and served as a basis for an editorial in the June issue of the organization's magazine.

To get other retail views on incentive trips, Merchandising Week surveyed a number of retailers. Their views follow:

"Trips are a waste of time"

"We don't take trips anymore," says Norman Cohen, Lechmere Sales,

Boston, Mass. "We are in the business of buying and selling merchandise and not going on vacations."

Gordon Mowbray, Mowbray Store, Denver, Colo., comments, "We have been on quite a few, but lately we have refused to go. They take too much time, and they are a high-pressure deal. Manufacturers get you tanked up and try to get you to sign a big order. Better prices would be more worthwhile."

Many dealers mentioned prices. Dell Robinson, Bill Owen's Appliance & TV, Columbus, Ohio, remarks, "We would rather have lower prices than trips." Jack Blackburn, Hart Furniture Co., Dallas, Texas, says, "I've been taking trips for several years. I would rather have lower prices."

Taxes are mentioned by Tom Mullin, Wilson's TV & Appliance, Davenport, Iowa: "We are not too much in favor of trips, too busy. By the time you pay the tax on the trip and put in the time, it's not worth it."

"Trips are all right"

On the positive side, Alvin Perlman, Zemel Brothers, Bridgeport, Conn., says: "We think the trips are great. They give us a chance to meet dealers from other countries and exchange ideas. They also provide the rest period needed in this business. Even though they are coming out of our own hide, we feel we are not passing the ex-

pense onto the consumer."

"I take a trip every year," says Dave Raddatz of Raddatz Co., Argo, Illinois. "I believe it's the best way to sell merchandise in the world. If we think a trip is worth it, we work to get it."

Alex Stirline, Jr., Marine Electric, Lafayette, Louisiana, mentions them as motivation tools for his sales staff: "I feel that the trips are very good. I take some of them myself and offer many to my sales staff. They personally motivate me and I think they are good motivation for my salesmen." Speaking as a salesman, Robert Sullins, Lampus Co., Raleigh Hills, Oregon, says, "They are great! I've been on a lot of them and hope to go on more."

Other positive comments come from Mike Tatone, Alan Radio, Chicago, Illinois, and Stan Rothenfeld, Palevsky Hardware, Cleveland, Ohio. Tatone remarks, "The prices of merchandise are not too high when you consider the value of the trips offered." Rothenfeld, who has personally been on ten trips, says, "They are good. I hope to go again."

Less enthusiastic opinions are expressed by two other retailers. Merwyn Claver, Central Utilities and Furniture Co., Chicago, says, "If I earn one through the normal course of business I feel they are all right. I can't afford to go after them." Sid Omansky, Sid's Appliance Centre, Tucson, Arizona, echoes this feeling: "We have been taking some trips. They are nice to have

but we never purchase goods just to get a trip."

"Trips can be improved"

Most dealers suggest the Far East as a place they would like to be taken. Other votes were cast for Hawaii, Austria, and Italy.

Morris Oltman, Oltman Appliance Co., Mascoutah, Illinois suggests an alternative trip: "I won two trips but was unable to go. I'm in favor of educational trips rather than vacation trips. For instance I benefited from a free trip to NARDA's Institute of Management in Washington, D.C."

Bob Birney, Brodies' Certified Appliance, Sioux Falls, Iowa, sums up the pros and cons: "A trip is all right providing you don't pay too heavily for it—providing it's not a loading program. Personally, I would rather have the price off the goods, but I've been told that even if they stop the trips, we wouldn't get a price reduction anyway."

"As far as the trips themselves, the problem is that they are too organized. They are a little like going to day camp. You go with all men, get up at a certain time, take a nap at a certain time, etc. If I had the price taken off the goods, I would be able to take my whole family in the manner that I want. Also, the end result is that it hits the consumer. The consumer pays for it."

NARDA reports how good last year really was

The number for 1965 was good: 2.73%. But the number for 1966 was even better: 3.39%.

This very pretty figure is the national average 1966 net operating profit of appliance-tv dealers. It may be found in the 21st annual Costs of Doing Business Survey, which was published today by the National Appliance & Radio-TV Dealers Assn.

To find as high a profit figure, one must turn back to the salad days of 1955. And the last time NARDA dealers reported higher net operating profits was 1950.

The smaller dealers did best in 1966. Those firms reporting under \$250,000 in annual sales showed a net operating profit of 6.8%. Their bigger brothers, companies with sales between \$250,000 and \$500,000, had a 4.33% net operating profit; while the biggest dealers, those doing over \$500,000, had a 2.69% figure. Interestingly, small and large dealers made similar gross margins; the big boys, however, had almost 3% higher operating costs.

The increases in profit came despite higher merchandise costs and lower gross margins. Nationally, the cost of goods sold was 73.87% of total 1966 sales—up from 72.74% in 1965. Since gross margins are inversely related to these costs, they crept downward: 26.13% in 1966, down from 27.26%.

Dealers managed to offset this decline by wringing even more water out of costs. (New lows were reported for proprietors' salaries, office salaries, salesmen's remuneration, depreciation, office supplies, and telephone.) In 1966, total operating costs, nationally, were 22.74% of net sales—representing a 6-year low.

How good are the figures? NARDA

claims that dealer participation "equaled the record number of participants in the survey for 1965." But it does not say how many dealers were willing to send their figures to the association's economist, who worked up the report.

At any rate, whether the numbers represent 200 or 2,000 dealers, there are no comparable figures available. And in one place where numbers can be compared, NARDA comes off quite well: NARDA dealers who reported sales figures for both 1966 and 1965 showed a 16.2% sales gain. A national panel of appliance-tv dealers who reported to the Department of Commerce showed a 16.1% gain. (NARDA, incidentally, which predicted a 5% to 10% gain for 1966, predicts a 6% gain for 1967.)

Color television dominates the sales of most dealers. Total tv sales were 43.3% of all sales in 1966 (see table below, right). Color tv's share was

34.7%, up from 24.7% in 1965, while b&w tv's slice of the sales pie dropped to 8.6% from 12.1%. NARDA estimates that the average color tv sale was \$585.

