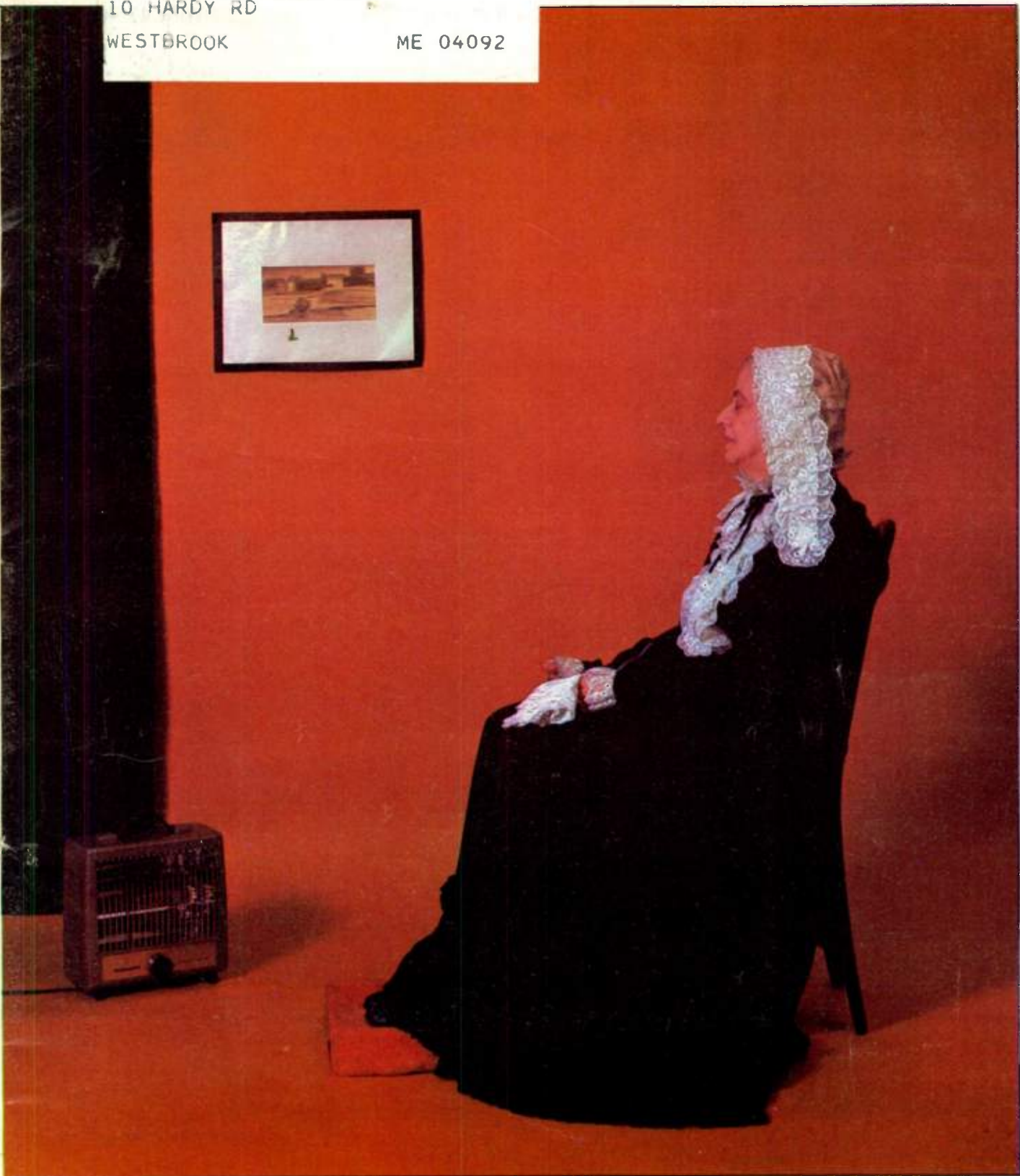


MERCHANDISING WEEK

AUGUST 7, 1967

EDITED FOR THE CONSUMER ELECTRONICS, APPLIANCE, AND HOUSEWARES INDUSTRIES ☐ READ BY THE RETAILERS ☐ PUBLICATION A BILLBOARD ☐ PRICE 50 CENTS VOL. 99 NO. 32

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◀ Selling winter comfort:
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The riots: an exclusive
MW report on what is
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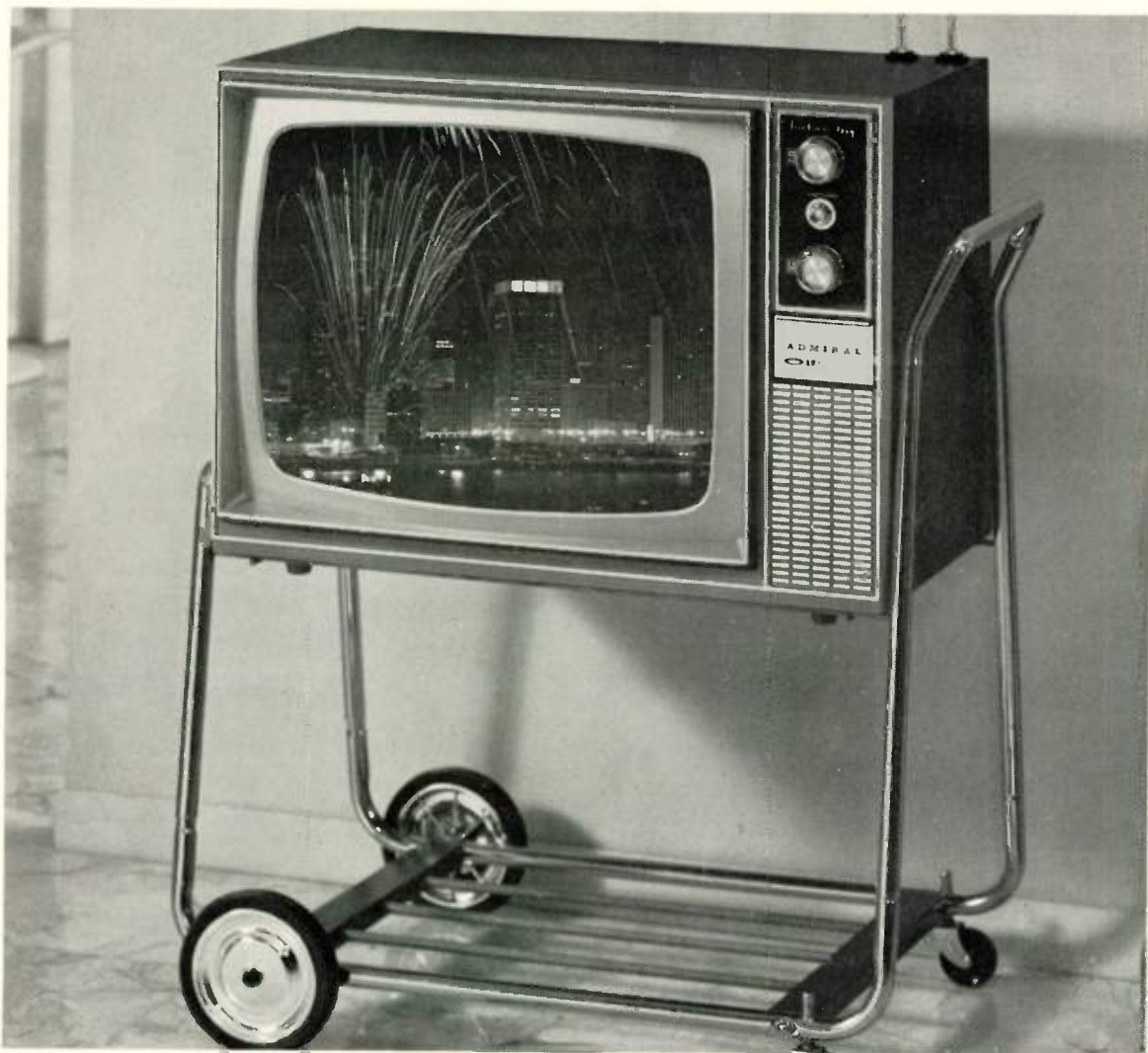
Retail sales figures
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The retailers other
retailers follow:
Alvin Perlman ☐☐☐☐ p.8

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Why Philco-Ford feels the time is ripe for Affordable big-screen color tv.

Admiral has what you're in



Admiral Big Screen Portable Color TV. At \$349.95, it offers more than ever: Instant Play, built-in antenna and roll-about cart packed in carton. Six models in two screen sizes, with the kind of step-ups that make selling Admiral a lot easier—and a lot more profitable.



Admiral 227-Square-Inch Color Consoles and Consolettes. More to show with a complete line in a variety of styles and fine furniture finishes. Model shown swivels for convenient viewing.



Admiral Exclusive Tilt-Out TV. Keeps the cabinet more streamlined, more decorative. Just tilt the controls out. Then tilt them back. One more Admiral exclusive to help you sell!



The Biggest Picture in Color TV. The Admiral 295-sq.-in. tube. More impressive in the showroom. All have AFC (Automatic Fine Tuning) and many come with exclusive Admiral 7-button Color Sonar, two features that are sure to close sales.

more of business for.

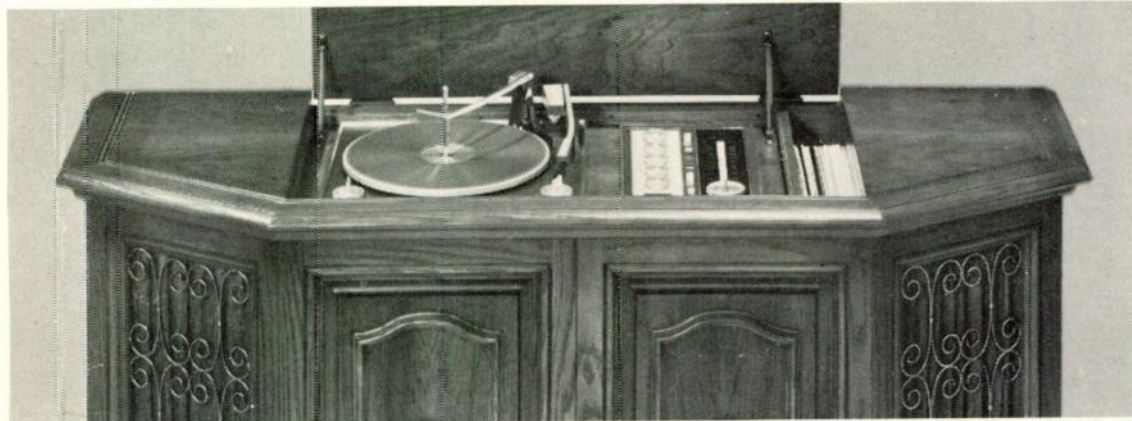
This is your year! The 1968 Admiral electronic line cuts you in for more profits with more color step-ups than ever. You want more? Admiral has it. AFC (Automatic Fine Tuning) plus Instant Play, built-in antennas, decorator carts throughout the line. In short, more features than ever before to help you sell more than ever before. Order today!



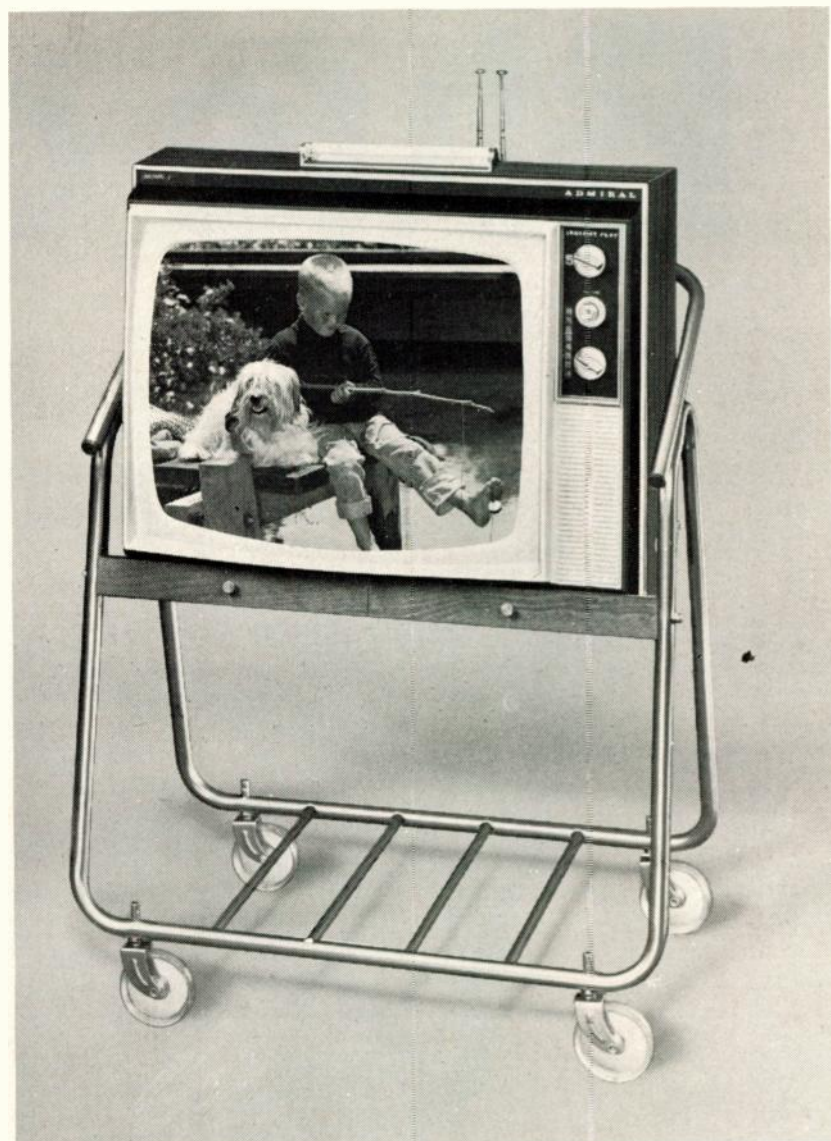
Admiral 9" Diagonal Measurement Personal Portable TV. Priced under \$100, it offers more opportunity for sales. 10 models—4 screen sizes. Just right for more people.



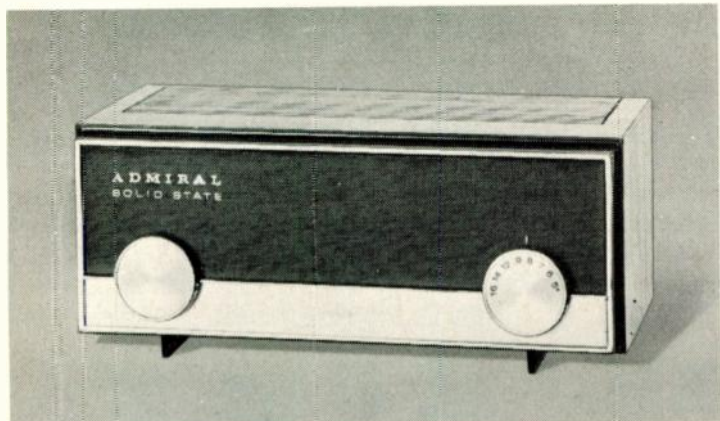
Admiral Exclusive Snap-On "Sun Shield" Portable TV. One more Admiral exclusive. Lets customers enjoy clear, bright pictures anywhere—inside or outside for more pleasure.



Admiral Exclusive Flight Deck Stereo. Greatest on-the-floor selling tool in the industry. In the world of stereo, there's never been a more demonstrable, saleable or profitable feature.



Admiral Big Screen B&W TV with Solid-State Reliability. Pulls in more picture with the "Nova 1" chassis. Pulls in more prospects, too.



Admiral Radio with New Mini-Styling. More prospects will be looking for this contemporary look. You can offer them 35 AM, FM/AM, FM stereo models. Priced to move.

GO **Admiral**[®]
FOR REAL RETAIL ACTION



I have my fill of deals, plots, incentives, spiffs...

Dear Sir:

Dealer "incentive" trips are what my husband and I just had a discussion on. ["Do dealer 'incentive' trips work?"—MW, 24 Jul., p. 27].

As a woman in the appliance retailing business, I have had my fill of deals, plots, "incentives," spiffs, and any other

fancy name that simply makes the price tag shimmy and shake. To me, any idiot that cannot make a decent living by the sweat of his own brow decides to make his living by the dealer's own brow sweat.

My husband and I have no time for trips with our distributor; we are busy trying to sell.

In our area, the Electrical Association decided to give us a "deal," too, and now I have to waste time with them filling out forms on certain items to "win" (ha ha) points I don't want so I can get "gifts" I don't need.

If you need something, you place an order; but no intelligent dealer would order just to get a trip. There are some, however, who do just that so they can go off with the boys and make a bigger idiot of themselves.

Dealers should be allowed a choice: a

trip or lower price.

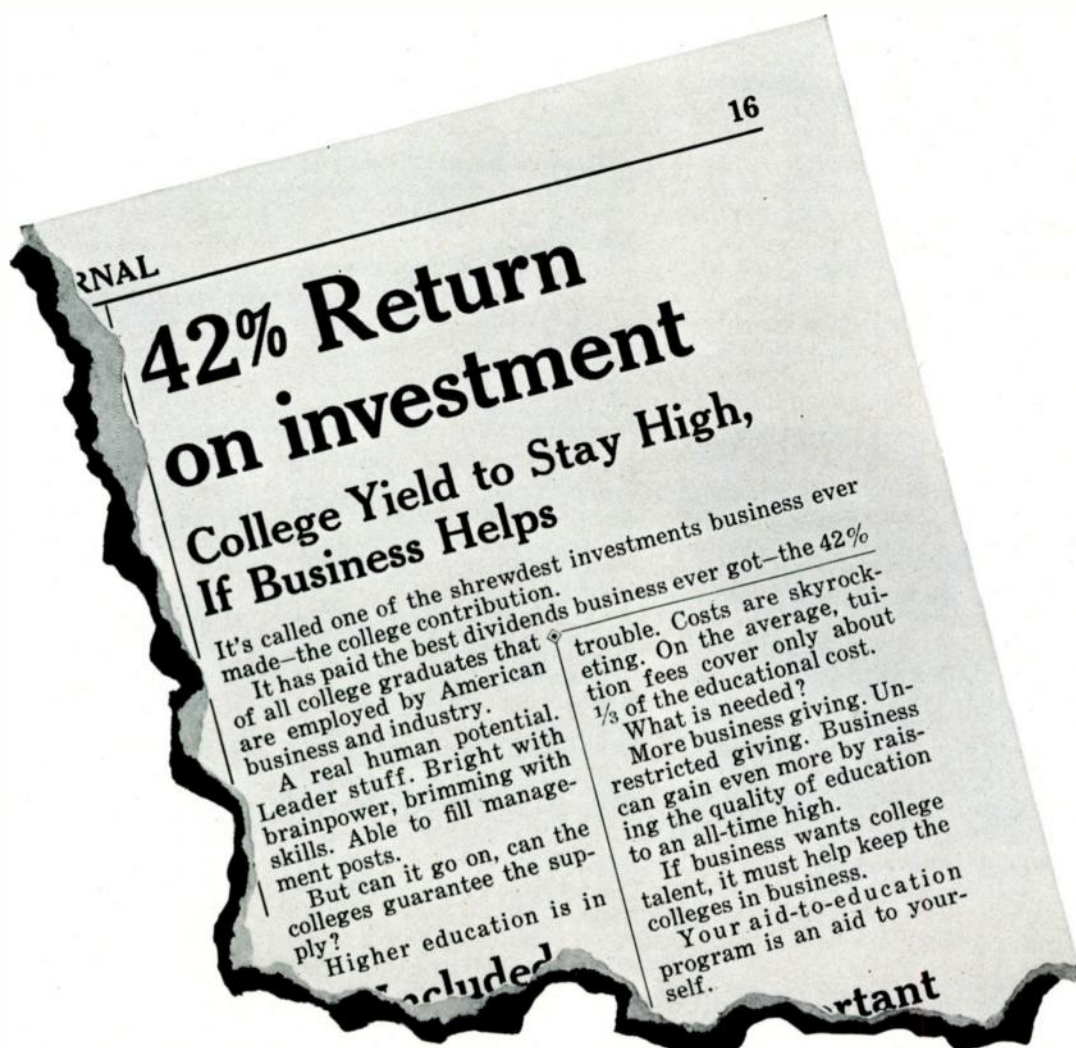
What would be wrong if there were no "deals," no "points," no anything? Then I could say, "Mrs. Jones, this is the very best, top-of-the-line washer that the manufacturer makes, and the price, delivered and installed, is only \$179.50!"