Refrigerator sales held the No. 2 spot, providing 10.8% of all sales, down from 13.8% in 1965. They were being crowded, however, by radio-hi-fi-record player sales, which grabbed 10.6% of the total.

Service sales were up—an interesting note in the face of growing factory service and retailer disenchantment. Nationally, merchandise sales accounted for 88.4% of the total, service for 11.6%. In 1965, the figures were 89.3% and 10.7%, respectively. Dealers said they turned their parts inventories 6.7 times (the same as 1965), but that their parts inventory was up 14.9%.

Inventories are the flaw in the gen-

erally rosy picture: at the end of 1966 they were up 34.9% over 1965. By now, of course, these stocks may have been sold, no longer presenting a problem. Another weak spot was merchandise turnover, which edged down to 3.7 times in 1966 from 3.8 times in 1965. In addition, sales-per-square-foot dropped \$3 to \$96 in 1966—\$8 below the highest it ever reached, in 1952 and 1959.

Trade-in ratio for 1966 reversed a trend and rose for all products except vacuum cleaners. Last year, for example, 5% of all washer sales were accompanied by a trade-in (the 1965 figure was 50%). Ratios for other products: refrigerators, 52% (1965, 49%); ranges, 51% (45%); television sets, 46% (36%); dryers, 23% (17%); freezers, 19% (15%); air conditioners, 8% (6%); and vacuum cleaners, 7% (10%).

Net operating profit: the rise from 1961 to 1966

	1966	1965	1964	1963	1962	1961
Gross Margin	26.13%	27.26%	26.18%	26.86%	28.06%	27.25%
Operating costs	22.74%	24.53%	24.43%	25.45%	26.92%	26.76%
Net op'g profit	3.39%	2.73%	1.75%	1.41%	1.14%	0.49%

Manufacturers' unit shipments: 1966 compared to 1956

Product	1966 Shipments	1956 Shipments
Radios	14,201,000	8,461,000
Tv, color	5,012,000	100,000
Tv, b&w	7,189,000	7,351,000
Phonos	6,303,000	4,101,000
Refrigerators	4,916,000	3,700,000
Washers	4,559,000	4,542,000
Ranges (all types)	4,190,400	3,762,400
Air Conditioners	3,553,000	1,828,000
Dryers (all types)	2,411,000	1,522,600
Freezers	1,096,000	975,000
Dishwashers	1,511,000	400,000

Share of total sales by product for reporting NARDA retailers: 1966 compared to 1965

Product Categories	1966 share	1965 share
Tv, color	34.7%	24.7%
Tv, b&w	8.6%	12.1%
Refrigerators	10.8%	13.8%
Washers	8.6%	11.6%
Radio, hi-fi, phono	10.6%	10.1%
Ranges (all types)	6.3%	8.1%
Air Conditioners	6.3%	6.1%
Dryers (all types)	4.1%	3.6%
Dishwashers	2.7%	3.2%
Freezers	1.5%	2.2%
All Other Majors	0.7%	1.4%
Vacuum Cleaners	0.5%	0.8%
All port. applncls.	2.0%	1.5%
Dispr, Cabnt, Sinks	2.6%	0.8%

□□□□ **Graybar's Housewares Magicade**, the biggest promotion for electric housewares ever run by the distributor, is currently making its way to key cities across the country. The 1-hour "stage spectacular" combines "the latest in 1967 electrical appliances" with a magic show. Among the stars are lines from Dominion, General Electric, Oster, Presto, Proctor-Silex, Schick, Sunbeam, Toastmaster, and Udico. Retailers and their employees attending the presentation will be eligible to win a 1967 Mustang, a trip for two to either Jamaica or Hawaii (depending on the winner's locale), or a mink stole.

Already seen in Los Angeles, San Francisco, Seattle, Denver, and Minneapolis, the Magicade will be in Kansas City, July 25; St. Louis, July 27; Chicago, July 30; Cincinnati, Aug. 1; and Detroit, Aug. 3.

It visits Cleveland, Aug. 4.; New York City, Aug. 8-9; Philadelphia, Aug. 14-15; Charlotte, Aug. 17; Atlanta, Aug. 18; Miami, Aug. 20; Tampa, Aug. 22; Houston, Aug. 25; and, finally, Dallas, Aug. 27.

□□□□ **Aluminum alloys and outer coatings** for cookware—currently in the experimental stage on both the supplier and manufacturer levels—may result in more highly styled, highly colored cookware at lower prices for the consumer.

Two of the alloys currently under discussion in cookware circles are from Alcoa and Alcan Aluminum. They are of the "age-hardening" type, which means they regain their strength after being heated to the high temperatures required for the application of Teflon and exterior porcelain finishes. These multiple annealing processes are said to weaken the aluminum and necessitate the application of chemical hardeners. The age-hardening property, however, should make for a longer-lasting, more durable utensil.

The Alcan alloy has a silicon content of 8% to 10%, which, the company claims, would allow manufacturers to reduce the gauge of the aluminum and still give the consumer a product that wears well and costs less than comparable higher-gauge aluminum cookware.

The Alcoa product, expected to be available at the end of August, is said to permit an expanded range of porcelain colors for use in cookware.

□□□□ **A heat-setting plastic paint**—similar to that used on wires in satellites and rocket nose cones—is currently being tested by cookware manufacturers. The plastic coating, baked onto the product at 550 degrees, does not affect the stiffness of the light-gauge aluminums. Its use may result in less expensive, lighter-weight, and more colorful cookware.

The new coating is now being used by Four Seasons Cookware on its Color Last group in avocado and flame orange. A company spokesman explained that it is unaffected by oven and top-of-the-range heat; is virtually resistant to chipping; and, "most important, keeps the price of colored cookware \$1 to \$5 less than similar utensils with a porcelainized finish."

Revere also is using the coating on its new lines of stainless steel and aluminum cookware.

One manufacturer, however, was somewhat skeptical. The fact that the coating is applied at a relatively low temperature, he pointed out, may prevent the consumer from using the utensil when heat exceeds 500 degrees. He also noted that any plastic has a tendency to harden and become brittle with age.

NHMA figures for June Show

underscore the stay-at-homes

Buyer registration for last month's National Housewares Exhibit not only failed to live up to its advance billing, but also fell behind normal expectations for registrations at a midyear Show.

The National Housewares Manufacturers Assn. last week issued a breakdown of buyer registration for the June Show: total registration came to 9,195 buyers from 5,072 buying firms—both retail and wholesale (see the NAMA's figures below).

To compare with 1965: a total of 10,161 buyers from 5,565 buying firms registered for the July Show. No valid comparison is available with the 1966 July Show because of the airline strike, which cut considerably into attendance. It should be pointed out that the July, 1965, registration figures may include some duplication because the NHMA, at that time, was not doing as extensive an audit on the registration figures as it now does. Considering the growth of the industry, however, a midyear Show registration topping 10,000 buyers appears to be a fair standard.

The 9,195 buyers registering for last month's Show not only falls well below the 10,000 standard, but also well below the expectation of many industry observers that the June Show would pull as well as the typical January version, in light of the McCormick Place fire that wiped out the January Show. Traditionally, the winter Housewares Show attracts several thousand more buyers than does the summer version of the event.

The NHMA figures include both buyers registering in advance and those registering at the Show itself. There is no way of knowing, of course, how many buyers who registered in advance failed to attend. The NHMA's audit of the figures after each Show is aimed at eliminating any duplication—such as a buyer leaving his Show badge behind in his hotel room, then re-registering for another badge at the Show site.

An NHMA spokesman declined to evaluate the registration figures, sticking to comments made in a carefully worded press release. In that release, Dolph Zapfel, NHMA's managing director, said activity at the June Show indicated that the housewares industry was "back to normal after the worst disaster to befall a single segment of America's economy." At another point, Zapfel was quoted as saying the industry was "back on the track."

Zapfel also pointed out that a valid comparison between this year's figures and buyer attendance at the July, 1966, exhibit was not possible, and he cited the airline strike, which is estimated to have cut attendance by 20%.

"The important thing," Zapfel said, "is that in only five short months since the disastrous McCormick Place fire wiped out our January exhibit, the housewares industry was back on the track. Buyers and manufacturers, alike, were able to successfully re-establish those vital personal relationships which had been so abruptly shattered in the communications breakdown that followed the fire."

Housewares buyers and merchandise executives came from all but one of the 50 states (Vermont was not represented), as well as the District of Columbia, Canada, Mexico, and 21 overseas countries, the NHMA audit indicated.

The high caliber of buyers registering for the June Show was particularly cited by the NHMA as a reflection of the "continuing importance" of the midyear exhibit.

The NHMA audit showed that nearly half of the persons registering carried titles other than "housewares buyer." Included among the 9,195 persons from the 5,072 retail and wholesale buying firms at the June Show were: 1,050 presidents, 673 vice presidents, 799 owner-partners, 354 general managers, 450 merchandise managers, 336 sales managers, and 194 department managers.

The length of stay in Chicago for the June Show probably was cut short by the "August-in-June" heat wave affecting the city and the Show, Zapfel said. He pointed out that a 1965 survey indicated an average length of time spent at the Show of 3.54 days, but that "some buyers cut short their stay in Chicago" this June.

Attendance at the June Show undoubtedly was affected by the poor spring selling season at retail, which put many retail and wholesale organizations in a poor open-to-buy position. The poor business is believed to have more than offset the added incentive that came as a result of the fact that this was the industry's first actual Show in nearly a year.

Already the industry is wondering about attendance for next January's Show: how many retailers and wholesalers will stay home, especially if the weather is bad and getting to and from the out-of-the-way. International Amphitheatre appears impossible.

Retail categories	Buyers from	Buying firms
Department stores	1,572	620
Appliance stores	143	82
Auto supply stores	48	23
Buying syndicates	80	45
Discount operators	649	333
Drug stores	255	122
Food stores	210	107
Furniture stores	153	104
Housewares-hardware	616	338
House-to-house	69	41
Jewelry stores	76	46
Mail order outlets	301	115
Variety stores	375	221
Total retail	4,547	2,197

Wholesale categories	Buyers from	Buying firms
Housewares-hardware	1,605	918
Electric housewares	474	263
Auto distributors	58	43
Carnival jobbers	25	17
Club-party plans	50	31
Catalog wholesalers	214	122
Drug distributors	112	58
Jewelry distributors	114	78
Premium users	587	426
Premium distributors	417	282
Rack jobbers	361	217
Stamp plan suppliers	107	78
Variety distributors	524	342
Total wholesale	4,648	2,875

NHMA's design board asks: Is it good or is it gimmicky?

By Irene Kanfer

Members of the newly appointed Board of Design of the National Housewares Manufacturers Association's Housewares Design '68 program aren't waiting until January to put some basic questions about product design to the industry.

Is the consumer really getting a well-designed product or are housewares manufacturers just adding a lot of "dingles" and dashes of color to their products in hopes of persuading the consumer that an item is new, better, or different? The design judges are already wondering, and they are tipping their hands to manufacturers to let them know that the standards for judging are going to be high.

The panel of industrial designers, headed by Tucker P. Madawick and including James F. Fulton, Walter Furlani, and Robert Jordan Harper, are already making it clear that they're not content with the current state of housewares design as they view it, both as consumers and professionals.

"Is this the nature of the business, simply to give a new product?" James F. Fulton, James F. Fulton Planning Design, asks, expressing the viewpoint of several of the panel members.

From very good to gimmicky

Fulton sees housewares design as breaking down into two categories: the very good and the mediocre. "At its best, design in housewares is very good. Then it drops off to clean and acceptable, and then to gimmickry—dressing up. We're still in the era of flash as far as housewares goes; people are still trying to see how they can attract attention," he says.

A "graduate" of the Raymond Loewy school, Fulton doesn't separate housewares design from design in any other field. "A product," he says, "must clearly communicate its use. You've got to be able to see how it's going to fit into the environment for which it's intended. In the traffic appliance area, an acceptable level of design must be established," he says, and cites Westinghouse as a company he feels has taken the initiative in this area.