If this didn't make Mrs. Jones faint, I can honestly say, this dealer would!

Mrs. A. Kauf
Appliance Service Center
Levittown, Pa.

(Merchandising Week welcomes outspoken letters from its readers on topics of general interest to retail management and to the hard goods industry. They should be addressed to: Letters to the Editor, Merchandising Week, 165 West 46th Street, New York, N.Y.—10036.)

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PUBLISHER Denis C. Hyland

EDITOR-IN-CHIEF Martin R. Miller

OPERATIONS EDITOR B. H. Schellenbach

PRESENTATION EDITOR Ronald D. Wind

Illustration Editor: Joan B. Antoine

Copy Editor: Lucy Schmolka

NEWS EDITOR Ed Dubbs

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

Associate Editors: Aime Wallach
Neil Spann

Assistant Editors: Irene Kanter
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

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BUSINESS & PRODUCTION MANAGER Marie R. Gombert

Asst. Production Manager: Joan C. Cooley

ADVERTISING SALES OFFICES

Eastern Region George Neuner, Roland DeSilva

165 W. 46th St., New York, New York—10036

Phones: 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

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West Coast Region Pete Heine, Dick Blase

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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

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AT PRESSTIME

□□□□ **Underpaying clerks to subsidize cut prices** is the charge being leveled at White Front discount department stores in Southern California by the striking AFL-CIO Retail Clerks Local 770. The union accuses White Front of offering about 30¢ an hour less than other discount operations.

Officials of White Front claim that its competitors are the area's other department and super chain stores, not the discounters, and refuse to agree to a new union "discount store contract" accepted by Unimart, Cal Stores, Gemco, and Akron. White Front will continue its operations despite the strike, which began Aug. 1.

□□□□ **The radiation scare:**—Japanese tubes are next on the list for investigation by Rep. John Moss (D-Calif.) and his House subcommittee on product standards and safety. At the recent 1-day hearing, the Underwriters Laboratories admitted it had given some of the GE color sets containing the controversial high-radiation tube UL approval. As a result, UL has tightened its radiation standard to 0.5mR per hour at two inches, the current government recommendation, from the 2.5mR per hour at which UL standards stood. The new standard, which has been under consideration for years, will go into effect Sept. 1.

Meanwhile, preparations advance for the Rep. John Jarman (D-Okla.) hearings on Aug. 14, where all electronics products will be investigated for radiation. GE continues to make headway in gathering up its defective sets. As

of last Monday, only 6,000 to 7,000 sets were still missing, down from 9,000 the week before, and from 112,000 originally. To speed up the process, GE is offering dealers who locate the defective sets \$5 plus a free tube, in return for the old tube. Some fear the danger that servicemen may replace a defective color tube with one of the high radiation ones he has on hand, unless those are returned to the manufacturer. At the Moss hearing, it was also brought out that servicemen might inadvertently bring on a radiation condition, when they increase the voltage on a set to improve the picture.

□□□□ **Color tv sales boost the sagging tv market**, but it is still off 14.93% for the 29 weeks ended July 21, according to figures from the Electronic Industries Assn. Color sales remain firm for the period at 2,205,557 units, up 9.46% over the comparable 1966 period. But b&w tv continued to decline, off 27.99% on sales of 2,711,546 units.

□□□□ **Bradlees moves into home electronics** with a shop approach for portables at its newest store, which opens tomorrow in West Hartford, Conn. The shop will feature all products that can be "hand carried and plugged in": portable tvs, tape recorders, stereos, and AM-FM radios. The store is No. 43 in the Northeast for the discount chain, a subsidiary of Stop & Shop; it is located in the Bishop's Corner and Shopping Center.

Mounting retail opposition is predicted for tax proposal

President Johnson can expect opposition from retailers—who fear a further tightening up of consumer spending—to his latest call for a 10% surcharge on personal income taxes and corporate earnings.

For retailers, the President's tax proposals come at a time when they have reported generally lower earnings in the first half and face increased costs from a number of factors: new minimum-wage legislation, higher Social Security taxes, and inflationary pressures resulting in increased costs of goods and doing business.

For manufacturers, higher costs, coupled with lower sales volume than

anticipated, already have cut deep into earnings. And, on top of the proposed tax increase, manufacturers last week were greeted with the news of a 3% increase in rail freight charges, still another inflationary pressure.

The President asked Congress to authorize the 10% surcharge on a "temporary" basis, to be effective Oct. 1, 1967, with regard to individuals, and retroactive to July 1 for corporations.

Opposition to the proposals is expected to build during the coming weeks, as retailers have time to examine and evaluate them. At presstime, a check with key retailers and

retail organizations by Merchandising Week indicated that they were still studying the implications; in a number of cases, key retail executives at leading chains were reported to be on vacation.

The National Retail Merchants Assn. (NRMA) opposed the President when he earlier called for a 6% surcharge. A spokesman for the NRMA, however, said he did not expect an immediate policy statement from the organization on the latest proposal.

An NRMA economist pointed out, nevertheless, that the President's request for a tax hike undoubtedly would have some immediate psychological

effect on the consumer—and that it comes just prior to the opening of the big fall retailing season.

Other effects depend on a number of factors, among them: will the increase, if approved, be withheld immediately from pay checks; or will individuals be faced with the traditional "rude awakening" of a bigger tax bite as the Apr. 15 filing date draws near?

The hike, if approved, also is expected to encourage manufacturers to cut back further on overtime pay to employees, thereby cutting into the consumer's disposable income.

—Ed Dubbs

June results from NARDA: gross margins up, color tv down

Chiefly on the strength of air conditioner sales, appliance-tv dealers participating in NARDA's electronic data processing program reported an average 24.4% gross margin for all products in June. This figure was up from 23.8% in May and 23.3% in April reported by National Appliance & Radio-TV Dealers Assn. members.

Air conditioners accounted for 24.2% of total sales and 25.8% of the total profit on an average 26.0% gross margin.

A slump in color tv sales was offset, to a great extent, by the sales and profit performance of air conditioners. In June, color tv sets contributed only

14.2% of total sales and 11.4% of total profit on a 19.5% gross margin. In April, by contrast, color tv accounted for 34.1% of total sales and 29.3% of total profit on a 20.0% gross margin.

As color tv sales fell from 34.1% of

total sales in April to 14.2% in June, over-all gross margins for all products increased during the period from 23.3% to 24.4%, undoubtedly reflecting the increased price competition on color sets and the reported "baths" some retailers took on selling off heavy

inventories. (For more on color tv sales and inventories, see p.25.)

In June, refrigerators contributed a higher percentage of total sales and profits than did color tv. Refrigerator sales came to 14.5% of the total sales and 12.4% of the total profits, with a 20.8% gross margin. In May, refrigerators contributed 13.5% of the total sales and 12.2% of the total profit on a 21.6% gross margin.

No comparisons with corresponding months last year are available since the EDP program sponsored by NARDA has been in operation only for 11 months. For June operating results, see the table at left.

NARDA's EDP profit results for June

| Product | Gross margin | % of total sales | % of total profit |
|-------------------|--------------|------------------|-------------------|
| Air conditioners | 26.0% | 24.2 | 25.8 |
| Refrigerators | 20.8% | 14.5 | 12.4 |
| Color tv | 19.5% | 14.2 | 11.4 |
| Automatic washers | 25.2% | 8.2 | 8.5 |
| Portable stereos | 28.5% | 0.7 | 0.8 |

(Editor's Note: Here begins the first of Merchandising Week's special reports on this summer's nationwide civil disorders, particularly as their underlying causes and results affect plans for protection, recovery, and better racial relations of major appliance, home electronics, and housewares retailers. This week: Newark, New York, Chicago. Coming up: Watts two years later, federal plans, more retailers' reports.)

NEWARK AND NEW YORK

In the riot-torn black ghetto of Newark, N.J., some appliance-tv dealers are more than victims; they are part of the cause.

Along Springfield Ave., once a typical ghetto thoroughfare, then suddenly a free bazaar for looting rioters, home goods dealers were still too busy picking up the pieces a week after their trial by fire to look deeply for answers and explanations.

But Newark Negroes, while hesitant to name an individual reason for the rioting as a whole, were quick to explain the looting.

"People here don't know too much about money," said Udraka Jackson, a young worker in the Springfield Ave. Welfare Food Distribution Center, "but they can see that some of the stores around here will sell them a television set that's worth \$30 or \$40 less than they pay for it. And this goes on all their lives."

"But then, maybe on the night of the riots, they see that eight or nine boys have broken into that appliance store that sold them the set, and are grabbing color tvs," he explains. "Maybe they don't join in. But, when it happens at the next store, they start to think about it, and they kick themselves for not going in, too, and taking the things they've wanted. Then, at the next store, they join in—and they feel better because they remember how the store owner cheated them."

What of the riot-area merchants who had established reputations as fair businessmen, those that did not rely on "cheating" as a general merchandising rule?

"The riots were a long time coming," said Jackson, suggesting that the time was long enough for demonstration leaders to warn some dealers of what was ahead. Newark Negroes had no complaints with the Prince Range Co., for example, and the modern store remained untouched, while concerns on either side of it were destroyed and looted.

"We're an old, established firm, and the neighborhood people are our

friends," is the way Prince manager Andrew A. Amato explained it—with no hint that he had been warned of probable violence.

George Carmona, owner of the damaged Washing Machine Service Co. next door, thinks that it goes further than that.

"He [Amato] closed the store at 2:30 on the day of the riots. I don't know how he got his information, or where, but when the trouble began and we started to close up, we looked around and he was gone," says Carmona.

The reason? "He doesn't cheat the people here," says Jackson. "You can see that his merchandise is worth something, and most people here can't afford it, so they don't shop there at all. But if they do, the man there will sit them down and tell them whether they can afford it or not."

"And look how nice and modern he's fixed up his store. You figure a store that's going to spend that kind of money on fixing up isn't going to try to make its profits from cheating off the people."

Examples of the kind of practices that Newark rioters aimed a great part of their protests against were destroyed along with merchandise and dealer records. In New York City's Spanish Harlem, however, an area of considerable racial tension that has erupted only sporadically, evidence of the cause for the ghetto-residents' concern was apparent.

At Franklin Plaza Appliances, for example, a General Electric 16-inch black-&-white television set (model M509CVY), which fair-trades in New York for \$105, was ticketed "Big Sale" at \$138. Two 22-inch black-&-white consoles, similarly "sale" priced, were selling for \$288 and \$328. GE's list for a 22-inch console runs from \$189.95 to \$219.95.

The owner of the store, at 107th St. and 3rd Ave., explains his policies as necessary, however, to make up for losses on credit purchases. Cash prices are considerably lower, and credit prices necessarily high, he claims, to make up for the risks, losses, and cost of having the General Electric Credit Corp. carry his paper.

And Franklin's prices are not an exception. At Biller's Furniture Interiors up the street, a 20-inch General Electric b&w table model tv set is ticketed at \$325. The salesman will sell it for \$205 cash. GE lists the prices for its 20-inch table models from \$168 to \$178. Another GE \$269.95 b&w model at the store—this one 18-inch—can be sold at \$135 cash.

Certainly there can be no question that retailers in ghetto areas take extraordinary risks and incur extraordinary expenses. There is the danger of theft: "I used to carry portable tv sets—but they stole them all in February, and I haven't carried any since," explains the owner of J. Garver & Co., on Clinton St. in Newark.

There is the problem of the jumped claim: "But there are probably as many people still making payments-plus-interest on merchandise that was reclaimed years before, as there are customers who have jumped their claim," says a New York social worker.

And there is the burden of high insurance rates: "I'm washed out," explains Morris Fidel, president of F & F Discount Store in Newark. "The legitimate small operator isn't covered by riot insurance. I lost close to \$14,000 in tv and appliances alone—not to mention the loss in furniture and in damage to the store."

Help did come from manufacturers who were willing to accept returns of truckloads of merchandise delivered the day after the riots—and from other retailers, who helped out with tools and advice.

"I was lucky," says Fidel. "The fire department came in time. Otherwise everything would have gone up because there's a paint store next door." But Fidel, like the others, thinks that destruction and fire accounted for only a small part of their losses. "Looting accounted for 98%," he said.

For the service repair operations, the looting had repercussions far beyond the mere loss in property and money. At Clinton Music & Appliances, Newark, where the retail operation was burned and gutted, the service section was only looted. Owner Irving Franklin found himself once again explaining his predicament to his customers. This time they were two Negroes who had come in to reclaim a portable television set they had left for repairs prior to the riots.

"We were cleaned out of all our portables," explained Franklin patiently. "I've already told a lot of other customers, 'If you have household insurance, use it.' We lost \$80,000 in products alone—that's 20 years of work wiped out. Now we're open again, and we'll try to stay in business."



In Newark, some retailers thought iron gates would protect their stores from anything. But the rioters pulled them down



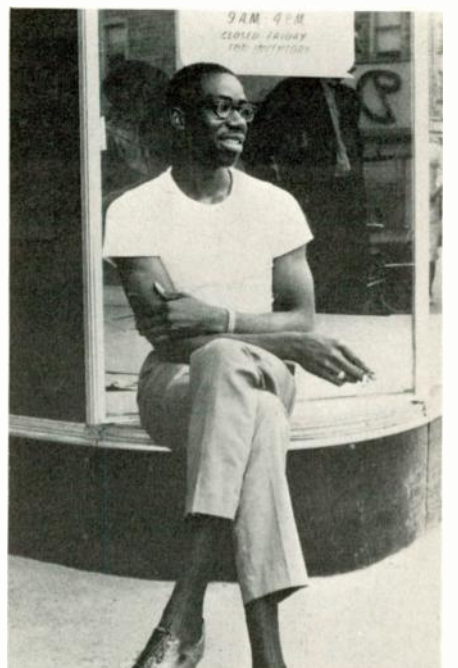
It's business as usual—even though the windows are smashed. Truckloads of new merchandise have just arrived to replace what was taken during the Newark riots



Although the service department (left) of Clinton Music Co., Newark, N.J., escaped with only a looting, the retail store (right) was totally gutted



Inside the Clinton Music Co. service store: a ruined, but new, Zenith color television set is all that is left of the store's stock—that, and a handful of discarded chassis



Udraka Jackson, a worker in Newark's Springfield Ave. Welfare Food Distribution Center, thinks the looting was as much a result of local retail practices as of "outside influences"

... the gougers, the losers, the blue-eyed brothers

But, although we've got burglary insurance, it doesn't cover this kind of riot situation, and if we don't get funds from the government, we'll be wiped out completely."

The two customers did not argue, and they—like the others—left quietly. Outside, a Negro who had tried to reclaim his portable with as little success explained how he felt about it all.

"Clinton Music Co. is going to work something out with me," he said. "If he gets a second-hand portable, he'll give it to me for \$30 or \$40. So I understand it's not his fault, and he's not going to lose his customers. I don't have any household insurance—but I lost my clothes out of a cleaner, too, and they aren't going to work along with me the way Clinton will."

And all along Springfield Ave. and Clinton Street, merchants were reopening their operations behind boarded windows where once there had been plate glass.

In the so-called "Bedford-Stuyvesant" section of Brooklyn, where there has been no major racial outbreak this summer—only minor outbreaks of rioting and looting thus far—merchants have already boarded up their plate glass windows. Ajax Television and the local VIM chain outlet on Nostrand Ave., as well as the large Houseland Furniture and Appliance and Fulton Outfitters Inc. are not going to wait until the glass is broken and their merchandise gone to take their precautions.

And in New York City, where the rioters—but younger rioters than their Newark counterparts—have already broken windows and looted, even those stores which escaped unscathed have taken the precaution of boarding up their windows.

"But we'll take the boards down today," said Maurice Silberman, treasurer of Silberman's Credit Jewelers, on 115th St. and 3rd Ave., in Manhattan. "We can't live with this situation forever."

There are those who think the worst is not over yet. "Stick around, you'll see more," advises a Negro on Clinton St. in Newark.

Meanwhile, retailers prepare as best they can. "We were armed last time, and if they come we're ready," says a spokesman for Bedford TV, on

Springfield Ave. in Newark.

"But I believe sending a man with a gun to guard my store would be sending him to his death," says Fidel. "If he's armed, and the rioters are organized, they'll have guns too, and they'll kill him."

And there are many who felt the rioters in Newark had been organized. "The planners came from outside; the looters, they were just people from the neighborhood who got carried along," says Ozie Rice, supervisor of the Springfield Ave. Welfare Food Distribution Center, in Newark.

And Negro shopkeepers agree. "Someone came around and wrote 'Soul Brother' on my window before the riots to protect the store," says one. "They must have known it was coming. At first I didn't go along with the whole idea of the special sign, but then the National Guard shot a hole in my window, and I got mad, and left the sign up."

So he is angrier, the other shopkeepers poorer, the children hawk their looted wares on the street, the rest of the city is more frightened than ever before.

"Stick around, you'll see more."

—Amei Wallach and William Hutchinson

CHICAGO

A fire engine ran wild and killed a woman on Chicago's west side, setting in motion one of the city's big civil disorders during the summer of 1966. For two days, residents of the west side area—known as Lawndale—dodged police and National Guardsmen's bullets, sacked stores, and damaged property of white investors.

But Sears, Roebuck & Co., with its general offices and catalog operations located in the area of destruction, went untouched. Why?

About 15 years ago Sears executives realized that urban changes would leave their headquarters isolated in one of the nation's worse slums. However, they rejected the idea of moving to the suburbs.

Sitting it out in Lawndale, Sears adopted the role of good neighbor.

"You can't just sit out here by yourself and ignore all the people who live here," explained Sears president Crow-

dus Baker to Merchandising Week.

Stressing contact and cooperation with community organizations, such as churches and block-betterment groups, Sears began relating to the community. The unemployment rate in Lawndale is 12%, and Sears created a job-training program which has brought hundreds of neighbors onto the payroll.

"This is the best thing Sears could do," said Lawndale community leader Hazzard F. Parks, chairman of the area's Conservation Community Council. "Summer playlots, Christmas toy drives, community centers—these are well and good—but jobs are all-important."

A Lawndale native, Jack Lhotka, directs much of Sears' good-neighbor effort. He believes the most successful approach is to work out programs under the leadership of people in the community.

"The key is involvement," he said. "You have to get into what is going on in that community."

Lhotka has gained the cooperation

of street gangs—the Vice Lords and Roman Saints—to help distribute toys at Christmas. "The idea that you shouldn't dignify these gangs by working with them is nonsense," he said. "They're part of the structure of the community leadership."

Other Sears community projects include a Community Health Center, built by the Sears, Roebuck Foundation and operated by an area hospital; an educational program for high-school dropouts administered by the Christian Action Ministry; playground activities on the company's vast parking lots in the evenings and on weekends; and the Sears Community Center, an educational facility housed in two remodeled slum buildings and operated by the Young Men's Christian Assn.

At the recent Black Power conference in Newark, several militant leaders were determined to organize a nationwide boycott against Sears. Chicago comedian Dick Gregory patiently talked the activists out of the idea. You don't strike brothers—even big, blue-eyed ones—first. —Ray Brack

EDITORIAL

It is time to speak out—for our nation as a whole and, specifically, for the best interests of the industry we serve.

We are appalled by the conditions that exist in our cities, large and small, where, out of sheer frustration and hopeless despair, fellow citizens are reduced to looting and rioting as the only means of self-expression.

Let's face the facts, happy people do not riot and loot. The old adage, "What have we got to lose?" is chillingly apt. And carrying a big stick will not right the wrongs done to people who cry out for something better in a country that can well afford it.

Let us narrow the focus of our anger. Let's get down to what concerns us day in, day out—the major appliance, home electronics, and housewares industries.

To try to do a story on how the riots are affecting retailers in our business, we sent talented teams of editors into ghetto areas. They spoke to businessmen and the ghetto dwellers to get on-the-spot versions of what happened, why it happened, what could have been done to prevent it, and what can be done to keep it from recurring.

One of the conditions that was confirmed was something we always knew: there are parasitic retail operations in our business and some people in the industry continue to shrug them off as necessary evils.

We don't. We can't afford to any longer. And I'll tell you why: these unscrupulous businessmen have long been gouging the poor, adding to the tensions in a down-and-out atmosphere, and giving this industry a bigger black eye every year.

For example, why should a family that makes less than \$4,000 a year have to pay over \$200 for a television set that, in another part of the city, a middle-class family buys for \$40-\$50 less? As the urbanization of our nation grows, increasing numbers of whites and non-whites alike come to

our cities and suburbs in hopes of finding jobs that could lift them out of a cycle of poverty. But what do they find? They are herded into areas where unspeakable conditions exist, and into a new and much narrower cycle of poverty, a cycle often accelerated by the "quick buck" artists in our business. There is every indication that, at a time when the ghettos are swelling and tensions are bubbling over, the number of unscrupulous retailers is also rising.

It is interesting to note that scrupulous and honest businessmen can do well in so-called "poor" sections and even be immune to the angry manifestations of people trying to be heard. Such a retailer is Newark's Charles Schultz, owner of Prince Range Co. (see story at left). He is by no means alone, of course. But our industry needs more men like him, more men who have found that honesty is the correct vaccine for protecting a business and making it grow, more men to uphold this industry good name. We must have them.

Thus it's high time for the industry to set up some sort of a council to end practices that are self-damaging. It would, we believe, be beneficial for spokesmen from such groups as NARDA, AHAM, EIA, AGA-GAMA and other industry leaders to come together before the summer is over to initiate a concerted program that would go far to ease present tensions and begin to root out the underlying causes of ill feeling among their neighbors and customers.

If the industry showed interest and took action now, our own retailers, as well as the people they serve, could begin to benefit immediately, and in the future, too. Merchandising Week stands ready to support such an effort in any way possible.

Further, we invite an open industry dialogue on this topic. If you have any comments or suggestions, please let us hear from you.

—Martin R. Miller, Editor-In-Chief



Prince Range Co. store manager Andrew A. Amato stands among his wares—all intact—a week after the Newark riots. Though stores on both sides were damaged, his was not. Why? "You know he's not going to cheat you," said an area resident. "They're our friends," says Amato

Alvin Perlman, owner of the five-unit Zemel Bros. appliance-tv chain, with headquarters in Bridgeport, Conn., believes in meeting his problems—discounters and Sears, for example—head-on.

When the New York City-based discount chains invaded his high-markup Connecticut trading area six years ago, Perlman started the Connecticut chapter of MARTA, the nation's largest appliance-tv cooperative. He credits the MARTA chapter for turning the tide against such formidable discount competition as Friendly Frost, E.J. Korvette, Grandway, and Connecticut's own successful discount chain, Caldor.

When Sears, Roebuck & Co. only last week opened a modern, 250,000-square-foot department store in a redevelopment area in downtown Bridgeport, Perlman was making final plans to open a new store next door to the new Sears—"within 10 feet."

Far from being cocky, Perlman is convinced that Zemel Bros.—thanks to its MARTA ties and its own efficient operation—can more than hold its own. In Bridgeport, in particular, he is convinced that he is getting a bigger share of the appliance-tv dollars despite increased competition.

Perlman established the MARTA chapter in two days, an accomplishment of which he is justifiably proud. There is little doubt he's a man of action.

From salesman to owner

While finishing up his senior year at the University of Connecticut, Perlman became a part-time salesman for the Zemel Bros. store in Bridgeport. Mar-



Al Perlman: how he mixes co-op buying, borax ads, Tiffany selling

ried during his junior year in college, Perlman worked three evenings and Saturday as a salesman. His roommate during the freshman and sophomore years at the university was manager of the store at the time.

Perlman studied insurance law at the University of Connecticut, but upon graduation had decided he preferred the appliance business. He joined Zemel Bros. full-time and became a crack salesman. Two years later, in 1952, he succeeded his former roommate as manager of the store.

He turned the store into such success that one day the owner called him into the office and told him that, if he had to pay Perlman any more money, he might as well sell the store to him. This was in 1956, the year he bought the Bridgeport store.

One year later, with "more nerve than anything else," he opened a second store in Bridgeport in the same shopping center where his largest outlet—Brookside—is currently located. In 1959, he bought the two Zemel Bros. stores in New Haven—the Zemel family having decided to get out of the business entirely. He since has opened his fifth store, in Danbury.

It was about the time he had opened his fifth store that the New York chains started to give him trouble. Everything he had gambled on and built up to that time was being placed in jeopardy. He had to act.

The co-op is born

He called other independent dealers together to discuss the problem, but the "lethargy that existed among the dealers in the state was unbelievable," he said. He had sought \$25 each from some 25 to 30 dealers to hire attorneys to look into what the appliance-tv dealers could do to prevent their being run out of business. Total pledges, however, came to only \$250.

He turned to Connecticut's Attorney General, Albert Coles, who advised him to go to Washington to discuss the matter with the Federal Trade Commission, which, Perlman maintains, offered nothing constructive in the way of advice. Finally, he contacted Bernie Artz, head

of MARTA in New York. "Bernie old me to go back home and form a group and then come back to see him. I showed up again two days later. Bernie was surprised."

So the MARTA chapter in Connecticut was born with 11 members and 19 stores. Perlman served as president for six years and is now chairman. Under his leadership, the chapter has grown to 16 members with 40 stores. The MARTA chapter does about \$11 million volume annually, with Zemel Bros. one of the two largest members. Perlman estimated his volume will reach \$3.6 million this year.

The co-op had rough early days, and did not turn the tide immediately. "We were regarded as outlaws," Perlman said, noting that cooperation from manufacturers was limited at first. He also pointed out that it took time for MARTA members to get oriented to the co-op way of doing business, and to lose some of their independent spirit.

In the early days it took a new member about a year to get oriented to the co-op philosophy and operating procedures, but now it takes about 90 days or so, he added. "The group," he said, "must transcend the dealer's own individuality."

When you first join a co-op, Perlman points out, it is natural to want to know: What can I buy this for? But in time, this must change to: What can I sell this for?

To Perlman, a co-op means more than joint buying power, although this, of course, is one of the key advantages. There are many auxiliary benefits such as overnight delivery from the MARTA warehouse in Hartford, inventory control, faster turnover, and advertising.

But more important is a philosophy of doing business.

The merchandising mix

In his own operation, Perlman relies on a successful contrast. He said one of his customers put it aptly: "The advertising is highly borax, but the approach is Tiffany."

Zemel Bros.' newspaper ads are highly promotional—designed to sell merchandise in a variety of tried-and-true methods. But the Zemel Bros. store—especially the main one in Bridgeport—is highly sophisticated in layout and display. His displays will rival anything being done by the fashioned-oriented, better department stores.

The main store—the other smaller ones are being patterned after it as much as possible—is located in a former Woolworth space in the Brookside shopping center. Perlman's old store was next door. Woolworth vacated to go into a newer, nearby shopping center, and Perlman took over the Woolworth lease. He said he can afford the 16,000 square feet of space—10,000 square feet devoted to selling—because "nobody knows how to write leases better than Woolworth."

At the store, major appliances are shown in kitchen settings (Perlman sells a "total kitchen" approach as the result of an arrangement with a cabinet maker); high-end brown goods are shown in room vignettes (with original oil paintings on the walls; he sell them, too, on a consignment basis with an art gallery); high-end stereo consoles are displayed in mass in four separate listening rooms; and a large, comprehensive display of Kelvinator Originals is designed to stop traffic.

Little, if anything is lined up against the wall. Where major appliances are mass-displayed, interest is added by a large assortment of color models, interspersed with the white units. ("I'd display a lot of color even if I didn't sell them," he said. He does, of course.)

When Sears moved to a new store, Perlman decided to follow the retailing giant. They had been downtown Bridgeport competitors for years. So Perlman is closing his downtown Bridgeport store and building a new one next door to Sears. He expects to benefit, as he has in the past, from the traffic that a Sears can draw.

Although he can't compete with Sears on advertised leaders, most of Sears' business, he points out, comes from trade-up models. And here Perlman is convinced he can compete. Perlman already is cying the traffic that will come out of Sears into Zemel Bros.

—Ed Dubbs



Tasteful displays help move consoles



Kitchen settings show off majors



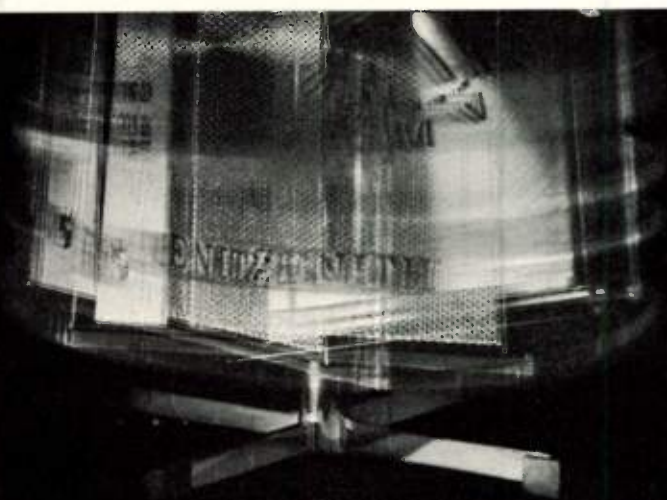
Salesman Jim Majors checks electrics



In this Bridgeport shopping center Perlman took over a Woolworth lease

Again in '68...
the real sales-makers come from Zenith!

Any way you look at it...
Zenith introduces the most
dramatic clock radio ever designed!



it swivels

it's a clock



it's a radio



it's excitingly decorative



The Aristocrat, Model Y280 • A back-to-back, solid-state clock/AM radio • Battery operated • Hardly bigger than your hand • As handsome on a desk as on a nightstand • Automatic clock control wakes you to music or reminds you of appointments • Great gift item • Grained Walnut color case for him • White Ostrich-textured case for her.

WHY NOT
SELL THE
BEST



The Aristocrat desk set, Model Y290. Solid Walnut base. Two Sheaffer ball-point pens.

ZENITH

*The quality goes in
before the name goes on*

SERVICE NEWS



□□□□ A nationwide service network tied together by a strong franchise, national advertising, advanced training methods, and one telephone number has been built by Whirlpool.

In the past four years, Whirlpool Corp. has franchised 1,220 service outlets (dealers and independent service companies) em-

ploying 2,625 men offering Tech-Care to 70% of all Whirlpool appliance owners.

□□□□ One national telephone number now ties the consumer into this network. The customer whose appliance breaks down calls 800-253-1301 (in Michigan, 800-632-2243).

This is a toll-free call from anywhere in the U.S.

The Whirlpool operator in Benton Harbor (Mich.) tells the customer the name and number of the nearest Whirlpool Tech-Care service agent. If there is more than one franchised Tech-Care center in her area, the operator will give the customer three names and numbers. These will be given out on a rotating basis so that no one service operation receives more than its share of the calls. The consumer will then call the service technician.

□□□□ Whirlpool will log the calls and follow up on any complaints. While the operators, who will be on duty 24 hours a day, seven days a week, may be able to solve some consumer complaints, Whirlpool expects to refer most callers to a service company.

□□□□ Looking down the service road, Whirlpool sees personal service consultants and do-it-yourself appliance repair.

For the first, "We visualize that a phone call will bring to the consumer whatever service and warranty information she would desire and if service is required, would arrange for an immediate call by a qualified serviceman," says a spokesman.

For the second, Whirlpool showed an experimental solid-state timer, which has no moving parts and is designed for plug-in replacement. Until the cost comes down, the company will not be using the timer on its washers. However, with such components, and a method of electronic self-diagnosis—"Possibly a light that would pinpoint the failed component—the consumer could easily repair an appliance himself."

□□□□ A new multimeter from Speco includes DC voltages (10,000 ohms/volt sensitivity), AC voltages (5,000 ohm/volt sensitivity), DC current and resistance, and a probe light built into the test lead.

The Speco Model P-100-L Multimeter has a dealer net price of \$21.95, which includes batteries, test leads, probe light test lead, and instruction manual. (Distributor Sales Dept., Components Specialties Inc., 101 Buffalo Ave., Freeport, N.Y.)



Nobody buys a stereo for kicks.

Time was, a hearty kick often got an old radio or an appliance working happily again. But not any more — it takes an expert to service a modern phonograph, and everybody knows it. When you become a Philco Qualified Service Center you'll give your prospective customers confidence in your expert service. Confidence to buy.



Your service technicians can get all the training they need right in your own area. And when they're through, we keep them wired in to all the latest developments with our Tech Data Service.

And you can get more service business, too. Your store can appear in our Yellow Pages listings, and you become the HQ for Philco Service in your area — there's plenty of attractive store identification for you. And you'll get the fastest parts delivery in the industry.

Philco Qualified Service gives your customers confidence. And that's what sells the goods. That's the basic idea — for all the details call your local Philco-Ford Distributor and ask for the Service Manager.

Philco-Ford Corporation
Philadelphia, Pa. 19134



The bank credit card system: what Illinois retailers think

Retailers have soured somewhat on the Midwest Bank Credit Card since its introduction in October, 1966. Interviews with appliance dealers in Chicago and the surrounding area indicate that the program, on the whole, is not popular.

Originally, the dealer was charged an interest rate of from 1% to 5%, according to the volume of his operation. This meant that the big retailer was paying significantly less for the program than his small, competing brother. The Midwest Card organization adjusted its rates in January of this year: now, the maximum charge for any dealer, no matter what size, is 3%.

How the system works

A consumer holding any one of the six cards involved in the Midwest program is a potential customer for the 60,000 merchants enrolled in the system. At the time of purchase, each member merchant fills out a slip and imprints it with the holder's plastic card. The slips are then channeled back to the bank that issued the card. Once a month, the bank fills its card holders for the total amount of charges made during that month. If a consumer pays his charge bill within 25 days, he is not charged any interest rate. After 25 days, he is assessed 1.5% of the balance.

The banks belonging to the program exercise two different methods of handling credit for the merchants: some give the merchant full credit for his daily charge slip deposits, and charge him a graduated monthly fee based on that month's volume; others deduct a daily handling fee from the merchant's deposits.

Critics attack the cost

"The bank credit card costs us 2.5%," says Elmer Schwerin, Naperville Appliance & TV, Naperville, Ill. "To be competitive today you have to give the best discount possible, and this just adds to the necessary evils of doing business. The bank card people take care of the big boys like Polk Bros. for 1% and stick us for 3%. I won't use credit cards for color tv at all. They add too much to the cost. I think credit cards are unfair to small dealers, and I think they're really illegal," he said.

Arthur Dahlmann, Dahlmann Appliance, Lansing, Ill.: "I've got the Midwest card, but why should I pay someone else a commission when my commission is so small. The only time I benefit is if it is a repair job under \$50. All this is doing is leading to monopoly. Why should we send our money to Chicago when they don't care a bit about us? The local banks need our business."

Al Diller, Irv Wolfson Co., Chicago: "We don't believe in it. We don't want it. I think they are a bunch of crooks. We have our own program."

Bill Smith, Peterson De Greef Appliance Inc., Waukegan, Ill.: "Too much bother. It costs us money to use it. We have our own system."

Don Jacobson, Benson's Furniture & Appliance, Chicago: "I don't carry it. I don't think much of it. The way it was distributed was very poor. A lot of cards went out to people who should never have had them. We don't have don't get calls for it. We're against

our own credit program because 90% of our business is cash."

Ed Libit, Temson Radio & Appliance, Chicago: "We don't carry it and we don't get calls for it. We're against it."

Ed Allan, Becker Appliance, Evanston, Ill.: "I don't trust the program. Too many sheets coming through with bad numbers on them."

Edwin Landwehr, Landwehr's TV & Appliances, Arlington Heights, Ill.: "We use the Midwest bank card, but we've put a limit of \$50 purchase on its use. The 3% charge takes too big a bite out of the profit on large-item purchases such as appliances and tv sets. On small items, with volume, the card is a convenience to the customer that we hope will eventually help increase the volume considerably. It hasn't yet. We have our own 30-day charge accounts to take care of large-item credit."

"I think NARDA, of which I am a member, should investigate to learn who is really picking up the tab on these cards. The cost is being borne now by dealers like me who haven't raised prices 3% to 5% to cover the cost of the card plan. We pay 3% to cover the cost of the plan. Right now, the banks are the only people making money off these cards."

Supporters cite sales lure

Sam Salato, Polk Bros. Ford City, Chicago: "We carry it. We have no problem with it. It's an added feature that stimulates buying. A lot of people are buying appliances with the Midwest card."

Louis Leonardi, Leonardi Furniture, TV & Appliances, Aurora, Ill.: "The bank card is a convenience to the customer buying small items like radios, portable televisions, toasters and vacuum cleaners. The card has not increased our volume, but we have not increased our prices to cover the plan's cost. I'm considering use of the card for service—I think that would be a great idea. My business is 99% large-ticket items, and, for this paper, we use two local banks. We've been using them for years, and they've become a habit."

Don Weingart, Carey Appliance, McHenry, Ill.: "We do use them but we haven't had too many credit purchases as yet. I think it's a fine idea, especially since the rate of interest has gone down."

Most dealers are neutral

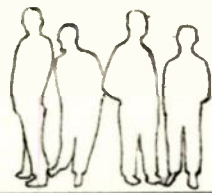
The picture, in general: most retailers seem to carry the Midwest Bank Credit Card, but register little feeling one way or another about it.

"Yes, we carry the card, but it's not really helpful," said Allan Kaminisky, Home Store Appliance, Chicago. "We have maybe one or two credit card sales a month."

John Tokarz, Metropolitan Furniture, Chicago: "We carry it, but there is not too much response on it. If a customer uses it he usually buys little things with it, not appliances."

Rudy Higgins, Rudy's TV & Appliance, Blue Island, Ill.: "I carry it. It's all right. As far as the rate of interest—that's up to the consumer. He has to decide if he wants to carry it." Don DeFrain, Coles Appliance & Furniture, Chicago: "We carry it but don't have much use for it. We could do without it." —Jerianne Roginski

THIS BUSINESS IS PEOPLE



W.H. Mixer

N.V. Osterland

Anniversaries: something more than a business relationship

This business is people—but more. It also is long-time relationships, something that often is forgotten, except when an anniversary is marked.

For example, two of the nation's oldest brand names—Bissell Inc. and Sperry & Hutchinson—are now marking their 71st anniversary of doing business together. N.V. Osterland, vice president of the trading stamp company (above), received a gold-plated carpet sweeper from Bissell's James W. Lloyd to mark the occasion. Bissell products have been featured in the S&H redemption catalog continuously since 1896. S&H, of course, rates as one of the nation's largest merchandisers of housewares.

A 30-year-old relationship in the younger home electronics industry also was celebrated recently. Willard H. Mixer, president of the H.R. Basford Co., of San Francisco, was presented with a diamond pin and a silver bowl to mark his firm's 30 years as distributor for Zenith Radio Corp.: Zenith president Joseph S. Wright made the presentation to Mixer.

MASTER OPENER: A reputation for successful store openings is what Larry Masters is building. Masters has been tapped as manager of the 12th Woodward & Lothrop unit, which opened last week. The Washington (D.C.) department store's 12th unit is a 3-level store with about 165,000 sq. ft. of space in the Iverson Mall shopping center in suburban Maryland, just over the District of Columbia line.

Masters previously served as manager for the opening of Woodie's Landmark shopping center store and later for the Prince Georges Plaza branch. Montgomery Ward is the other department store located in the new Iverson Mall shopping center.

FROM COAST TO INTERSTATE:

The man to watch on the retail scene these days is the sales promotion executive—the man who seems to be taking on a more important role in all aspects of merchandising. And Interstate Department Stores Inc. underscored the growing importance of the post when the chain named Sam Nassi to that role on a chain-wide basis.