Fulton hesitates to equate design with sales. "There are other things involved. Rubbermaid, for example, is a company dedicated to good design. But—do they sell because of their design or do they sell their design, the product. The thing to see is if a product speaks for itself in expressing its value. An awful lot of products are just excuses for products. Housewares," he criticizes, "is an industry that seems to perpetuate sameness."

He also links design with quality and reiterates that consumers must be able to know what a product does and how it works by looking at it.

No stranger to home furnishings or kitchen design, Robert Jordan Harper also takes a dim view of much of what passes for "good design" in housewares. The chairman of the board and chairman of the executive committee of Walter Dorwin Teague Associates Inc., a leading industrial design firm, Harper stresses the function of the design. "Is something easy to clean and maintain? A product must not only look good; those good looks must be related to its function.

"Is the design appropriate for its function?" Harper asks now, and ex-

pects to be asking in January. "Does the item do its job in the most efficient manner, and can the housewife understand it without an engineering degree?" he questions, for example, some of the newer multi-speed blenders.

Harper cautions manufacturers not to talk down to their consumers. "You can't expect the housewife to know exactly what she wants in terms of design. But she will recognize, or can be taught to recognize, good design when she sees it. The best we can do, and what we must do, is to keep raising the standards of taste," he says.

New for the sake of newness

A call for greater simplicity in design comes from Walter Furlani, manager of the design center of the systems development division of International Business Machines Corp., Endicott, N.Y. "Sometimes it looks as if it's a matter of producing for the sake of getting the stuff out," he observes somewhat despairingly, "and what's coming out is an awful lot of garbage and an awful lot of useless gadgets."

Furlani also warns about underestimating the consumer's taste, explaining that people are conscious of design and alert to it whether they are trained to recognize it or it comes naturally to them. "There's too much pressure being exerted on the designer from the marketing and sales people who say 'It's not pizzazzy enough.' There's nothing wrong with simplicity, and there's not enough of it. I think it's the designer's social responsibility to upgrade the taste of the masses. Well designed products should be available to every social group."

Design, he feels, is made appropriate by its convenience. In addition to the product's use, it should be easy to clean—not too many ridges and edges, and doodads stuck on—and the manufacturing technique must be true to the material used. "Don't make steel look like plastic or plastic look like steel. You can't, because they're not."

Criteria for the consumer

"I'm talking consumer criteria. Does this thing attract or repel me?" says Tucker P. Madawick, FIDSA, manager of industrial design for the home instruments division of Radio Corporation of America. Madawick, who has likened judging at the NHMA show to going into a supermarket and tasting the cookies, also feels that price, and then the quality—"plug it in and see if and how it works"—are factors to be weighed in determining the value of a product and its design. Appearance, however, ranks as the No. 1 factor.

The Design '68 program, being coordinated by the National Design Center, will concentrate on bringing these ideas to the retailer so that he can effectively relate them to the consumer. "There will be a sharper focus on getting the message across to the consumer this year," says Norman Ginsberg, NDC president. "We're looking around for a fifth panel member," he added, "to replace Dorothy Liebes who resigned because of ill health. We're still hoping to get a woman—to have her female point of view as well as her professional one."



Tucker P. Madawick
*"I'm talking consumer criteria
Does this thing attract me
or does it rpl . . ."*



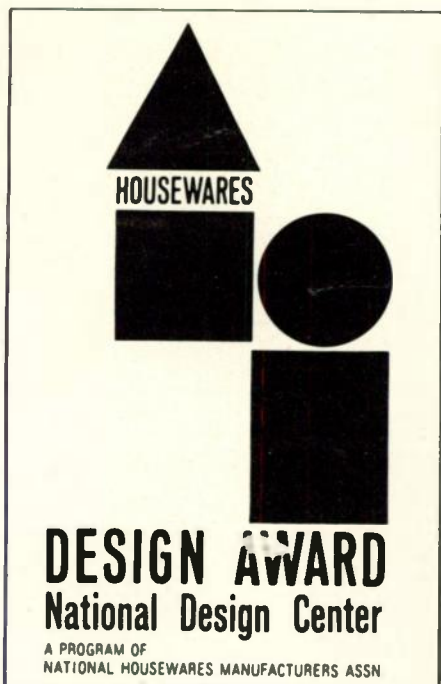
Walter Furlani
*"... sometimes it looks as if
it's a matter of producing
just to get it out . . ."*



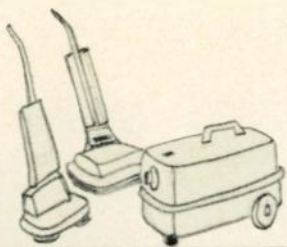
Robert Jordan Harper
*"... the best we can do, what
we must do, is to keep raising
the standards of taste . . ."*



James F. Fulton
*"... in the traffic appliance
area, an acceptable level of
design must be established . . ."*



FLOOR CARE NEWS



□□□□ **Sears sets a hot pace** on pricing in a nationwide newspaper supplement now being scheduled in leading markets. Billed as a "Kenmore Home Cleaning Sale," the Sears promotion offers an upright vac at \$27, a canister for \$24, a

lightweight vac for \$14, a floor polisher at \$16, and vacuum cleaner bags at two packages for \$1.

The \$27 upright, which is old-fashioned looking in styling, contrasts sharply with the 2-speed upright with beater bars,

that Sears features at \$87.95 in its latest fall-winter catalog. The \$24 canister also contrasts sharply with the high-end canister, with Powermate floor nozzle, that Sears plays up and prices at \$127.95 in the catalog. The \$24 Sears canister is suitcase-shaped and comes with a short set of attachments. Sears had been using a squat-shaped canister for leader purposes.

Sears, of course, seldom places its leader models in its big catalogs, holding them off

for sharp pricing in flyers, newspaper ads, and supplements to bring in the traffic. Needless to say, Sears salesmen will be working overtime to sell up and away from the \$27 upright, the \$24 canister, the \$14 lightweight, and the \$16 polisher.

□□□□ **Sears' sharp pricing** and promotion on floor care products is causing concern among name-brand producers who have watched Sears build ever-increasing volume for its Kenmore products in recent years. Sears is believed to own as much, or almost as much, of the canister vac share of the market as such a name-brand giant as General Electric. In uprights, everyone plays second-fiddle to Hoover, of course. In the canister area, most name-brand manufacturers have scheduled fall promotional models which can be priced to compete with the \$24 Kenmore canister. However, most retailers are holding off on big floor care promotions until closer to the start of the fall cleaning season. Name-brand uprights also are expected to be sharply priced this fall—below \$40, if not down to Sears' \$27.

Sharper promotional pricing on name-brand lightweight vacs also appears on tap for the fall as Shetland plans to campaign for its \$19.95 unit and Regina reportedly plans to hit harder at the under-\$20 level.

□□□□ **Brand names at Sears:** the Sears supplement with the sharp floor care pricing happens to mention a number of brand-name floor care producers. The Sears replacement bags are billed, in headline-size type, as fitting: "Kenmore, Singer, Westinghouse, Whirlpool, Royal, Hoover, Signature, Sunbeam, Eureka, Electrolux, Kirby, General Electric, Shetland-Lewyt, and many more." Don't expect the name-brand manufacturers or retailers to return the compliment.

HOW REGINA POLISHES OFF COMPETITION:

With a 3-speed function selector.

Only Regina offers factory-programmed, positive settings for scrubbing, waxing, polishing and shampooing.

With automatic internal dispensing.

Regina introduced it first... and it's still years ahead of any other system on the market.

With all metal die cast body.

Regina's chassis is metal. All metal. Solid as a Sherman tank.

With double insulation.

Regina perfected Super-Shield, the most reliable method of electrical protection yet.

With 400 watt motors.

Only Regina polishers have motors powerful enough to sand floors!

With Dual Torque Power.

Regina's twin brushes are driven directly from solid bronze gears. Every bit of power is utilized.

With features like these, who would dare compete with Regina?

Feature the line with the exclusive features. Regina gives you product advantages that sell merchandise, so give the Regina line room to sell on your floor.

REGINA

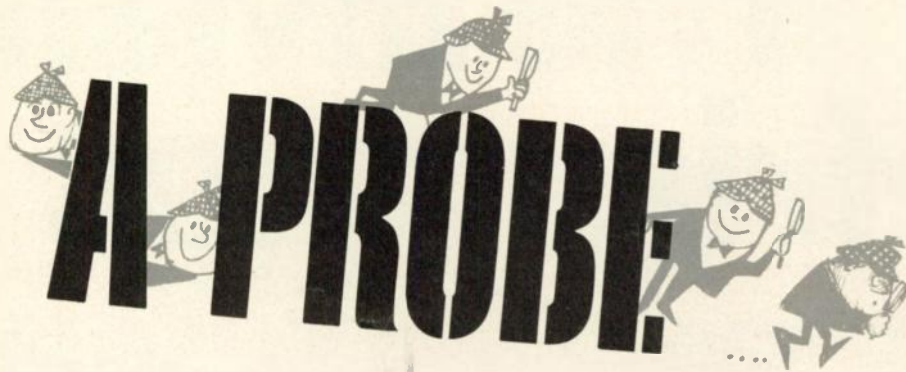
The Regina Corporation, Rahway, New Jersey
In Canada, contact Regina Products (Canada, Ltd.) Welland, Ontario

CLASSIFIED

SALESMEN WANTED

Radio & electronics importer seeking salesmen to cover New York and metropolitan area in line of radios, phonos, chassis parts & TV set. Must have experience selling to OEM and wholesale distributing. All products usually made for buyers designs and specifications. Salary plus commission. All replies confidential. Send to: Box 22; Merchandising Week; 165 W. 46th St.; N.Y., N.Y. 10036

iy 29



OF WINTER COMFORT: HEATERS AND HUMIDIFIERS

Coming August 7 in Merchandising Week

IN THE EARLY FALL, A YOUNG RETAILER'S FANCY FONDLY
TURNS TO THOUGHTS OF KEEPING HIS CUSTOMERS WARM!

As the season of Winter Planning for Winter Comfort rapidly
approaches, MW spotlights the new features and new lines
of HEATERS AND HUMIDIFIERS . . . including:

- Pertinent case histories
- Time-tested pointers on selling techniques
- AND . . . a detailed Market Data Report and Product Study

FOR ADVERTISERS — A NICE, WARM PLACE TO BE ON AUGUST 7

RESERVE YOUR SPACE NOW

This ad is setting sales records!

Introducing: The invisible refrigerator.

From Amana, comes the refrigerator that lets you play house.

Down with dullsville in the kitchen. Breakfast with color each morning. Thanks to Amana. Because only Amana offers a choice of 329 decorator panels with side-by-side or freezer-at-the-bottom style refrigerators.



Be your own decorator. You can match or mismatch designs (even use your own wallpaper.) Switch patterns on a whim. No need to change doors, no gluing. Amana's decorator panels slide into place quickly and easily. If you want to go back to white, just remove the decorator panels.

Not every Amana dealer will have all 329 Decorator models, but they'll all have



Amana's "Decorator Book." It shows every design, every colorway in our huge collection. Look it over at your leisure. Or write for our special 24 page brochure. Packed with decorating tips for the kitchen, it's yours for just 25¢ (to cover cost of handling and mailing). Just fill out and mail the coupon at right.



Choosing an Amana refrigerator (side-by-side or freezer-below) is a lot easier than choosing from the 329 colors it comes in.

Our biggest side-by-side is only 35 $\frac{3}{4}$ " wide, yet it gives you 22.3 cubic feet of usable storage space, 14.1 cubic feet in the refrigerator area—the freezer holds 287 pounds of food. And both sides are Free-O'-Frost.

AMANA REFRIGERATION, INC.
Amana, Iowa 52203

Please send me Amana's special 24-page idea book on decorating tips for my kitchen. Enclosed is 25¢ to cover handling and mailing.