Nassi will head special merchandising projects nationally for Interstate, while remaining an Interstate vice president and staying at its White Front headquarters in Los Angeles, Calif.

Sol Cantor, Interstate's president, said Nassi, a veteran of the discount

industry, "will develop special merchandising activities for the entire Interstate chain," including Topps discount stores and the traditional department stores operated by Interstate, as well as the White Front outlets. Joseph Pollard, formerly with S. Klein in New York City, will succeed Nassi in his White Front sales promotion post.

BRAND-NAME PEOPLE: Two retailers have been appointed to the board of directors of the Brand Names Foundation Inc., New York City. They are: J.F. Hathaway, vice-president of Home Centers Inc., of Akron, Ohio, representing the Retail Advisory Council of the foundation; and Robert B. Adam, president of Adam, Meldrum & Anderson, Buffalo (N.Y.) department store, representing the National Retail Merchants Assn.

Other brand-name appointments include Jack M. Williams, vice president for advertising and sales promotion of RCA Sales Corp., Indianapolis, Ind., re-elected to the foundation's executive committee; Edwin B. Epstein, president of Great Eastern Food Markets Inc., of Elmont, N.Y., representing the Super Market Institute, to the board of directors; and Fred W. Adams, director of marketing for American Motors Corp., to the executive committee.

KEY MOVES: New director of marketing for Norge factory branch and contract sales is Paul N. Miller (below)... Tappan Co. names Kenneth H. Clarry (below) as director of merchandising... Jerome G. Cantor has been elected vice president and general manager of RAL Corp., plumbing and heating and major appliance distributor based in Passaic, N.J.... Anthony Ferma has been named manager of Kelly & Cohen's 23rd store in Butler, Pa.... Frigidaire names Robert P. Bratten as Los Angeles zone manager, and John B. Tritsch to succeed Bratten in Memphis... Fedders names Martin J. Collins as account manager for private-label products... J.E. McMurray Distributing Co., Grand Rapids, Mich., has been named to handle the Amana line... Ben C. Miller is named merchandise manager for Times Square Stores' Levittown outlet... Kelvinator names Edward H. Weiss & Co., of Chicago as its ad agency... Paul Hanerfeld, formerly of Gimbels New York, has joined Wards-TV in Richmond (Va.) as merchandise manager; Hanerfeld was housewares buyer for Bargain Town before becoming major appliance buyer and bulk housewares buyer for Gimbels... Packard Bell names Sachs, Finley and Kay to handle the advertising for its home products division... Reeves Soundcraft names Thomas & Modrcin Associates as reps in Iowa, Nebraska, Kansas, Missouri, and southern Illinois.



K.H. Clarry

P.N. Miller



□□□□ **A bill creating an independent federal agency** to be the voice of the consumer in government has been introduced by Sen. Phillip A. Hart (D-Mich.). Similar bills have been floating around Congress for years, without success; and there is little reason to believe that Hart's measure will get any further than the others.

Hart has added a new wrinkle. He would give the proposed agency authority to publish product information on "facts helpful in making buying decisions—in making value comparisons." He says this information would "be put out factually—with no recommendation of one product over another." It would be stored in computers and made available to consumers at the point of purchase.

□□□□ **An increasingly bitter argument over taxes** is going on in Washington between Gardner Ackley, chairman of the President's Council of Economic Advisers, (CEA) and Sen. William Proxmire (D-Wis.), chairman of the Joint Congressional Economic Committee. Proxmire does not believe that a tax increase will (1) keep a lid on prices, or (2) result in federal revenue gains. The argument is unusual in that CEA and the Joint Committee generally see eye-to-eye. Proxmire warns that a tax hike could push the economy even further below the full employment line and result in little or no actual gain in revenue. The preponderance of Congressional opinion seems to be with President Johnson, however, and he is likely to get the tax boost he proposes.

□□□□ **Legislation to eliminate multiple taxation** of products moving in interstate commerce has won the approval of the House Rules Committee—after long delay. The bill, sponsored by Rep. Edwin E. Willis (D-La.), would prohibit a state from taxing a product unless the manufacturer or distributor maintained a place of business in that state. Congressional passage still is extremely doubtful, since the measure is opposed by state governors and state tax administrators.

□□□□ **A bill to extend the flammable fabrics law** to cover home furnishings has been approved by the Senate. The present law is limited to clothing. Under the bill, the Secretary of Commerce would be empowered to set fire safety standards for blankets, bedspreads, robes, rugs, upholstery, and other household textiles. The bill has been stalled for months in the House Commerce Committee, partially because of the pressure of other business. But it obviously is difficult to oppose such legislation, and final approval seems assured when the House Committee gets around to acting on it.

□□□□ **Two Congressional probes affecting retailers** indirectly will be conducted by the House small business subcommittee later this year: one, on appliance sales to home builders; the other, in a related area, on the promotional efforts of electric vs. gas utilities in influencing the builder market. The Federal Trade Commission recently issued a consent order against GE's Medallion Home promotional program (MW, 17 Jul., p.4).

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 |

MAJOR APPLIANCES

| | | | | |
|--------------------------------|----------|-----------|-----------|---------|
| 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 |
| 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 | June | 211,700* | 209,700 | + .95 |
| | 6 Months | 1,013,200 | 1,147,100 | — 11.68 |
| Refrigerators | June | 448,100 | 456,900 | — 1.93 |
| | 6 Months | 2,263,200 | 2,509,300 | — 9.81 |
| Water Heaters, elec. (storage) | June | 93,500 | 89,100 | + 4.94 |
| | 6 Months | 520,800 | 531,600 | — 2.03 |
| Water Heaters, gas (storage) | June | 210,860 | 219,100 | — 3.77 |
| | 6 Months | 1,273,670 | 1,377,460 | — 7.54 |

HOME ELECTRONICS

| | | | | |
|-------------------------------------|----------|-----------|-----------|---------|
| Phonos, port.-table, distrib. sales | July 14 | 54,738 | 54,028 | + 1.31 |
| | 28 Weeks | 1,495,085 | 1,271,324 | + 17.60 |
| monthly distributor sales | May | 141,797 | 146,337 | — 3.11 |
| | 6 Months | 1,155,398 | 975,503 | + 18.44 |
| Phonos, console, distrib. sales | July 14 | 26,829 | 25,048 | + 7.11 |
| | 28 Weeks | 639,983 | 837,250 | — 23.56 |
| monthly distributor sales | May | 47,991 | 69,267 | — 30.72 |
| | 5 Months | 499,452 | 659,351 | — 24.26 |
| Radios (home), distrib. sales | July 14 | 213,588 | 197,372 | + 8.21 |
| | 28 Weeks | 5,772,133 | 6,383,180 | — 9.57 |
| 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 | July 14 | 100,843 | 127,147 | — 20.69 |
| | 28 Weeks | 2,602,699 | 3,651,488 | — 28.72 |
| monthly distributor sales | May | 337,154 | 424,200 | — 20.53 |
| | 5 Months | 2,027,802 | 2,882,797 | — 29.66 |
| Color Television, distrib. sales | July 14 | 73,520 | 66,384 | + 10.75 |
| | 28 Weeks | 2,118,544 | 1,942,695 | + 9.05 |
| monthly distributor sales | May | 263,181 | 249,877 | + 5.32 |
| | 5 Months | 1,692,081 | 1,488,346 | + 13.68 |

*June Gas Range Total includes: 145,700 free-standing ranges; 23,200 high-ovens; 25,800 set-ins; and 17,000 built-ins.

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

Source: AHAM, EIA, GAMA, VCMA

The time is ripe for Affordable color tv.

Right now, five out of six American families don't have color tv. Not because they don't want it—but because they were scared off by color tv prices.

Now you can sell them. Offer them Philco Affordable color. It starts as low as \$299.95*. And there are logical, profitable step-ups all the way up to luxury color combinations.

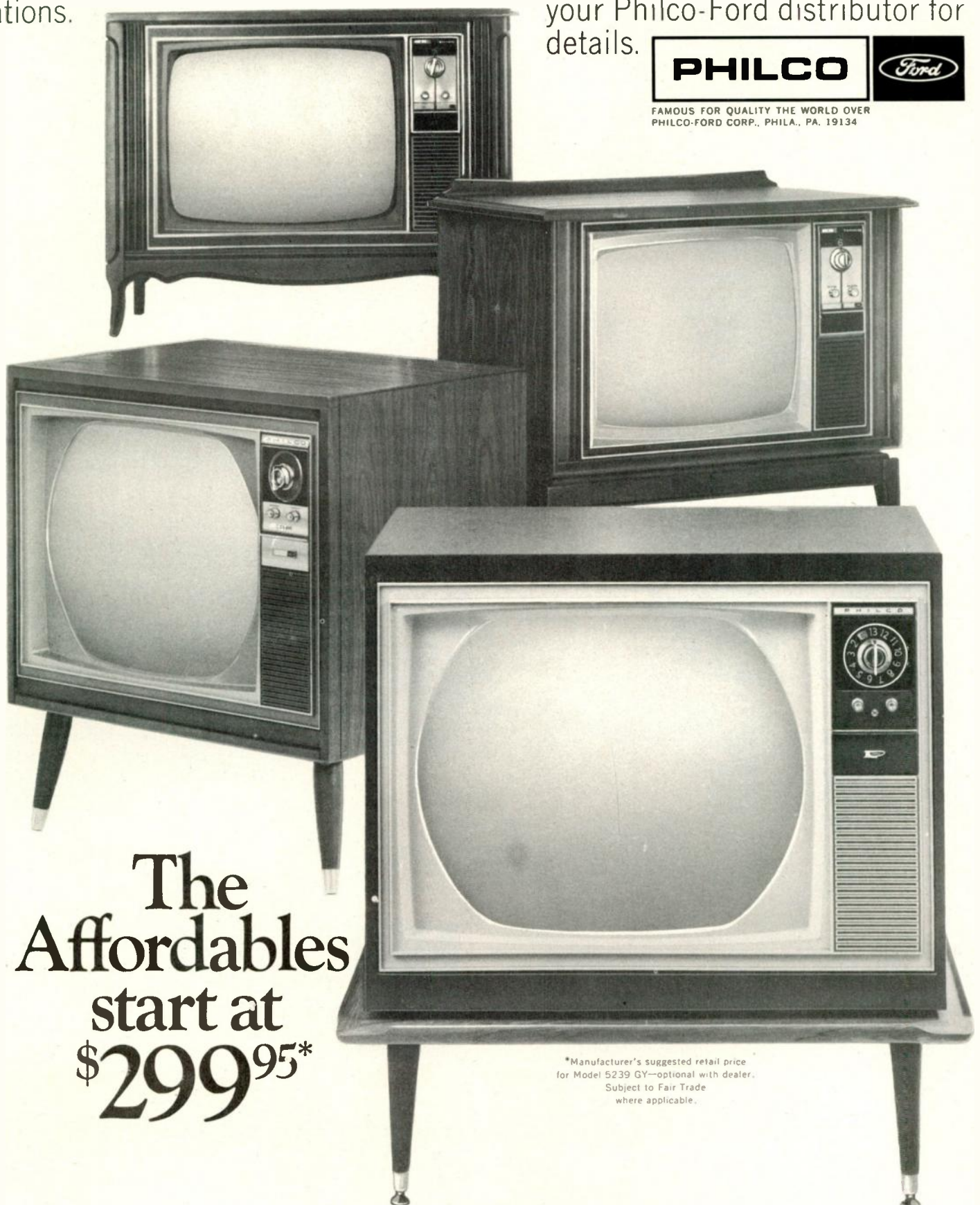
We're telling the Philco Affordable big-screen color story in 19 national magazine pages and over 90 big-circulation newspapers—all with full dealer listings. And there are radio spots scheduled on 1300 radio stations across the country on all four major networks.

It's still not too late to join in—call your Philco-Ford distributor for details.

PHILCO



FAMOUS FOR QUALITY THE WORLD OVER
PHILCO-FORD CORP., PHILA., PA. 19134



The
Affordables
start at
\$299⁹⁵*

*Manufacturer's suggested retail price
for Model 5239 GY—optional with dealer.
Subject to Fair Trade
where applicable.

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.



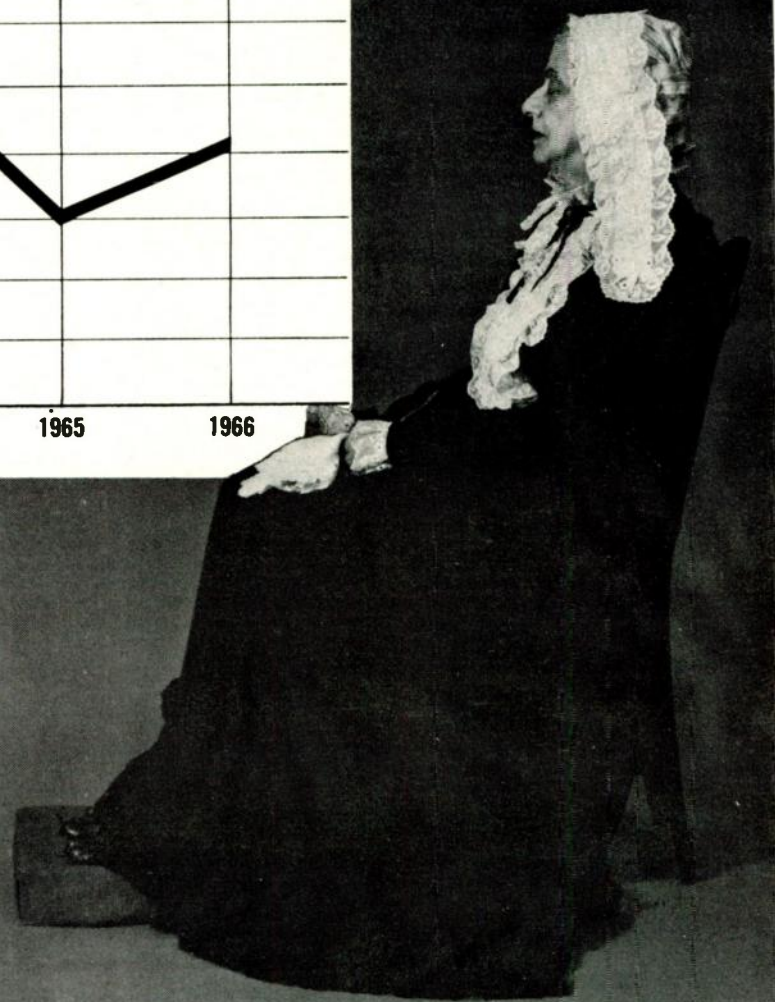
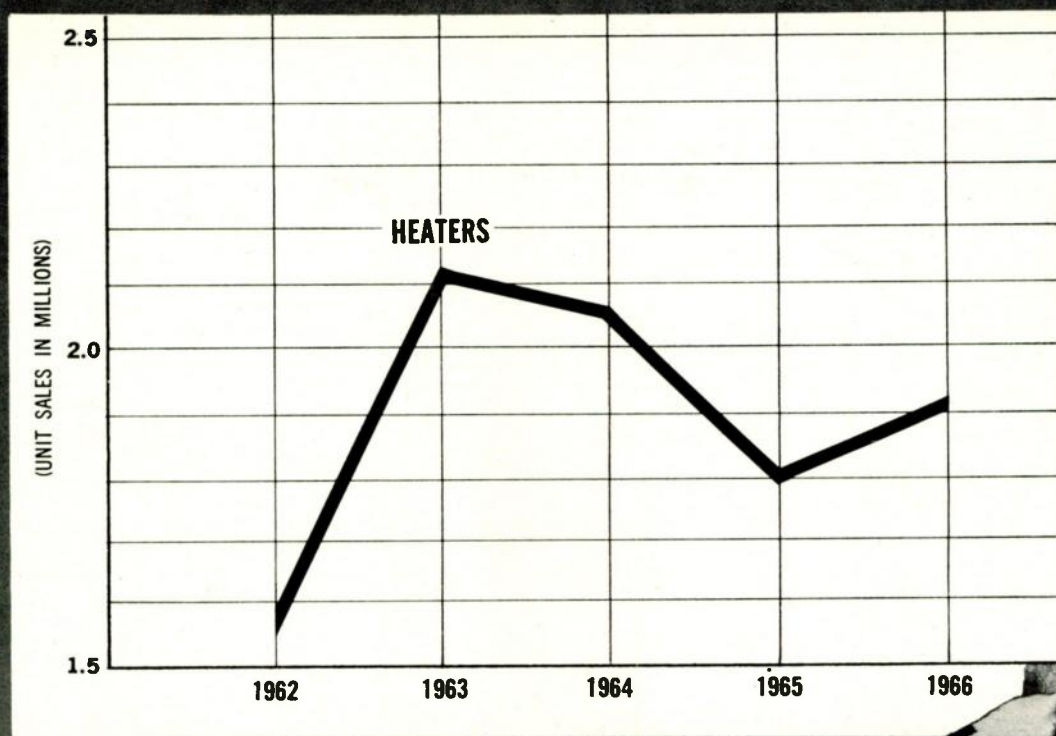
Inside there's a 9-gal. water tank and a mammoth new drum style filter (pat. pend.) with more filter surface than any other humidifier on the market. Making this the highest capacity portable we've ever offered. And the quietest. Don't disguise your admiration. Write for details. Berns Air King Corporation.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



*the ones that look like
fine furniture*



Air King Portable Humidifiers



Merchandising winter comfort 1967 style: back to the basics

By Irene Kanfer

Cover photo by The Robert M. Denelsbeck Studio

Her skin is still wrinkled, her rocker still creaks. But her feet and hands are warm, and a gleam has replaced the cold, icy look in Whistler's Mother's eye. All this because a smart retailer finally got around to telling her about winter comfort. Now she's sold. Not only did she buy an electric heater, but word has it she's got a humidifier on order, too.

As Mother Whistler learned—and growing numbers of consumers are learning—winter comfort is more than an afghan and a rocking chair, or a thermostat set at 75 degrees. It is a portable electric heater and a humidifier placed well in the scene. And the steady increase of heater sales, along with the even more dynamic rise of humidifier sales (not charted because industry-wide figures are not available) bear this out.

This year, sales of both products can be expected to climb again—weather permitting and retailers promoting. The regional, seasonal boundaries that once clearly defined heater and humidifier territories are becoming less pronounced. Longer, colder winters and chilly or over-air-conditioned summers are turning the heater into a year-round product in many areas: used in the home during the winter and taken to the office for the summer.

Although humidifier country is still defined as the area north of the Mason-Dixon line, extending approximately from Minnesota to New England, the humidifier belt is apparently expanding, as several manufacturers report some good sales in the cooler areas of the South.

Stepped-up advertising campaigns from manufacturers, combined with

back-up help from utility companies, articles in the consumer press, and physicians' recommendations, should stimulate consumer awareness and willingness to spend. This means that heaters and humidifiers deserve the same tender loving retail care lavished on personal care electrics and gourmet cookware.

Heaters deserve more attention than they've been getting. "You don't have to tell the consumer about heaters—she knows if she needs one," claims one manufacturer, expressing a view shared by producers and retailers alike. But does she?

Does she know about the benefits of the mini-heater, for example? Accent their giftability—for the student, for instance, who burns the midnight oil into the wee, small, unheated hours. Or tell the tale of the 2-heater home: the baseboard or upright portable for big jobs; the mini-model for individual use or smaller rooms.

Stage a "moisture-in" promotion for humidifiers early in the season to tell the consumer what they do and why they're needed. Educate the consumer and your personnel, too. Make full use of manufacturer aids. And get outside help. Presto, for example, provides in-store demonstrators to run special "humidifier clinics." The consumer is invited into the store to discuss her humidity problems with the demonstrator—who may just explain the principles, or actually go on to help her select the right unit. "In any case, if he sells her a Presto humidifier in the deal, fine. But at least he's made her aware of what the humidifier will do," says J.J. Jacques, Presto's assistant national field sales manager. "And this is what really counts."

The ABCs of heaters: spelling out the selling points

The terms of the trade: you don't have to be a scientist to talk portable heating

Btu, wattage, heat loss compensation. These terms sound complicated, but really are not. Define them for the consumer and you're selling portable heating comfort in a sophisticated and convincing manner.