NAME _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____

You get a meat keeper with its own temperature control that keeps meat fresh and flavorful twice as long as ordinary meat keepers.

Automatic ice-maker, too. Plus adjustable cantilevered shelves,* independent cold controls for both the refrigerator and the freezer (set one without affecting the other); butter conditioner; removable egg tray; porcelain crispers; and a non-chip, washable, acrylic enamel finish on the exterior. And more.

Like the longest, most comprehensive warranty ever to back up any refrigeration product. Only Amana dares to offer a 5-Year Total Appliance Warranty covering free parts and related labor. Be-

cause nobody else builds a refrigeration product as carefully, with as much attention to quality as we do.

*Pat. Pending



Beauty isn't only skin deep on an Amana.

Amana®

Backed by a century-old tradition of fine craftsmanship.
AMANA REFRIGERATION, INC., AMANA, IOWA. Subsidiary of Raytheon Company

Amana dealers are setting sales records with this ad running in:

HOUSE BEAUTIFUL
HOUSE & GARDEN
SUNSET
HOUSE & GARDEN DECORATING GUIDE
HOUSE & GARDEN KITCHEN & BATH GUIDE
BUILDING PRODUCTS GUIDES
—KITCHENS, BATHS & FAMILY ROOMS

In the near future the ad will appear in:

HOME MODERNIZING GUIDE
HOUSE BEAUTIFUL'S BUILDING MANUAL
HOUSE & GARDEN REMODELING GUIDE
HOUSE BEAUTIFUL'S HOME DECORATING
PARENTS' MAGAZINE—SEPTEMBER

If you want to enjoy record sales, too, write, wire or phone Amana Refrigeration, Inc., Amana, Iowa, 52203.

Backed by a century-old tradition of fine craftsmanship.
AMANA REFRIGERATION, INC., AMANA, IOWA. Subsidiary of Raytheon Company

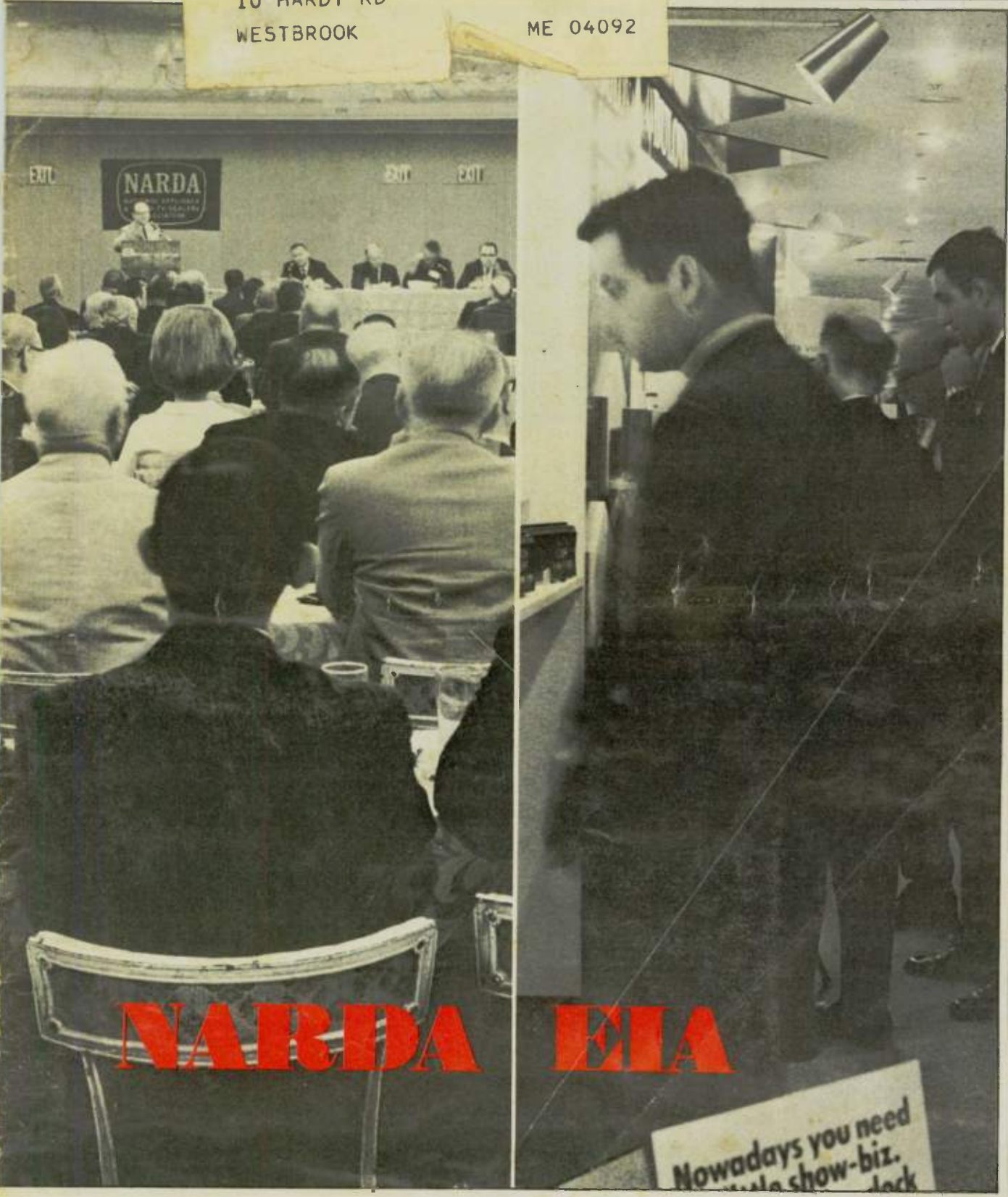
Amana®

MERCHANDISING WEEK

JULY 3, 1967

EDITED FOR THE CONSUMER ELECTRONICS, APPLIANCE, AND HOUSEWARES INDUSTRIES ☐ READ BY THE RETAILERS ☐ A BILLBOARD PUBLICATION ☐ PRICE 50 CENTS VOL. 99 NO. 27

U004092HWK0010H1 3JUL AU67 01
HAWKES T V SERV SLS
10 HARDY RD
WESTBROOK ME 04092



◀ **NARDA/EIA REPORT:**
retail reaction, product
and price trends ☐☐☐ p.5

**Stereo-8: why retailers
should grab this hot
new market; product
features compared ☐☐ p.19**

NARDA's EDP System:
ready to do more for
retail efficiency ☐☐☐ p.17

**A powerful new market
for retailers to pursue:
electric scissors ☐☐☐ p.26**

NEXT WEEK

**Two special reports: selling patterns for the future;
what the Japanese are doing in a vital new area**

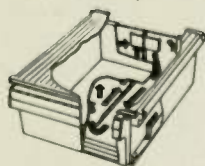
Another Amana exclusive: The biggest top mount ever!

No bigger than most 17's, but holds 18.9 cu. ft. of food.

Amana® 19

The all new Amana 19 is only 32 inches wide—no bigger than most 17's. But on the inside there's room for 18.9 cubic feet of food (including 186 pounds in the freezer alone). Truly the biggest top mount ever!

But don't worry, we didn't save space by skimping on the famous Amana features. They're all there to help you sell!

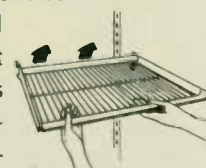


Like a meat keeper with its own temperature control that keeps meat fresh and flavorful twice as long as ordinary meat trays. It's actually a "refrigerator within a refrigerator." A separate jet of cold air surrounds the meat keeper pan, to cradle it in a blanket of cold (as much as 10 degrees colder than the rest of the refrigerator).



There's a choice of fast freeze shelf or automatic ice maker. The ice maker makes up to 9 pounds of ice (148

cubes) a day. Independent cold controls for both refrigerator and freezer—set one without affecting the other. Plus six adjustable cantilevered shelves* on recessed tracks for more usable space. The housewife can easily adjust them for her needs. And of course, the longest most comprehensive warranty ever to back up any refrigeration product.



It's an all new product with broad new profit opportunities for you. Stock up with new Amana 19's and you'll be squeezing 19 cubic feet of customers into every 17 cubic feet of showroom.

**Cantilevered shelves available in Model TCI-19D.*



TR-19D
18.9 Cubic Feet
Automatic ice maker
and cantilevered shelves*
available in Model TCI-19D

Amana Exclusive—The Longest, Most Comprehensive Warranty—The Amana 5-year Total Appliance Warranty. Amana warrants for 5 years from date of original purchase in U.S. or Canada, free replacement or repair, including related labor, of parts found defective as to workmanship or material under normal use, and returned through Amana's dealer-distributor organization. Owner is responsible for local cartage, repairmen's travel expense if required, replacement of gaskets, rubber or plastic parts, light bulbs, and accessories. Warranty does not cover taxes, duties, assessments levied at time of part export. Any product subjected to accident, misuse, negligence, abuse, defacement of serial plate or alteration shall void the warranty.

Backed by a century-old tradition of fine craftsmanship.
AMANA REFRIGERATION, INC., AMANA, IOWA. Subsidiary of Raytheon Company
*Pat. Pending

□□□□ **New frontiers in color tv merchandising loom** ahead for the fall as the industry takes some giant steps to overcome any and all consumer reluctance to spend the price of a color tv set. The message on the new line is clear: consumers are being offered the greatest price value, as well as the highest level of convenience and quality, in the 1968 lines. Some standout examples at the EIA Show: Motorola will be promoting hard the reliability and easy serviceability of its new integrated circuit color sets; Andrea, a smaller manufacturer competing with the giants, will focus on quality by promoting a 5-year guarantee; practically every manufacturer has come up with a demonstrable feature, especially in the area of automatic color tuning, which it will stress promotionally; and there are significant improvements in remote-control color tv tuning.

To produce a demonstrable feature—one that retailers can use on the sales floor to break down consumer resistance and clinch sales—has been the chief goal of manufacturers in developing their new lines. And they have sought to provide the new feature with pricing at—or below—similar models in the 1967 lines. Retailers also have been given a greater selection of smaller-screen sets to promote, including RCA's 14-inch "portable" and small-screen units from a number of importers. (For a detailed look at how retailers view the color tv sales picture for the all-important second half, see story on p.7.)

□□□□ **New integrated circuit products from Japan** were unveiled, in prototype form, last week at the Consumer Electronics Show: Sony showed an IC b&w portable tv set with a 1-inch screen; Hitachi, a miniature radio; and Panasonic, an AM and a miniature FM radio. No prices or availability dates were given.

A number of domestic manufacturers also showed IC products at the Show: GE introduced two radios—a compact AM receiver with a trapezoidal shape, at \$19.95, and a stereo FM receiver with tuner-amplifier, at \$139.95 (MW, 26 Jun., p.5). Arvin has an AM-FM radio at \$39.95 with an IC in the audio section, and two stereo phonos with integrated circuitry at \$69.95 and \$104.95 (MW, 1 May, p.5). Fisher introduced an FM and an AM-FM stereo phonograph with ICs.

Philco-Ford is using ICs in its new color tv sets, in a color tv remote-control device, and in a stereo console; Motorola has an IC in some of its color tv sets; Sylvania is using ICs in all stereo consoles and new color tv sets; and Zenith has an integrated circuit in its top-of-the-line stereo FM tuner.