- **British thermal units (Btu):** a measure of heat. Actually, the amount of heat required to raise the temperature of 1 lb. of water 1 degree. It is the most accurate rating of the heating capacity of a portable heater.

- **Wattage (w):** a watt is the basic

unit of electrical energy. One watt (1w) equals approximately 3.413Btu of heat energy. The number of watts multiplied by 3.413Btu equals the number of Btu per hour. A 1,320w heater, for example, produces approximately 4,500Btu per hour.

- **Heat loss** (it happens in the best of homes): the rate at which heat is transmitted to the outdoors through walls, windows, ceilings and floors. Heat loss is also measured in terms of the Btu per hour.

- **Auxiliary electric heating:** using a portable electric heater to supplement the existing heating system or ward off drafts in areas such as basements, waiting rooms, hallways, and hard-to-heat rooms.

- **Comfort level:** the room temperature at which most adults feel comfortable. Usually 70 degrees to 74 degrees.

- **Heat loss compensation:** bringing the temperature of a room to the point where body heat is not lost.

Mini, baseboard, or upright: three ways to beat the drafts

Let the consumer choose, according to her needs, from three basic heater styles. Know which will best do the job she has in mind for it. The upright, portable heater, probably the most familiar because it has been around the longest, can find a niche almost anywhere in the home—especially now that so many of the models feature slim-line styling and a choice of temperatures. Uprights go in family rooms, nurseries,

playrooms, breezeways, laundry rooms, basements, or large, hard-to-heat rooms. For the well-decorated den, suggest an upright with fireplace styling that also mounts on the wall. The baseboard—long, low, and slender—fits unobtrusively against the wall and is particularly effective in rooms with large picture windows and sliding glass doors that open to an outside area. The mini-heater, smallest and youngest member

of the portable electric heater family, is nonetheless powerful. Its uses are many—in the nursery, bath, office, rec room, boat, porch, or studio. It's personal, too, as it can be used for such diversified activities as hair drying, wash-and-wear drying, defrosting, and warming up car engines in winter. In talking about any heater, don't neglect to mention the safety features present on every model.

Radiant-heat or fan-forced, thermostatic-control or plug-in: when an engineering degree is not necessary

The talk sounds technical, but the principles on which a heater works are easy to understand:

The **radiant-type heater**, like a summer sun reflector, has a reflector coming from an aluminum or gold-tone aluminum sheet placed behind the heating element.

The **blower, or fan-forced, unit** gives the reflected heat an added push with the aid of a quiet blower. This kind of heater both circulates and generates heat.

Thermostatic control means constant comfort from a unit that turns itself off when the desired heat level is

reached, but turns on again when the room begins to cool. The desired heat level can be set by the user.

The **plug-in, portable, electric type**—traditional and ever-popular heater style—has no thermostat. Temperature is controlled by plugging it in and unplugging it, as desired.

The extra features: think safe, slim, silent

A heater is a heater is not just a heater. Think safety, and point out the safety tip-over switch that automatically shuts the unit off if it is accidentally upset. Stress the safe side of the finger-proof, small, mesh grilles that keep little fingers out of trouble. Talk about timers

and the no-watch advantages of thermostatic controls. Tell about the quiet fan. Demonstrate the carrying handle and play up the portability. Strike a note for styling—the vinyl, woodgrain, and metallic finishes. Stress the slim lines or the comfortable, cozy chic of the fire-

place models. Talk about the year-round use of portable, electric heaters—really pieces of furniture that should be seen and are never heard. Mention the heater as a summertime convenience item on a boat or at a summer house.

Texts that supplement the sales talk

WINTER WARM-UP \$2.00 REFUND OFFER

On All General Electric Portable Heaters



Here's all you do!

1. Buy any General Electric Portable Heater.
2. Send your name and address with the name of the Portable Heater you wish to buy to: G.E. Portable Heater Refund, P.O. Box 800, Akron, Ohio, 44309.
3. General Electric will send you a \$2.00 refund. Limit one per family.
4. Offer expires November 1, 1987 and requires November 15, 1987.

Thank You... Where you want it. When you want it.

GENERAL ELECTRIC

GE tells customers about the Winter Warm-Up \$2 refund on its heaters with a pizzazzy flyer sheet



Arvin's mailing piece for its heater line can also be used as a point-of-purchase aid

Cold spots removed... painlessly!



Does your home have a cold-spot corner... a cold-spot porch that brings on the shivers... a bathroom that sometimes has Antacid? Auxiliary electric heat can come to your rescue!

In winter, electric heaters supplement your central heating system to provide all the warmth you need, where and when you need it. And the compact units, baseboard, wall panels or mini-portables... are right at home anywhere.

Electric heaters are ideal, too, for chilly chills in spring and fall when the weather's not cool enough for turning on the central system.

Putting an electric heater in your home? Electric heaters eliminate running costly pipes or ducts into the area, and putting drafts in your present heating system.

Get all the facts about versatile Electric Heat. Just give us a call at 800-4-GE-500, Ext. 276.

New York City's Con Edison recommends auxiliary electric heat for the painless removal of cold spots

Bring Charm, Cheer and Warmth to Your Home with Hearth Brite



THE ELECTRIC FIREPLACE WITH THE BUILT-IN LOOK

Hearth Brite has a 4-color booklet for its portable electric fireplace with the built-in look

A humidification primer: educating for increased sales

What is humidity: a matter of relativity

Humidity is the water vapor or moisture that is always present in the air. Relative humidity is the amount of water vapor actually in the air, compared with the maximum amount the air could hold at the same temperature. For instance, a relative humidity of 50% means that the air is holding one-half the maximum

amount of water possible. During the winter, cold air entering the house—and it does not matter how solid the construction or the kind of heating system—lowers the relative humidity indoors. Warm air holds more moisture than cold air; and, when air is heated, its moisture-holding capacity increases,

although the amount of moisture does not. Thus, even turning up the thermostat may not make the house feel warmer, because the rate at which the moisture evaporates into the air is also being speeded, creating a cool feeling even at 75 degrees as the heated air takes up any moisture it can.

The benefits of humidification: talking dollars and sense

Heating bills can be kept down in the well-humidified home. Because moist air retains heat, the need to push up the thermostat is reduced. In addition, many of the newer models also heat the air as they moisturize it. More

economy: furniture stays nicer, longer, in a well-humidified home. So do carpeting, paint, and house plants—to say nothing of the occupants. With the maintenance of a constant moisture level, the house is more comfortable

more of the time. Instruments are easier to keep in tune, too. And, although not completely proved, it is thought that the number of winter colds, sore throats, and allergy attacks is also lower in the properly humidified home.

Does the house need one; the \$69.95, \$79.95, \$89.95 and \$100 question

If the question is "Do I need a portable humidifier?" the answer may very well be a series of almost soul-searching questions: Are you comfortable? Do you feel chilly although the thermostat is set at 75 degrees or higher? Are your nose and throat dry when you get up in the morning? Do you seem to have one cold after another during the winter? When the answers are "yes," the remedy is a portable humidifier.

The medical benefits of humidifiers

cannot be prescribed or advertised by the retailer, but a consultation with the family physician, who can best explain the symptoms of improper humidification and prescribe a humidifier, can be suggested. And don't be surprised if the physician is one step ahead of you in recommending portable humidifiers to his patients. More and more doctors agree that the number of colds, sore throats, allergy attacks, along with cases of dry skin and hair, are reduced in

well-humidified homes.

Other pertinent questions: Are there cracks in the woodwork? Is the paint peeling? Is your wood furniture creaking like an old rocker? Do you get shocks after walking across the carpet? Do your house plants droop? These are all sure signs that a home or partment is not properly watered. A sure-fire test is to put ice cubes in a glass of water. If moisture forms on the outside, a humidifier is needed.

How does it work: nice and easy does it

If you were to put a wet cloth in front of a fan, you would have a humidifier—a primitive model, to be sure, but a working model that would add moisture to the air. Most of the newer console humidifiers work on the same principle. Instead of a wet cloth, however, a water tank is built in, holding anywhere from eight to 10 gallons. A plastic or foam-type filter is kept saturated with water,

while a quiet fan draws air in from one side and then passes it through the water-saturated filter to soak up the needed moisture. The fan then blows the air out through an exhaust opening so that it diffuses into the room without causing unpleasant drafts.

Variations on this theme: some manufacturers use a stationary filter and built-in pump that circulates the water

quietly over it. In other models, a drum-shaped filter rotates through the water to keep it continuously saturated. Again, there is a fan which draws dry air through or over the filter in order to help it absorb the moisture as quickly as possible. The newer humidifiers can also be used as fans and cooling units. And they serve to keep the air cleaner as well.

The extra features: going beyond the basics

Once the consumer understands the basics of humidification, give her some exposure to the added attractions of the newer models—the silent salesmen behind trade-ups.

- The built-in casters.
- The water-level indicator.
- The automatic humidistat, which

turns on the unit automatically when the relative humidity drops.

- The red light that goes on when the water level is at empty.
- The controls, from a simple high-low switch to the infinite possibilities of solid state.
- The styling pluses. Today's humid-

ifiers are designed with the right look for any period or style of home furnishings. Most of the console models have woodgrain finishes and fancy grilles.

- The quiet fan operation.
- The large-capacity water reservoirs.
- The easy-to-refill, easy-to-change filter attractions.



Dry humor comes from Con Edison: a flyer on the benefits of portable humidifiers



A clear-plastic window banner from Arvin drops the word about the features on its console humidifiers. The copy stresses the plusses of humidification



Berns Air King plays up furniture styling of its new line with an eye-catching hang-tag on the doors of its new humidifiers



Presto tells a humidification story in a point-of-purchase booklet

The new lines: give them straight A's for style

Merchandising Week presents a "What's What" of the newer heater and humidifier lines, with a rundown of their convenience features and the fine points of their styling

ALBION DIV. OF MCGRAW-EDISON

Model 37H, Thomas A. Edison Imperial Tempered-Aire humidifier: electric heating element to temper air; heater feature; humidifies to 2,750 sq. ft.; no-draft discharge grille; automatic humidistat; refill signal light.

Model E27, Thomas A. Edison Imperial humidifier: automatic humidistat; refill signal light; 2-speed fan; no-draft discharge grille; humidifies up to

2,750 sq. ft.

Model E17, Thomas A. Edison Deluxe humidifier; promotional console model.

Albion

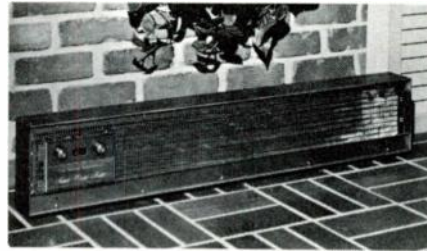


ARVIN

Model 58H12, table-model humidifier-vaporizer: humidifies up to 1,000 sq. ft.; 3.5-gal. tank.

Model 48H36, heater: baseboard styling; 3-heat, fan-forced unit.

Arvin



Model 48H33, compact "Radiant" perimeter heater: 2-temperature limiting thermostat; 1,320w.

Model 38H14, Deluxe 3-heat, fan-forced, automatic, instant-heat heater: portable; timer; aluminum reflector; upright with slim-line styling.

BERNS AIR KING

Model H850, stereo cabinet-style drum humidifier: Air King "ultra filter"; 3-way perimeter discharge; 3-speed pushbutton control.

Model HF25, the Somerset heater: fan-forced, baseboard, portable unit; 2-heat range; pushbutton control; automatic dial-type thermostat; copper-anodized reflector.

Berns Air King



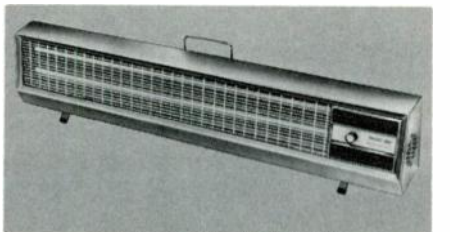
BERSTED MFG.

DIV. OF MCGRAW-EDISON

Model 32145, Tropic-Aire, 40-inch heater: baseboard styling; 1,320w; thermostatic control; tubular element; safety tip-over switch.

Model 32144, Tropic-Aire, 36-inch heater: baseboard styling; 1,320w, thermostatic control; tubular element.

Bersted



BRAUN

Model H-2, heater-ventilator: tissue-box size; 375w, 750w, 1,450w; can also be used as a ventilator.

Braun



CORY

Model 766S, console automatic humidifier: automatic humidistat and water-level indicator; 30-qt.-per-day evaporative rate; directional no-draft, top air discharge.

Model H3-207, Mighty-Mite instant red-heat fan-forced heater; automatic; 1,320w; instant red-ribbon-ray heating element; promotional model.

Model H3-247, Deluxe automatic, fan-forced, instant red-heat heater:



one good thing leads to another...



A powerful squirrel cage blower circulates massive quantities of air more effectively.



Louvers may be adjusted up or down to direct moisture, heat, or cooling air where desired.

New Toastmaster Imperial Humidifier ...the most powerful and versatile in the market.

Powerful? It's so powerful it automatically humidifies up to 4000 sq. ft. of living space. It will take care of 95% of all homes.

Versatile? This wonderful humidifier is also a room heater and a fan. In fact it's a comfort producer for all seasons.

As a humidifier it evaporates up to 25 gallons of water a day, distributing much needed moisture into that furnace-dried air, for the protection of fine furniture, draperies and carpets.

The heater is 1320 watts that gives cheery warmth when and

where needed. And on those hot summer days, refreshingly cool air is circulated by the fan. All year around, it's an attractive piece of furniture.

Other features include tilt-out front water drawer for easy filling; push-button controls; running and refill lights; ball casters; water level indicator; 8 gallon plastic tank... all to make this Toastmaster Imperial a top-seller. Toastmaster humidifiers are pre-sold through ads in national magazines and newspapers. Call your Toastmaster distributor today.

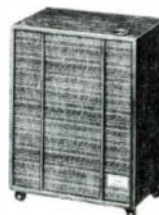
Model 5103, Custom Console with up-front fill and easy-to-reach push-button controls. Water level indicator. Handsome walnut vinyl cabinet looks like a hi-fi set. Automatically humidifies up to 2500 sq. ft.



Model 5118, New traditional console. Two speeds. Water level indicator. Top fill. Ball bearing casters. Automatic shut-off and refill light. Automatically humidifies up to 2350 sq. ft.



Model 5115, Slim-Line Console. Top fill, dial control, single speed motor. Water level indicator. Walnut finish. Automatically humidifies up to 2000 sq. ft.



Sell the line consumers are sold on—
TOASTMASTER
...where one good thing leads to another

TOASTERS • COFFEE MAKERS • BROILERS • IRONS • FRY PANS • PORTABLE VACUUM CLEANERS • WAFFLE BAKERS • MIXERS • BLENDERS • CAN OPENERS • HAIR DRYERS • HAIR CLIPPERS • VIBRATORS • SHOE POLISHERS • POWER TOOLS • FANS • BEATERS • HUMIDIFIERS • ELECTRIC KNIVES • BUFFET RANGES
TOASTMASTER DIVISION • MCGRAW-EDISON COMPANY • ELGIN, ILLINOIS

1,320w; safety tip-over switch.

Model BHA-330, fan-forced, baseboard, automatic heater: tip-over switch; overheat thermal cut-out.

Cory



PRESTO

Model Mark 300, Custom console humidifier: 2-speed fan; 900w, calrod heating element; automatic humidistat; refill light and shutoff; final filter feature; visual water gauge; 20-gal.-

Presto



per-day moisture output.

Model Mark 200, Deluxe console humidifier: same features as the Mark 300, but with moisture output of 15 gal. per day.

Model Mark 100, Standard console humidifier: same features as the Mark 300 and the Mark 200, but with moisture output of 12 gal. per day.

SUNBEAM

Models HU 404, HU 405, humidifiers: furniture styling; automatic shut-off; deluxe, consolidated control panel; off, high, low controls; red "on" light; white "empty" light.

Model HU 403, humidifier: 2-speed operation; 2-speed controls; Danish walnut finish.

Model HU 402, humidifier: automatic humidistat; deluxe enameled

finish.

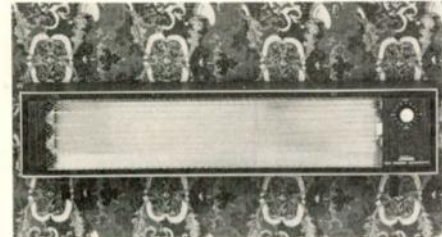
Model HU 401, humidifier: automatic humidistat.

All of the Sunbeam models will humidify up to 20,000 cu. ft.

Model HR8665, fan-forced, baseboard heater: standard model; 1,320w.

Model HR8675, Deluxe fan-forced, baseboard heater; goldtone reflector; automatic thermostat; instant heating element; 1,320w.

Sunbeam



EATON, YALE & TOWNE

Model 89B, Mistic-Air console humidifier: evaporates as much as 8 gals. per day; 2-speed motor; rotating drum; diffused air flow; water-level indicator feature.

GENERAL ELECTRIC

Model H-12, "Mighty Midget" portable heater: 1,000w and 1,500w thermostatic control; can also be used as a ventilator.

General Electric



HANOVIA

Model 4700, 2-speed portable space heater: mini-sized; 4,700Btu.

HUNTER

Model HRD16, Deluxe radiant electric heater: 1,650w/1,320w; fan-forced automatic thermostat; safety features.

Model HRF16, fan-forced heater: rubber-mounted fan; single-knob switch and thermostat; safety features.

Model HR13, fan-forced heater: promotional model; plug-in operation;

KNAPP-MONARCH

Model 16-521, Fin Radiation heater: automatic thermostat temperature control panel; Hi-Fan-Lo Fan push-button control; Hi Heat-Lo Heat; elements sealed in metal tubing surrounded with heat-producing fins.

MARKEL

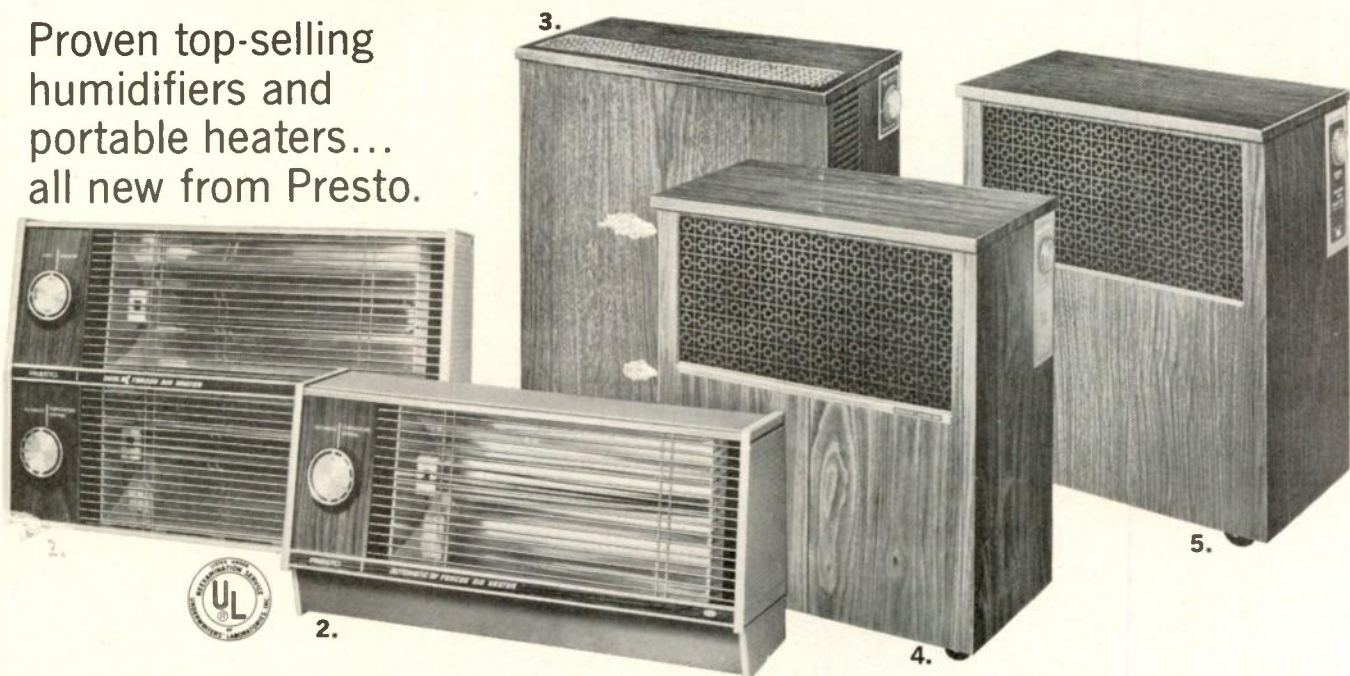
The GloHearth: radiant-heat, fireplace styled portable heaters: two portable models, 1,500w and 1,500-2,500w; decorative hoods.

Markel



Meet the Comfort Makers!

Proven top-selling humidifiers and portable heaters... all new from Presto.



1. Deluxe Portable Heater—Provides radiant fan-forced heat, instantly. Thermostatic control maintains desired temperature. Quiet fan. Dual control operates both ribbon heating elements together (1650 watts) or lower element alone (825 watts). Elements guarded by chrome safety grille. Safety tipover switch shuts heater off automatically. Attractive styling, 7-ft. attached cord.

2. Standard Portable Heater—An economical radiant fan-forced heater. Thermostatic control maintains desired temperature automatically. Quiet fan. 1320 watt element guarded by chrome safety grille. Safety tipover switch shuts unit off automatically.

Attractively styled. Convenient carrying handle, 7-ft. attached cord.

3. MARK 100 Standard Humidifier—Automatic humidistat maintains desired humidity level automatically. Puts up to 12 gallons of moisture into the air daily. Extra large 10 gallon rustproof tank. Top grille and side vents provide indirect draft-free flow of air. Easy to fill and clean. Handsome woodgrain cabinet. Portable, with smooth-rolling casters.

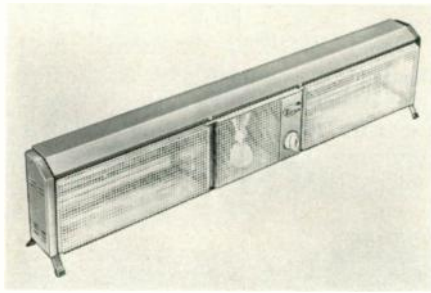
4. MARK 300 Custom Humidifier—New 2-speed fan and 900-watt Calrod heating unit increase efficiency. Automatic humidistat. Visual water gauge. Refill light glows when tank is empty. Exclusive Final Filter behind grille for extra

filtering action. Large grille for even, draft-free air flow. Extra large 10 gallon rustproof tank. High humidity output—up to 20 gallons of moisture daily. Easy to fill and clean. Handsome woodgrain cabinet. Portable, with smooth rolling casters.

5. MARK 200 Deluxe Humidifier—High humidity output—up to 15 gallons daily. Automatic humidistat maintains desired humidity. Visual water gauge. Refill light glows when tank is empty, shuts off motor. Exclusive Final Filter behind grille for extra filtering action. Easy to fill and clean. Extra large 10 gallon rustproof tank. Portable, with smooth-rolling casters. Attractive woodgrain cabinet.

PRESTO
NATIONAL PRESTO INDUSTRIES, INC., EAU CLAIRE, WIS. 54701

Show and tell: keeping posted on the newer models



Titan

TITAN SUBSIDIARY, RIVAL MFG.

Model BB-38, fan-forced portable, baseboard heater; available in avo-

cado green; automatic thermostat; silent high-capacity fan; 13-inch reflectors; 1,230w; disappearing handle; safe-temperature-limit control by which any unusual obstruction of heat flow will cause the heater to turn itself off automatically.

TOASTMASTER

Model 5108, Imperial console Home Comfort Center: humidifies up to 4,000 sq. ft.; 6-position humidity-control dial; season selector; pushbutton panel; can be used as a 1,320w heater; cools with 3-speed fan.

Model 5103, Custom console humidifier: tilt-out front water drawer; push-

button control; automatic signal light; humidifies up to 2,500 sq. ft.; walnut-vinyl cabinet; decorative grille; 8-gal. plastic tank.

Model 5118, humidifier: humidifies 2,350 sq. ft.; humidity-control dial; 2-speed motor; evaporates up to 14 gal. daily; red signal light.

Model 5115, Slim Line humidifier: 12-gal. capacity.

Model H945, upright 220v heater: thought to be especially useful in Southern climates; dual element; 4,000w; fan-forced; 7-position heat-control dial.

Model 905, 1,320w small radiant heater: gold-color cabinet; finger-proof grille



Toastmaster

WEST BEND

Model 4010, solid-state console humidifier; infinite, variable output speeds; "water-wheel" moisturizer; humidifies 2,500 sq. ft.; noiseless.

Model 4003, automatic console humidifier: humidifies 2,500 sq. ft., 2-speed air flow; "water wheel" moisturizing action; noiseless.

Model 4005, tabletop humidifier: for small areas; humidifies 1,000 sq. ft., "water wheel" moisturizing action; ultra-quiet; single-control mechanism; noiseless.

Model 4052, vapor all-automatic humidifier: promotional model; humidifies 2,500 sq. ft.; "water wheel" moisturizing action; noiseless.

West Bend



WESTINGHOUSE

Model AH08, pole heater: adjustable height; revolves 360 degrees to assure that heat goes where it is needed; thermostatic control.

Westinghouse



When West Bend talks to parents about humidifiers... it pays for you to listen, too!

Spare them discomfort!

West Bend "Water Wheel" humidifiers solve your dry air problem quietly, steadily, efficiently.

QUIET: West Bend's exclusive Water Wheel action provides a steady, gentle flow of air. Drum filter revolves continuously through water.

DRAFT FREE: Adjustable top grille allows directional air control.

EASY MAINTENANCE: Self-cleaning filter washes itself with each revolution through water. No sticky, gummed-up valve problems, either. And—easy filter replacement. Only \$1.

YOU BREATHE EASIER: Spring-foam moisturized air helps end dry, scratchy throats. You feel better, work better. And it prevents furniture and carpet work from drying out.

FINE FURNITURE STYLING: Available in walnut grain vinyl. Wipes clean in a jiffy.

EASY TO FILL: Front extra convenience.

OVER 2000 SQ. FT. Solid state console with automatic humidistat humidifies average 7-room home. Has infinite variable output speeds between 650 and 1150 RPM. With matching top cover for summer. 25" high. Under \$90.

UP TO 1000 SQ. FT. Console model with automatic humidistat moisturizes average 7-room home. New drive system and 2-speed air flow mechanism mean efficiency and trouble-free operation. 24 3/4" high. Under \$75.

UP TO 1000 SQ. FT. Table-top model is ideal for office, apartment, rec room, mobile home, bedroom, ski cabin, child's room. Single control, handy covered filler spout. 13" high. Under \$40.



Fact is, more and more people are now sold on the importance of humidifiers. But when you sell West Bend, you can offer them the plus of Water Wheel moisturization.

Advantages? Extra quiet... continuous revolution provides a steady, gentle flow of fresh, humidified air. Extra-easy maintenance... self-cleaning filter washes itself with each revolution through water.

More plus features include adjustable top grills to prevent direct drafts, new front filling to eliminate spills, fine furniture styling. For complete details... ask your man from West Bend.

OVER 2500 SQ. FT. Solid state console with automatic humidistat humidifies average 7-room home. Has infinite variable output speeds between 650 and 1150 RPM. With matching top cover for summer. 25" high. Under \$90.

UP TO 2500 SQ. FT. Console model with automatic humidistat moisturizes average 7-room home. New drive system and 2-speed air flow mechanism mean efficiency and trouble-free operation. 24 3/4" high. Under \$75.

UP TO 1000 SQ. FT. Table-top model is ideal for office, apartment, rec room, mobile home, bedroom, ski cabin, child's room. Single control, handy covered filler spout. 13" high. Under \$40.



...where craftsmen still care.®

© The West Bend Company, 1967
The West Bend Company, Dept. 188
West Bend, Wisconsin. Also available
in Canada

The winter comfort sales knack: two who have it

If retailers went to school, at the head of the merchandising winter comfort class would be Nathaniel and Jack Cohen, of Made In America Housewares, Westfield (N.J.), and Ralph and Bill Potter, of Gurnee Hardware, a Cotter Value Service Store in Gurnee (Ill.).

Despite keen competition from the giants on the Jersey highway—Korvette, Two Guys, and Great Eastern Mills—Nathaniel ("Than") Cohen and his younger cousin Jack last year sold 125 console humidifiers to their young and affluent suburb of over 30,000 residents. And Ralph Potter and his son moved over 200 heaters and 160 humidifiers last winter, bucking competition from Sears and Montgomery Ward. "They're 50 miles away in Chicago," Ralph Potter notes, "but with the Expressway, we feel their pull." Gurnee itself is a small village of 2,000 and most of the Potters' business is transacted with inhabitants of the nearby city of Waukegan.

Advertising pays, both retailers agree. And both retailers use a great deal of it—the co-op, and, in Gurnee's case, the Cotter kind. The two dealers begin their promotions early in the fall, and run them well into winter. Potter sends out about 56,000 of the direct-mailing pieces supplied by Cotter, which he follows up with ads in the Waukegan newspaper.

Nathaniel Cohen—or "Than," as his customers call him—believes in using co-op ad money, and makes heavy use of it in promoting humidifiers. (Made In America does not carry heaters. "The houses around here are too solid," Cohen says.) "You've got to start your advertising early in the season," Cohen advises. "You can't wait until people start asking or until after they've seen it in New York City or on the highway."

"We also use envelope stuffers," Jack says. "We put pieces from different manufacturers in different bills of our 800 or so charge customers. It's interesting to note the response we get."

The personal touch found in everything Made In America does is Than Cohen's explanation for his success with top-of-the-line humidifier models manufactured by Toastmaster, Presto, and West Bend.

"There's romance in all merchandise," he maintains. "Anything that sells, you can talk about. We won't sell the lower-priced models. We'd probably just have complaints on them,

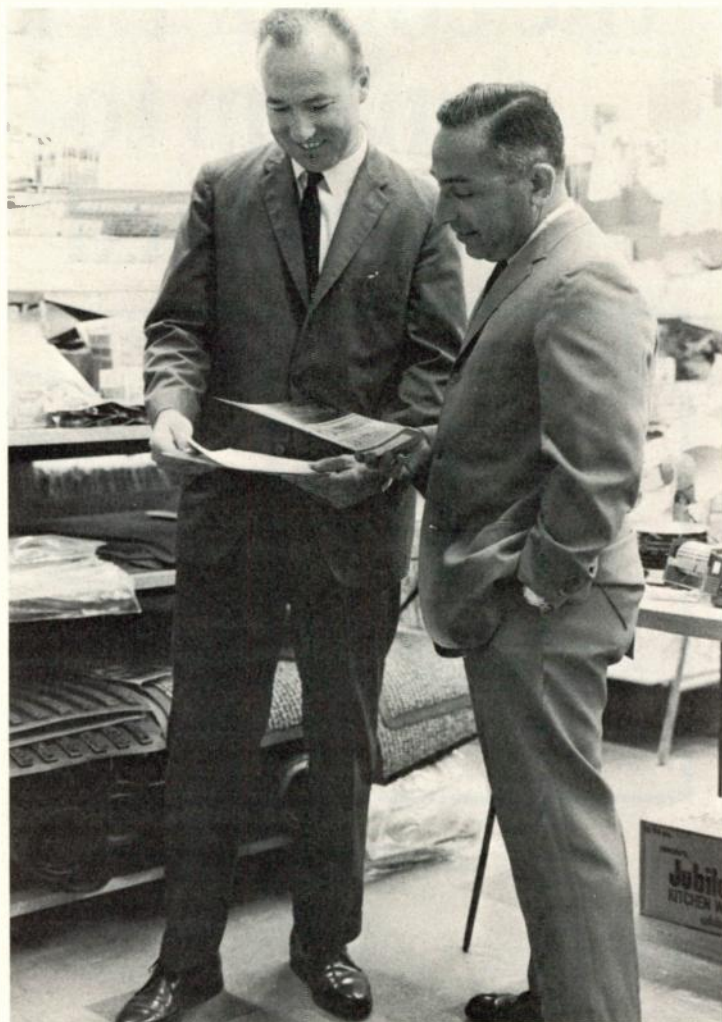
and we'd prefer to lose a sale rather than run the risk of having a customer say we sold him something that doesn't do the job he thinks it should do. Besides, there's not enough markup in these things to be faced with the job of continually servicing them. We don't lose many of our customers, either," he notes with pride.

Made in America promotes the advantages of the higher-priced models. Cohen is especially enthusiastic about the 1967 models, and plans to carry West Bend's solid-state console. "The more control a unit has, I tell my customers, the more satisfactorily it works. The average person," Cohen feels, "would never look at or bother with a humidifier if it didn't have the red light or shut itself off automatically. We tell them it creates the best of the outdoors indoors. We emphasize how much it will protect their furniture."

Variety is the spice of Gurnee Hardware's winter comfort merchandising. The Potters carry humidifier lines from Arvin, West Bend, Toastmaster, and Berns Air King. "Sixty-five dollars is about the average ticket on the humidifier," Bill Potter says. "And the \$20, 2-speed heater from Arvin is probably our best heater, although we do carry models from General Electric and True-Test. All told, I'd say we have about 18 heater and humidifier models on the sales floor, with plenty of back-up stock."

The Potters have found a solid heater business in the trailer homes that have sprung up in their area. Gurnee is only 10 miles from a major lake area, and summer homes that have been converted into year-round dwellings form a market they rate as excellent. "We've also found that 8-inch and 10-inch fans are a good complementary item to sell with heaters."

Both retailers make a special effort to educate their sales personnel in humidification in general, as well as the finer points of the new lines. Ralph Potter, who watched the industry grow over the past 25 years, likes to bring in additional help in the form of manufacturer's demonstrators. Than Cohen, who can trace the growth of the industry from its "damp cloth over fan days," likes to do the job himself. "We've been in this business so long that we're waiting for manufacturers to learn as much about selling humidifiers as we have learned," Cohen observes.



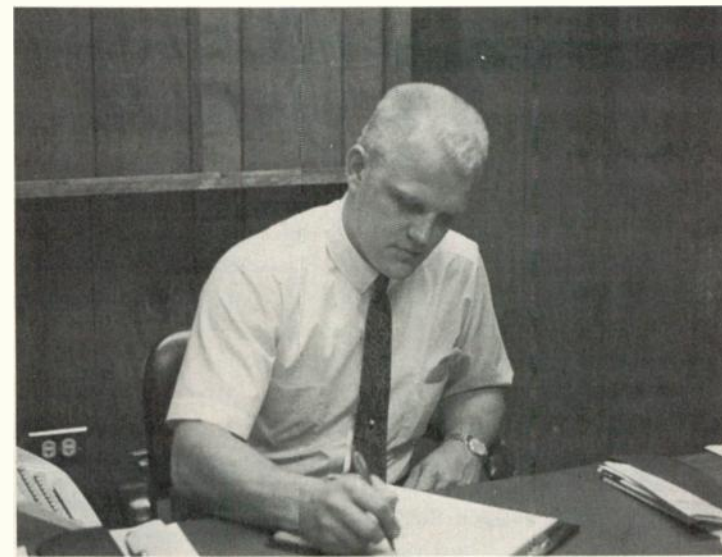
Jack Cohen (r.) works closely with reps like Tom Bartlett, Presto's man in New Jersey, in mapping humidifier promotions



Nathaniel (l.) and Jack Cohen model a sign similar to the one they will use this year to promote humidifiers



Gurnee Hardware store manager Gary Farber (l.) gets together with Sam Serpa, head of the heater department



Bill Potter, of Gurnee Hardware, begins his humidifier advertising "as soon as the furnaces go on"

2 reasons why the competition isn't up to "Standard"

1.

\$54⁹⁵

Unbeatable retail price includes AC Charger Line Cord (U.L. approved) batteries, earphone, telescoping FM antenna, fold-flat handle.

2.

Model SR-M809F
3-band portable



Unbeatable precision quality includes 19 "solid state" components, AM/FM/Marine band with AGC, AFC switch, wide-range tone control, full vernier tuning—plus fine tuning on marine band.

Available immediately from both warehouses

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...electronic years ahead!

Standard Radio Corporation, 60-09 39th Ave., Woodside, N.Y. 11377. 1300 West Olympic Blvd., Los Angeles, 90015.



... me and my **MAGLINER** lightweight delivery truck ramp! Now, put your deliveries on a low-cost, one-man basis. Make a Magliner the helper on your trucks... eliminate double load handling—make more stops at lower cost. Light and tough, Magliners are easily handled and positioned by one man. Self-cleaning traction walkway assures safe, sure footing in rain, snow, sleet, etc. Flanking deck area is smooth for easy wheeling. Guard rails prevent truck run-offs. Load capacities to 1,500 lbs. Standard lengths, 7 to 16 ft.

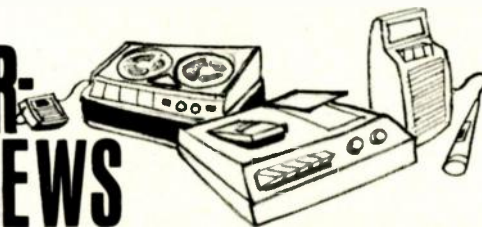
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TAPE PLAYER-RECORDER NEWS



Theft of automobile tape players: the Southern California situation

The theft of automobile stereo tape units—rampant in Southern California—has law enforcement officers and insurance companies there singing the blues.

Police investigators admit that the units—the latest teen fad and the latest target for car prowlers—have been swiped at the rate of about seven units a day in the greater Los Angeles metropolitan area. Law enforcement agencies in San Diego list stereo tape cartridge units stolen at the rate of three each day.

The teens in Los Angeles

A detective with the Los Angeles Police Department could only shrug his shoulders when questioned on how law officers combat the theft problem. "Stereo units have caught the eye of the teen-agers," he said, "so the theft rate on stereo units has skyrocketed."

For the stereo unit owner, his tape machine represents an investment ranging from \$39.95 to \$109.95 plus the musical tape cartridges costing between \$2.95 and \$6.98. Fully equipped with and their tapes can run as high as \$350, according to John Thurman, sergeant, Los Angeles Detective Dept.

While police agree that a major problem exists, insurance agents disagree on the results it might cause. Some companies predict car owners will be paying higher rates for comprehensive coverage if the thefts continue at the current rate.

Mike Meisner, senior claims examiner for the Allstate Insurance Co. in San Diego, believes the thefts are driving insurance rates up as much as 1% a year. But according to Clarence W. Cress, an agent for State Farm Insurance, stereo unit thefts have had little effect on insurance rates.

A spokesman for the Los Angeles division of the Automobile Club believes that certain areas of the city feel the theft pinch more than others. This philosophy agrees quite closely with statistics compiled by the Sheriff's Department.

"There are more stereo units stolen in poorer sections of the greater Los Angeles area than in areas that house the middle-or upper-income brackets," said a sheriff's spokesman. "We have more complaints filed in our Temple, East Los Angeles, and Lennox stations than in all our other stations combined." All three stations are in the low-income areas of Los Angeles County.

The situation in San Diego

14pt space subhead B: 6pt space Lt. Gordon J. Oberle, San Diego Police Department burglary division, predicts the rash of stereo thefts will subside as the units become more common. "They're hot items now," he said, "they're still new."

"About 350 stereo units were stolen in San Diego during the year's first four months, including approximately 100 from unlocked cars," said Oberle.

South Bay police have reported the number of stereo unit thefts is high, although no exact figure has been compiled. The South Bay stretches from Long Beach, the second largest city in Los Angeles County, to Torrance, the third largest. It also covers portions of Watts.

Torrance police indicated they have been receiving approximately 200 stereo theft reports a month, while police in Redondo Beach, a transient beach community, reports approximately \$1,000 worth of stereo units have been stolen each week.