□□□□ **Retailers saw new home-oriented jukeboxes,**

amplified instruments made by hi-fi manufacturers, and prerecorded tape libraries, among the guitars and pianos at Chicago's NAMM Show last week. Seeburg, the jukebox manufacturer, introduced a line of stereo consoles that hold 50 records and can play them continuously. They range in price from \$795 to \$1,500. A home jukebox aimed at the teenage market was shown by Discomatic; it holds 40 45-rpm singles and carries a suggested list of \$189.95. Shure Brothers showed a microphone and amp-voice mixer directed at rock groups; Jensen, a new line of amplified speakers; Temple Sound Equipment, a line of amplifiers; and Telex, special headphones to be used in playing amplified instruments. In a Merchandising Seminar, Don Hall, Ampex' general manager, encouraged dealers to "merchandise tape with players. It's the only way to sell." Ampex plans to release over 500 different cassette selections this summer. Other tape libraries were shown by General Recorded Tape Inc., All Tapes Distributing Inc., National Tape Distributors, RCA Victor, and Tape Distributors of America Inc.

□□□□ **Philips will make Chrysler's tape deck in '69.** Chrysler has confirmed that it has contracted Philips of Canada—the company that makes some of Chrysler's auto radios—to manufacture cartridge tape decks for its 1969 cars. But although Philips' parent company is the founder of the cassette, the Chrysler decks will be made to Chrysler specifications—and that means 8-track. Motorola produces the 1968 units.

□□□□ **Maytag has restyled two dryers:** models DG406 (gas) and DE406 (electric) are successors to DE/DG306. The difference is a switch from chrome to satin aluminum trim.

□□□□ **A Renoir nude in the kitchen?** Possibly. The trend was set last week by the Chambers Corp., which showed new additions to its decorator series of gas and electric ranges. Doors on the new models are specially insulated, making it possible to panel the surface, or laminate art reproductions over it. The special feature, which is also available on built-in dishwashers and refrigerators from Chambers, means a price step-up of about \$12 to \$18 per door.

□□□□ **Hoover will move automatic washers and dryers** into the national market, hopefully by this fall. So far, the Blackstone-made automatics have been limited to certain marketing areas. Full promotional efforts behind the automatics will probably not be instituted until sometime next year.



Benjamin Abrams

OBITUARY

Benjamin Abrams

Many industry veterans arrived late at the EIA Show opening in New York City last week, taking time off from business to pay their respects to Ben Abrams, one of the industry's pioneers.

A founder of Emerson Radio, Abrams died June 23—the eve of the industry's "coming of age" with its own bright, new show. The 74-year-old

Abrams suffered a heart attack while dining with his wife at a suburban New York City golf club.

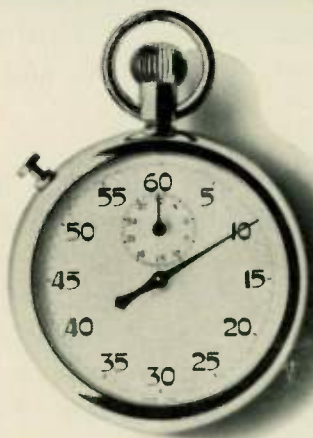
Ben Abrams retired last year, along with his brother, Max, after they had sold the business to National Union Electric. Abrams, with his two brothers, had founded Emerson 45 years ago. Under his guidance, Emerson claimed a number of industry "firsts," starting with the first radio-phonograph combination.

INDEX TO THE EIA/NARDA REPORT

Retailers look ahead to fall	p.5
The word from NARDA dealers	p.6
New problems for color tv	p.7
Color pricing at the Show	p.7
Where b&w tv is headed	p.10
The tape cartridge crush	p.10
The EIA merchandising seminars	p.11
Eight pace-setting products	p.12
The new youth electronics	p.12
Retailers face their problems	p.14

NOW, YOU CAN SELL A NEW WESTINGHOUSE COLOR TV IN 10 SECONDS FLAT.

JUST TURN IT ON.



While other sets take as much as 40 seconds to warm up, Westinghouse Instant On® Color TV is ready to sell when you are.

In ten seconds flat.

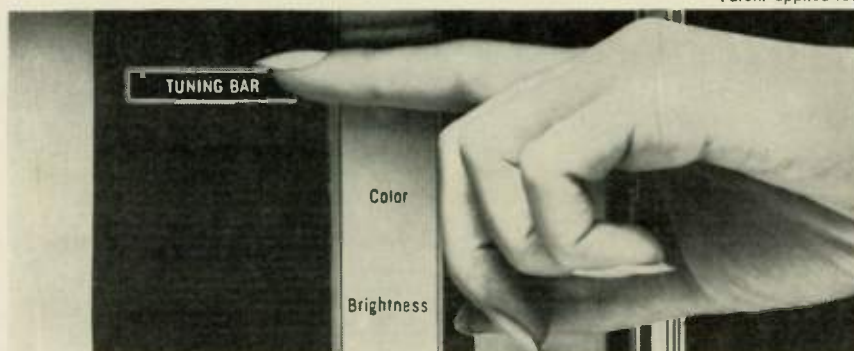
First the sound comes on. As soon as you turn the set on. Then the picture follows

in 6 seconds. All that's left is the fine tuning. And that takes 4 seconds.

New Exclusive On-Screen Tuning Bar.*

Just press the Tuning Bar on the front of the set. When a black bar appears on the screen, you know you're tuned in on the strongest signal the station is sending out. Press the Tuning Bar again and the black bar disappears.

*Patent applied for



However, if you're not tuned in properly, and two bars appear on the screen, simply turn the fine tuning knob until the bars come together to make one solid bar. Press the On-Screen Tuning Bar control again and you'll be watching a perfect color picture.

Total time elapsed: 10 seconds.

Instant Color Fidelity.

Even then Westinghouse Color TV doesn't stop selling. The easiest set to tune gives you the purest color to watch. Thanks to Westinghouse Instant Color Fidelity, blues never turn green, greens never yellow.

Even black-and-whites stay that way.

And with our Automatic Degausser, any magnetism caused by household appliances or other sources is automatically cancelled. There's no need for a service call to make adjustments.



Looks just as good off as on.

Westinghouse Color Television looks like fine furniture because we make it like fine furniture. In pecan, fruitwood, walnut or maple. Each piece rubbed by hand till it reaches the warm, rich finish that good woods deserve.

Ask your local Westinghouse distributor for a demonstration of Westinghouse Instant-On Color TV, today. It only takes 10 seconds.

You can be sure if it's

Westinghouse 