What retailers can do

Leo David, owner of National Stereo Inc., of Torrance, believes more than two million stereo units have been installed in automobiles in Southern California. He warns his customers of the risks involved in installing a stereo unit and encourages auto owners to put units in with locks. "Several of our customers even prefer to have a burglar alarm system installed next to their stereo unit," David said.

Sy Fralick, executive with Muntz Stereo-Pak, of Van Nuys, said Muntz receives a substantial amount of repeat business because of theft. "Stolen units are often recovered by the police," Fralick explained, "but the serial number is scratched off, thus eliminating possible return to the original owner, so when he doesn't get the old one back, he buys a new unit."

Glenn Beckstead, owner of Stereo City, in San Diego, one of the city's largest retail stereo dealers, recommends customers install alarm systems and locks. "It takes about 1½ hours to install a system and experienced thieves can take them out in seconds," he said.

Preventive medicine

Police, insurance agents and stereo retailers agree on what can be done to prevent, or at least reduce, the theft problem.

"If more drivers would lock their cars and record the serial numbers of their units, the thefts would probably decrease," said Oberle. An insurance company, which averages about 50 claims a month on stereo equipment, said the thefts will continue as long as car owners forget to lock their cars and until manufacturers produce better locks and fasteners.

John L. Kendall, a senior claims adjuster for the Automobile Club of Southern California, emphasized units should be installed in such a fashion as to conceal the machine from public view.

The impossible task

"The difficulty in tracing stolen stereo units is an impossible task," Thurman said. "It's made more difficult by the popularity of the stereo unit—so many people have them now that it's hard to say where a recovered unit comes from."

—Bruce Weber

MODEL TP-707PJ SOLID-STATE CASSETTE TYPE PORTABLE TAPE RECORDER MODEL TP-707PJ SPECIFICATIONS: Dual-track monaural, capstan drive ■ Phillips-type cassette ■ push-button operation w/fast forward ■ dual purpose VU meter indicates recording level, battery condition ■ handy cartridge release lever (cassette lifts out for easy removal) ■ auxiliary input, output, AC jacks ■ (converts to AC current with optional AC-603 adaptor) ■ 3 lbs. w/ batteries ■ with remote control microphone, earphone, batteries, C-60 cartridge w/ mailing case ■ carrying case w/ shoulder strap optional

MODEL TP-718 AUTOMOBILE CASSETTE TAPE PLAYER MODEL TP-718 SPECIFICATIONS: Dual-track monaural, capstan drive ■ Phillips-type cassette ■ attaches easily under auto dash ■ push-button operation w/fast forward ■ 6 transistors, 1 thermistor ■ constant speed transistorized motor ■ 2 watts output ■ 3½" speaker ■ can be connected to car speaker ■ operates from 6 or 12 volt car battery



MODEL TP-728 AC/DC PORTABLE CASSETTE TAPE RECORDER MODEL TP-728 FIRST AC/DC PORTABLE CASSETTE RECORDER WITH NEW UPRIGHT STYLING IN THIS PRICE RANGE SPECIFICATIONS: Dual-track monaural, capstan drive ■ Phillips-type cassette ■ push-button operation w/fast forward ■ AC or battery operation ■ built-in AVC automatically adjusts recording level ■ record safety interlock (cannot accidentally erase pre-recorded music) ■ 1 watt output ■ 4" x 2½" speaker ■ remote control cardioid microphone ■ auxiliary input, output jacks ■ built in AC adapter ■ weight 4 lbs., 7 oz. ■ with microphone, earphone, batteries, C-60 cassette w/ mailing case, AC line cord



3 Cassette Models from AIWA. You won't see them advertised in The New Yorker or Saturday Evening Post

Great magazines, sure. But why give *them* money that should be going into *your* profit-pocket? The only advertising these cassette-type portables and car player need is the exposure they get on your shelves. Wherever your customer may be . . . at home or outdoors . . . sitting, walking, or riding in his car, he can have a full-featured, long-lived, high performance AIWA cassette model that's easy to use . . . easy for you to sell. Why put advertising dollars behind a product that takes a commanding lead over competition *on sight!* Remember, AIWA is where the action is.

AIWA

the brand that sells itself

DESIGNED AND DISTRIBUTED BY SELECTRON INTERNATIONAL CO., INC.
4215 West 45th Street / Chicago, Ill. 60632 / Phone 312-254-7900 / TWX 910-221-2709
4005 West Jefferson Street / Los Angeles / Phone 213-RE 2-0195 / TWX 910-321-2484

□□□□ **Hong Kong transistor radio exports to the U.S.** were off in June, for the third straight month, while average prices climbed steadily upward. The June export figure: 396,000 units, 51.2% below the same month last year—a reflection of the domestic unrest in the Crown Colony. While exports for the first half are still 22.1% ahead of last year—3.5 million units—the edge has dulled considerably since January, when they were 288.2% ahead of the year-earlier period. Average prices of Hong Kong radios reached \$3.55 in June, up from \$2.51 in June, 1966. The average price during the first six months was \$3.01, up from \$2.54 last year.

□□□□ **Bulova Watch shows its longest radio line ever**, consisting of 31 models in 78 different styles and colors. All the radios—which are priced from \$9.95 to \$89.95—are solid-state; and over half have an FM band. Three battery-operated portables, at \$39.95, \$49.95, and \$59.95, come with built-in line cords that also permit operation on AC house current. A \$59.95 AM-FM clock-radio runs for over a year on a single mercury cell. The station dial of the 10-transistor model, which is styled to resemble a desk clock, skirts the face of the clock.

□□□□ **A shortage of 300,000 to 400,000 servicemen** is imminent, unless the home electronics industry takes drastic steps to persuade young people to enter the field. This is the prediction of Martin F. Bennett, RCA vice president for distributor and commercial relations. At present, there is a deficit of between 50,000 and 75,000 servicemen, he said. But that figure could climb tremendously, especially since the home electronics industry is expected to realize annual sales of \$10 billion within five years—double today's volume. Retailers and distributors must work with local vocational guidance directors, technical schools, and community leaders in their home territories.

□□□□ **Congress must establish a role for CATV**, the National Assn. of Broadcasters (NAB) told the Federal Communications Commission (FCC), or the question of CATV ownership cannot be resolved. The NAB claims that the FCC's current inquiry into CATV ownership is premature—"if it is designed to serve as a vehicle for establishment of long-range rules and policies—and that Congress must evaluate CATV in terms of national objectives as presented in the Communications Act.

□□□□ **Columbia's first 4-track cartridge player** will hit the market in mid-September (MW, 29 May, p.5). The self-contained unit operates from AC current, batteries, or an automobile cigarette lighter. The set, at \$99.95, comes in a vinyl-covered wood cabinet, and is designed to accommodate the 4-track cartridges Columbia released in May. Also new: two 8-track players, \$59.95 and \$119.95, each down \$20 from comparable models in last year's line. A \$139.95 table unit is equipped for a new \$49.95 record changer attachment. In August, Columbia Records will offer 16 new 8-track stereo tape cartridges.



Columbia's 4-track player



Now you see it—an IC tone arm A full-color RCA display sells ICs at retail

RCA merchandises features to help retailers sell what's new

What was once only a highfalutin concept, bandied about by a handful of engineers and a few forward-looking manufacturers, is now a demonstrable feature at retail. The integrated circuit (IC) has come to the sales floor; and RCA has developed a showroom display to promote that feature as well as the other innovations in the 1968 line—such as a new, automatic fine-tuning system for color television receivers.

RCA's new 1968 phonograph line features an IC application that, for the first time, gives retailers an obvious, demonstrable advantage to sell, instead of the vague "space age" image which has meant so little to consumers so far.

The IC is visible in RCA's new tone arm. The cartridge of the tone arm is encased in transparent smoked glass—the better to see the IC with. And, to better point up the IC, the silicon chip is emphasized by a bright silver circular cap. Retailers can sell the function as well as the look of the IC tone arm, because this particular IC acts as a pre-amplifier, and because it is so unusually close to the source of the sound pickup that it serves to reduce distortion.

RCA's dealer showroom display announces the arrival of the IC in full color and details its application in the stereo tone arm, as well as its uses in RCA color and black-and-white television sets.

To sell fine tuning, RCA presents dealers with a color display that invites customers to "just turn it on" for instant, clear color.

A remote-control display, which lets customers select channels at a distance, rounds out the retail aids aimed at selling new features that may be confusing to customers.



Automatic fine tuning gets the pitch



A "wireless wizard" display demonstrates remote control on the sales floor

The new color tv sales picture: after the dumping, shortages?

With high color tv inventories still haunting retailers, the possibility of shortages in certain categories is being discussed by some producers.

Three leading tv manufacturers, Motorola, Westinghouse, and RCA, predict shortages—but, they emphasize only in certain models—if any significant upswing in consumer demand materializes on the market this fall.

Most bullish of the industry leaders is Ted Herkes, president of Motorola Consumer Products Inc.: "We expect a very tight situation for our transistorized color tvs. Although we'll meet our projection figures, it doesn't look like we can keep up with buyer demand in certain categories, if consumer interest picks up as some expect."

Herkes reports heavy sales this summer for low-end color consoles; the 23-inch transistorized color lines; and even transistorized b&w sets, both portable and table models. "For the first three weeks of July," he said, "our retail sales ran from 44% to 48% above the same period last year."

Motorola keeps track of the retail picture by tabulating warranties returned to the factory. Also, Herkes said, on the back of each tv unit "is a tag which inquires of the serviceman what the condition of the set was when it was installed. Judging from these returns, the high end of the line—those sets from \$600 to \$800—are moving fast, much faster than we had planned. At the rate service tabs are being returned here, there must be only a few of the transistorized 23-inch color sets left on the market for sale."

Similar conditions are reported from RCA and Westinghouse, where strong

sales are anticipated for the fall on the basis of brisk consumer purchases this summer.

Speaking about the industry, in general, B.S. Durant, president of the RCA Sales Corp., said: "Based on the present production rate of color tv sets for the entire industry, any appreciable upswing in consumer demand could very well lead to shortages. The situation does not seem imminent, however, in the area of b&w tv. Naturally, we, like all major tv manufacturers, are geared to up the production rate as called for."

But production schedules are not adjusted easily, according to Herkes. "Our production step-up started in May and will run through September on an orderly basis," he said. "We don't intend to disrupt it."

The Motorola sales chief pointed out that a 4-month wait for cabinets, plus the delay in obtaining components and production personnel, make sudden production adjustments impractical, if not impossible.

Adding to the chorus of optimistic

color tv predictions is Westinghouse. Bill Fortune, marketing manager-tv and stereo, commented: "Sales during the last 60 days have led us to believe that the remainder of this year will be far better than the same period last year." At Westinghouse, the low-end 23-inch console is expected to be the hot item—possibly in short supply by October.

Higher sales this fall are predicted throughout the industry, and all producers report that inventories at the factory and distributor levels are slimming down. Specifics on the inventory which totals about 1.3 million for the industry, were not provided by the manufacturers, however.

Merchandising Week's projection for 1967 color sales: 5,780,090 units—a rise of 1 million units over the 4,702,463 bought by retailers in 1966. The figure is dismally short, however, of the 6.5 million to 7 million units forecast by industry leaders in January and February.

The projected sales figure for the year is based on trends set forth in

the first and second quarters of 1964, 1965, and 1966. According to Merchandising Week statistics, sales by quarter followed a definite pattern during the 3-year period.

On the average: sales start slowly in the first quarter, accounting for 18.9% of the annual total. They drop in the second quarter to 15.3%, then rally to 29.1% in the third quarter. Fourth-quarter sales come on strong, carrying 36.7% of the year's business.

Viewing sales for the industry on a half-year basis, twice as much business is transacted in the second half than in the first half (65.8%, compared with 34.2%).

Current dumping of 1967 units could turn all projections for new models out of whack, however. According to Zenith Sales Corp. president L.C. Truesdell: "The market has been so disrupted by heavy liquidations and dumpings of 1967 models in the last three months by some manufacturers that it's practically impossible to calculate consumer demand for the fall. The liquidations are costing the industry millions of dollars because of the careless and irresponsible planning of three or four manufacturers."

Truesdell claims that, while most manufacturers will not experience shortages, Zenith and a few other producers might. "Some producers are in good shape," he said. "We have been at peak production here since June, but, by October, we could still have some shortages in the color line. It's impossible to say exactly where, however, because of the industry's inventory and the recent dumpings on the market."

—Neil Spann

| | 1964 | | 1965 | | 1966 | | 1967* | |
|------------|-----------|-------|-----------|-------|-----------|-------|-------------|-------|
| | # | % | # | % | # | % | # | % |
| 1st Half | 457,414 | 33.5 | 838,539 | 30.5 | 1,821,194 | 38.7 | 1,976,791 | 34.2 |
| 3rd Qtr. | 347,432 | 25.4 | 947,380 | 34.5 | 1,281,849 | 27.3 | (1,682,006) | 29.1 |
| 4th Qtr. | 561,455 | 41.1 | 960,699 | 35.0 | 1,599,420 | 34.0 | (2,121,293) | 36.7 |
| 2nd Half | 908,887 | 66.5 | 1,908,079 | 69.5 | 2,881,269 | 61.3 | (3,803,299) | 65.8 |
| Total Year | 1,366,301 | 100.0 | 2,746,618 | 100.0 | 4,702,463 | 100.0 | (5,780,090) | 100.0 |

*Projected 1967 sales for last half are based on average annual quarterly sales, 1964-66.
Source: EIA, MW Research Dept.

The new color television consumer: a profile

Retailers are finding color television customers to be younger and generally less affluent than in the past—one more example of the changing picture in color tv merchandising.

The results of a spot survey conducted by Merchandising Week concurred, for the most part, with the findings of a nationwide survey on color tv customers: the 1967 Brand Rating Index (BRI) Report, a research project of the National Broadcasting Co.

Gerald M. Bressner, general manager of Bressner Colorvision Corp., New York City, agreed, saying that younger people from moderate income levels are big buyers of color at his stores. "Younger people who have grown up with color—or had it in the home—just won't settle for anything less, if they can afford it," he said. But young adults from lower income brackets really have neither the cash nor the credit to finance a color set, he added. "Instead they generally pick up a b&w portable."

Bressner indicated that banks in his area are granting more credit than last fall—or, at least, more money seems available for financing. This is a big factor in the number of buyers within the under-\$10,000 income group, he said.

At least one key retailer, however, questioned one of the BRI findings: that older consumers—those 50 years of age and above—are relatively poor prospects for color tv sales. According to Harry Polay, co-owner of Certified TV & Appliance Co., Norfolk, Va.,

buying is up among the older residents of his area. "They are apparently spending money while they're still able, and they have decided to try color television."

The 1967 Brand Rating Index Report was compiled from questions asked of 7,839 households across the country during the month of December, 1966. Each household included at least one adult female. The report examines changes in color set penetration levels between December, 1965 and December, 1966, as well as color tv buying intentions. Data for the latter were secured of homemaker respondents only, and therefore indicate the percentage of homemakers in each demographic group who said they plan to purchase a color set within the next two years.

Income is the primary factor in color

tv ownership, according to BRI findings. Color penetration among the \$10,000-and-over group in December, 1966, was 24.9%—or 71% above the total population penetration level of 14.6%. Color penetration of the \$15,000-and-over income group was 30.6%—more than double that for the total population. Buying intentions among the \$10,000-and-over group were 59% above average.

Households with three to four members showed the highest color penetration. Also above the average—by 7%—were those households with five or more members. By contrast, the study shows that in December, 1965, color penetration among households with five or members was 7% below average.

The color set sales trend is toward younger families. In December, 1966,

color set penetration was highest—18% above average—in the 35-to-49-year-old group; slightly below average in the under-35 age groups; and below average in the 50-years-old-and-over age bracket.

The prospective buyer group, the survey finds, continues high among the 35-49 group; but it is also high for the under-35 group. On the other hand, few in the 50-and-over bracket indicated plans to buy.

Color sales were highest in the West (26% above the average), but were also above average in the North Central states. Sales volume was well below average in the Northeast and, particularly, the South.

Color tv owners are convenience-oriented. More than 51% owned gasoline credit cards, 54% above the average; and 13.2% had some form of entertainment and/or travel card, 116% above the average.

The image of color tv owners continues to be one of the prosperous. Nevertheless, according to Dr. Sam Tuchman, manager of marketing and management research at NBC, the income level for ownership is declining, and color tv is spreading to a broader cross-section of the population. The median income for color set owners, as of the end of 1966, was \$8,946, down from the 1965 figure of \$9,264; while the median income for non-owner families was \$6,152, compared with \$6,287 for 1965. Families planning to purchase a color set within the next two years had a median income of \$8,322.

Buying characteristics of color tv owners*

| Plan to buy: | All men | Color tv owners | % difference |
|----------------------|----------------|-----------------|--------------------|
| New car | 32.5% | 44.9% | +38% |
| Movie camera | 12.0% | 15.8% | +32% |
| Already own: | All men | Color tv owners | % difference |
| Two cars | 27.3% | 36.7% | +34% |
| Three or more cars | 5.9% | 11.0% | +86% |
| Plan to buy: | All homemakers | Color tv owners | Percent difference |
| Automatic dishwasher | 9.5% | 13.5% | +42% |
| Home freezer | 9.9% | 12.7% | +28% |
| Electric stove | 8.2% | 10.5% | +28% |

*From 1967 studies of the BRI Report

MAJOR APPLIANCE NEWS

□□□□ **The name of the game is extended warranties.** And Westinghouse has come up with the latest wrinkle for its laundry equipment—specifically for its new line. A national service program instituted by WASSCO will reimburse retailers for any valid labor claim as a result of product failure within one year. The parts warranty remains the same: two years on all parts, plus an extended three years on the drive mechanism on washers. Formerly, dealers covered labor costs during the first year.

"The program will be merchandised to assure purchasers of laundry equipment that they will have full protection for the terms of their warranty, regardless of where they might move in the U.S.," said C.J. Voldran, marketing manager of laundry equipment.

Coincidentally, the company will push its new over-all "Sure Service" program, to be trumpeted nationally on signs, truck decals, uniform emblems, and the like.

□□□□ **Another way to "put it on the cuff"** came to retailers in the metropolitan New York area last week, when the First National City Bank inaugurated "The Everything Card." This new charge service will enable participating retailers to convert charge business into cash on the day of purchase by depositing their sales slips at any of the 167 First National City branches in the area. There is no charge to card holders who pay for goods and services within 25 days of the billing date; and they will be able to extend payments up to 24 months, consistent with monthly payment requirements of at least one twenty-fourth of the total balance. On the extended payment plan, a service charge of 1.5% per month is levied on the first \$500 of the balance, and 1% on the excess.

Participating retailers will be charged from 2% to 5% depending on average ticket size and volume, which they deduct in advance of deposit. A deposit is required at least every three days. Large New York City retailers in the plan include Korvette and Vim. (For a look at retailer reaction to a bank credit card plan that has been operating in the Chicago area, see story, p.11.)

□□□□ **Back to school for 12 Kelvinator retailers:** Among those enrolled at this week's annual Institute of Management sponsored by NARDA are the following Kelvinator first-year scholarship winners: Charles Franks, B.F. Goodrich, Newark, Ohio; William Gaines, Gaines Appliance, Macon, Mo.; Bill King, King Porter, Jackson, Miss.; Johnny Shillings, Lacks, Victoria, Tex.; Ralph Todd, Todd's, Logansport, Ind.; Rick Adams, Palmer Tire, Macon, Ga.; William D. Kennedy, Price's, Norfolk, Va.

Second-year winners are: Zel DePriest, Northern States Power, Minneapolis, Minn.; Charles Maus, Maus Supply, Wichita, Kan.

Selected to attend NARDA's Retail Management Seminar in Salt Lake City, Aug. 20-25: Rod Olsen, Olsen Furniture, Shelton, Wash.; Joseph Ferris, Ferris Appliance, Sacramento, Cal.; Albert Maestas, Al's Refrigeration, Denver, Colo.

□□□□ **Norge has augmented its work force.** An additional 130 workers have been employed at the company's Effingham, Ill., plant, where ranges, dryers, and coin-operated laundry equipment are made. Between 75 and 100 workers will be added at the Herrin, Ill., plant to increase automatic washer output—particularly on the new 18-lb. washers just introduced by the company.

How the industry range promotion helped appliance retailers' sales

Key appliance retailers participating in last November's U.S. Steel-sponsored Automatic Range Promotion managed to increase their sales by 6% during the program period, according to a privately-compiled study.

The report, based on interviews with 1,041 dealers, shows that participants enjoyed their sales increase over 1965 totals for the month, despite a national 9% sales decline.

In the minus column were Dallas, Cleveland, and New Orleans, which showed decreases for either gas or electric units, or for both. New Or-

leans dealers fared the worst with a 35% decrease in electric units, and a 36% drop in gas sales. Dallas fell only in gas sales, down 8% from the corresponding 1965 period, while Cleveland's gas sales were down 2% from the 1965 period.

National brand merchandise showed heavier sales increases in the promotion period than did private label goods. National brand units rose 7% in both gas and electric categories, while private label rose 4% in both. The biggest single increase? Phoenix, Ariz.: a 36% rise in electric range sales.

Automatic range sales by market and classification

| Markets | GAS Nat'l. brand | GAS Priv. label | ELEC. Nat'l. brand | ELEC. Priv. label | TOTAL 1966 sales | % Chg. fr. 1965 |
|--------------|------------------------|-----------------------|--------------------------|-------------------------|------------------------|--------------------|
| Boston | 945 | 317 | 1,459 | 150 | 2,871 | + 7% |
| Chicago | 1,967 | 1,660 | 1,336 | 575 | 5,538 | + 3% |
| Cleveland | 334 | 273 | 242 | 262 | 1,111 | + 3% |
| Dallas | 643 | 312 | 110 | 47 | 1,112 | + 4% |
| Houston | 395 | 577 | 163 | 55 | 1,190 | + 9% |
| Los Angeles | 3,133 | 1,118 | 388 | 175 | 4,814 | + 8% |
| Memphis | 173 | 290 | 205 | 34 | 702 | +21% |
| Miami | 144 | 126 | 697 | 271 | 1,238 | - 1% |
| Milwaukee | 520 | 297 | 368 | 164 | 1,349 | +21% |
| Minneapolis | 249 | 401 | 253 | 221 | 1,124 | +11% |
| New Orleans | 399 | 28 | 93 | 0 | 520 | -36% |
| Philadelphia | 417 | 760 | 255 | 559 | 1,991 | +10% |
| Phoenix | 85 | 143 | 146 | 85 | 459 | +30% |
| Pittsburgh | 724 | 280 | 329 | 93 | 1,426 | + 7% |
| St. Louis | 735 | 313 | 331 | 157 | 1,536 | +11% |

SPECIAL STORE HOURS FOR THIS GREAT SALE! 10 A.M. TO 10 P.M. DAILY!

ZODYS

QUALITY DISCOUNT DEPARTMENT STORES

INCREDIBLE 8-STORE SALE!

ANAHEIM-FULLERTON

GRAND OPENING

MORE FABULOUS BUYS ON WESTINGHOUSE MAJOR APPLIANCES... AT ZODYS!

Westinghouse 2-SPEED 3-CYCLE HOME LAUNDRY

179⁸⁷

- Washes a full 15 lb. load!
- 2-Speed, 3-Cycle, 5-Temperature Selections, 6-Position Water Saver
- Keyed for Permanent Press
- Heavy duty agitator
- Double Action Washing
- Pre-Wash Cycle for heavily Soiled Garments

PRICE INCLUDES: PARTS & 1 YR. HOME SERVICE WARRANTY!

Westinghouse HEAVY DUTY 2-TEMP. GAS DRYER

118⁸⁷

- Dries heavy family size loads!
- 2 temperature selections... select the right temperature to fit your fabric!
- Lint collector, balanced air-flow system for thorough even drying!

PRICE INCLUDES: DELIVERY! 1-YR. PARTS & HOME SERVICE WARRANTY!

Westinghouse 14 CU. FT. REFRIGERATOR-FREEZER

218⁸⁷

- COMPLETELY FROST-FREE!
- 14 cu. ft. capacity!
- Full-width vegetable crisper
- Freezer holds 121 lbs. of frozen food!
- Full-width shelves, full depth door shelves

PRICE INCLUDES: DELIVERY! NORMAL INSTALLATION! 1 YEAR PARTS AND HOME SERVICE WARRANTY!

Westinghouse SIDE-BY-SIDE REFRIGERATOR-FREEZER

498⁸⁷

- COMPLETELY FROST-FREE!
- 22.1 Cu. Ft. Total Capacity!
- 8.1 Cu. Ft. Freezer holds 202 lbs. of frozen food!
- Snap-in adjustable shelves!

2-DOOR REFRIGERATOR-FREEZER

- COMPLETELY FROST-FREE!
- Continental two-door styling!
- 18 Cu. Ft. Capacity!
- FREE installation of automatic ice fill (two models only)

YOUR CHOICE! 498⁸⁷

PRICE INCLUDES: DELIVERY! INSTALLATION! FULL 1 YEAR PARTS & HOME SERVICE WARRANTY!

SHOP & SAVE AT ZODYS 10 A.M. TO 10 P.M. EVERY DAY!

NO MONEY DOWN WITH APPROVED CREDIT

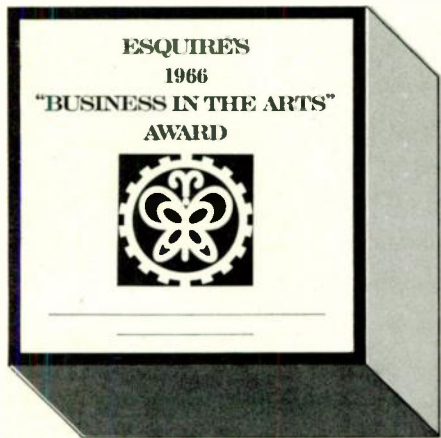
ANAHEIM FULLERTON | CANOGA PARK | WEST COVINA | LONG BEACH | NORTHridge | REDONDO BEACH | BURBANK

Westinghouse-Zodys' partnership: one of the first ads

As Westinghouse moved into retailing by taking over the major appliance-tv leases in Zodys' eight stores in the Los Angeles market (MW, 31 Jul., p.7),

this all-Westinghouse ad ("Los Angeles Times," Sunday, Jul. 23) was one of the first visible results. (It also featured Westinghouse tv/stereo.)

Business in the arts: three retailers set a pace for community action



The retailers that other retailers follow are leading the way toward increased business participation in the arts, and *Esquire* magazine is following closely behind them.

Three of the nation's big-name department stores—all with successful home furnishings/hard goods sections—were among the 20 concerns cited in the publication's July issue in its first annual "Business in the Arts Awards" competition. The retailers, along with an assortment of banks, manufacturers, and utilities, were recognized in an *Esquire* effort to "focus national attention on projects de-

veloped by business to further the fine and performing arts at the local level."

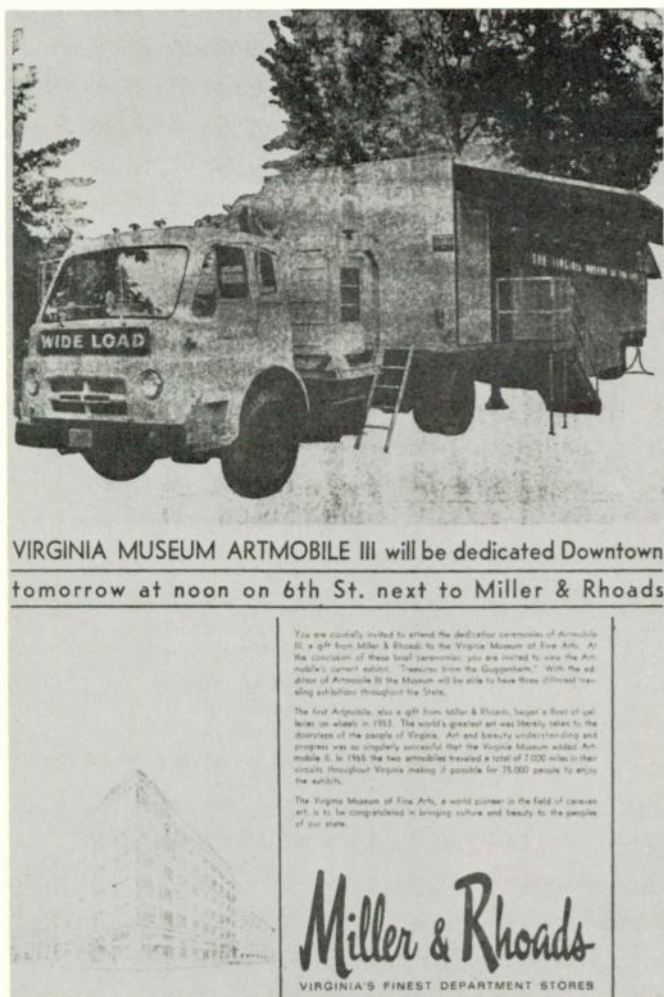
Interested businesses submitted materials substantiating their interest in and development of community art projects: letters of recommendation, sample ad mats and photographs. The winning retailers and their accomplishments:

Macy's New York, "for bringing outstanding cultural events to the attention of a vast metropolitan New York audience. Each year, Macy's runs 50 to 75 full-page newspaper ads saluting musical, dramatic and art events.

The effect has been to attract to these events large numbers of people who rarely read about cultural events in their newspapers."

Dayton's of Minneapolis, "for establishing Gallery 12, an international art gallery at the top of its Minneapolis store, opening the world of art to thousands of residents. The Gallery has organized major exhibits for various art centers, and has helped bring major artists to Minnesota."

Miller & Rhoads Inc., Richmond, Va., "for its broad and pioneering support of cultural activities, including the world's first traveling art gallery."



The 8-store Miller & Rhoads chain in Virginia is now running three itinerant Artmobile galleries



As part of its "salute to the arts" program, Macy's ran a full-page New York Times "Man of La Mancha" ad



For its upstate New York customers, Macy's saluted the works of the Saratoga's (N.Y.) Arts Center



Dayton's Minneapolis-based Gallery 12 opened in 1964 on the store's 12th floor, providing area residents with a glimpse of major art talent. At right and above, Gallery construction is under way



□□□□ **Vac shipments point to an upward trend**, but remain 3.2% off for the first half, according to the latest figures from the Vacuum Cleaner Manufacturers Assn.

June shipments of 444,573 units registered a sizable —10.4%—hike above the June, 1966, level of 402,756 units—helping to offset some of the poor showings earlier this year. Manufacturer shipments for the first half totaled 2.64 million units, compared with 2.73 million for first-half 1966. Last year, at midpoint, the industry showed a 14.04% increase over the 1965 level.

Floor polisher shipments continued to fall during June, by 16.5%, to finish the first half off 13.9%. At midyear 1966, floor polisher shipments were down less than 1% from the 1965 first-half level.

□□□□ **What's next for facial sauna devices?** First, it was Presto's Moist 'n Glow Facial Freshener, which used an egg cooker as a heating element. Now, it's Hydro-Massage's facial sauna device, which gets its steam from the heating element used in baby bottle warmers. The unit, with its own group of imported facial creams, comes in two models: a beauty shop unit, at \$29.95 list, and an economy model, priced at \$15.95 and intended for "any place where it can be sold—cosmetics, housewares, or drug departments," according to a Hydro-Massage spokesman. The device produces steam for 20 minutes and features an automatic shutoff. Hydro-Massage is reported to be using Northern Electric's bottle warming heating element in the unit.

□□□□ **August is gift housewares shopping time** for New York City housewares buyers. The Retail Jewelers of America National Jewelry Trade Show arrived in New York yesterday, and will remain at the New York Hilton Hotel until Aug. 10. Close on its heels, the New York Gift Show arrives at the Coliseum for a 6-day stand, Aug. 13-18. This is the first time that the entire Gift Show will be housed at the Coliseum.

□□□□ **Kitchen wall accessories** with an Early American motif are being introduced to the housewares trade by Laurel Mountain Corp., formerly a strict furniture trade resource. Called the Belington Collection, the group includes a cabinet, spice rack, recipe book shelf, paper towel dispenser, bulletin board, spoon rack, spice box, and letter rack. Available in red, yellow, green and off-white, with decorative trim, the hangings are made of walnut-finished oak. Retail prices start at \$3 for the letter rack and go up to \$30 for the spice rack and kitchen secretary. (Laurel Mountain Corp., 205 Lexington Ave., New York, N.Y.)

□□□□ **A new look for the new McCormick Place** is currently taking shape on the drawing boards of the Chicago architectural firm of Charles F. Murphy & Associates. This announcement came on the heels of the signing of a \$40-million bond issue by Illinois governor, Otto Kerner, last week. A total of \$79.5 million has now been made available for the giant hall's reconstruction. The new McCormick Place, expected to see its first show in two years, will have 600,000 sq. ft. of exhibit space in two buildings joined by a bridge plaza and an underground hallway. One building will rise over the remains of the Arie Crown theater, while the other, three or four levels higher than the old McCormick Place structure, will be constructed to the north.

Retailers look ahead to fall: it will take some personal care

Expect a youthful look in housewares departments this fall, as retailers get set to go with promotions that make a pitch at both the young and the young-at-heart markets. Personal care electrics and blenders are expected to set the pace, although the basics—irons, toasters, vacs, floor polishers, and cookware, for example—will also most likely do well.

Summer business, with the exception of fans, is good, according to most retailers. "Not on items, either," one resident buyer reports. "For a change, it's the staple business that is good. And I mean housewares across the board: electrics, cookware, outdoor goods."

Where business has been slow, items have helped. Said one resident buyer, his stores have made their figures only because of items such as portable car washers from Jet-X and Osrow and the Pollenex massagers. "I guess golfers and boating enthusiasts are going in for the massagers. But there's a lot of co-op ad money behind these items, too."

Electric timers, such as Intermatic's Time-All; refrigerator defrosters; and appliance dollies reportedly have also done well throughout the summer.

Fair weather ahead

Buyers anticipate a brisk fall selling season, beginning after Labor Day and continuing through the Christmas gift season. "People have the money to spend—they just have to be given a good reason for buying," maintains the buyer for a large promotional chain. "The business is there, every year we just have to work a little harder to get it. Blenders should continue to do well, but there will be no single big item for the fall. We've done well already, and we should do better than last year—although I'm not quite sure that we'll be able to match our 1965 figures."

The already noticeable price competition on blenders will continue, although most buyers feel that the greater market will be in the \$40-to-\$50 range. "The blender customer is looking for quality, not price," said a resident buyer. The bulk of the blenders sold will be the high-end models. We expect to do quite well with the Oster Imperial line. The low-end blenders represent an uncaptured part of the market."

"What happens with blenders is up to the manufacturers," commented another resident buyer, referring to the price competition spurred by manufacturers like Waring and Merit. "If they want a price war with features, they'll get it. They're the ones who are forcing the competition."

Grooming personal care

Personal care electrics are emerging as the darling of the fall season—viewed by many housewares buyers as a sure way to win the youth market, which later will be interested in vacs, other electrics, and cookware. To win its favor, manufacturers and retailers are orienting their promotions toward the young. "It's the stores themselves that will have to do it," one resident buyer commented. "Most of the manufacturers are just giving the same old promotion, but with a youth slant."

The newer items—like Schick's facial mist device and denture cleaners, Oster's hardtop hair dryer with radio, and Ronson's mini-modeled hair dryers—are expected to be seen in the stores later this month. "I wish they'd have come earlier," said one buyer for a large store. "We wanted a tie-in with back-to-school fashion—all the hardware that's in the fall ready-to-wear—but no one could produce the merchandise in time."

As personal care electrics come into their own in the housewares department, they can be expected to suffer a certain number of growing pains. "Facial sauna devices will be controversial because of the pricing. Those \$8.88 units may be profitable, but they will hurt the higher-priced units."

Several buyers are also predicting a game of "who gets what," as housewares vies with the drug and cosmetics departments for its share of the beauty business. "Now I know what they mean when they say the beauty business is wild," one buyer commented. Where items like shavers, facial saunas, shoe polishers, and water-pulsating oral hygiene devices go will depend both on the stores and the manufacturers. "We're telling our stores to put whatever they can together in some sort of a shop," said one resident buyer; another explained that he expects a lot of tie-ins with the cosmetics departments, and quite a bit of line crossing to get the personal care products across.

Manufacturer tie-ins with cosmetics houses—such as Rayette-Faberge's line of facial preparations to be marketed under the Rayette name along with a high-end hair dryer-facial sauna, and Schick's arrangement with Coty for the facial mist—will also present a challenge to housewares departments. "They need demonstrations and constant attention," one retailer commented, "and the woman has to be conditioned to finding cosmetics in the housewares department. It can be done."

A qualified optimism

Cookware is also expected to come on strong for the fall. "If DuPont spends the money to back up hard-base Teflon, the whole non-stick market should boom again," one buyer said.

Most buyers expect electric knives to level off. "If they didn't move for Mother's Day, we can't expect much more out of them," was one comment. "They've reached a peak, and only the big names will do much with them. Like what happened with toasters, there'll be a weeding out down to a few manufacturers who'll do the bulk of the business."

Another buyer was less optimistic: "I wish they'd loot my entire stock of knives," he said.

Despite the general tone of optimism, not every buyer is in a good position. Orders have not been confirmed yet, and many buyers are waiting until the last minute.

"Don't get the picture wrong, though," was one buyer's reaction. "We've got an open-to-look. You can always change to an open-to-buy. But you've got to be optimistic."

Made In America: where personal care is products and a retail philosophy

Pampering is an important part of life in the affluent suburb of Westfield, N.J. And, with this in mind, Westfield's housewares specialty store, Made In America, will be giving some extra-personal promotional and display care to the bevy of personal care electrics now being delivered for introduction later this month.

"We're starting a personal care shop, and we're putting it right in the middle of the floor, so that no one will miss it," explained Jack Cohen, who, along with Made In America's founder, Nathaniel Cohen, is responsible for the store's place as a retailing pillar of the community.

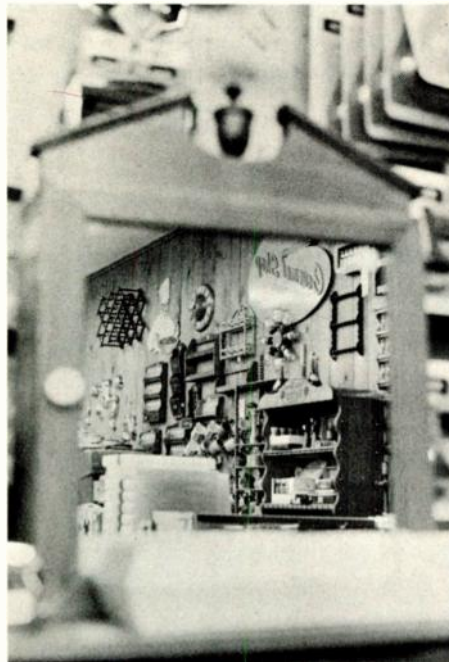
"Personal care is still virgin territory for housewares," according to Cohen. "Manufacturers have barely tapped the surface of the kinds of products they can turn out. And they've hardly begun to learn about ways of promoting beauty aids in the housewares department."

"We emphasize brand names right now and take on those products feasible for a specialty store like ours. We won't start in with manicurists, for example—they're too hand-in-glove with cosmetics departments. We've done well with Ronson's electric hairbrush and Saunda's facial sauna. Our girls can't demonstrate them, but they can explain them easily enough. Saundas are really cosmetics items, too, but we

carry them because the customer knows what they do."

Oral hygiene devices have also turned into big items for Made In America. Last weekend, the store moved over 36 of the new Water Pik models on the basis of a single local newspaper ad. Cohen hesitates to take on any additional lines of water-pulsat-

ing oral hygiene devices. "I can't see the reason for us to carry parallel merchandise. And, as long as dentists are recommending Water Pik, this is the line we'll stick with. We tried another version last year—it was a bomb. The customer says 'My dentist said Water Pik,' and this is the only one she'll take."



Mirroring the cookware scene



Personal care: the pampered items

Cohen does plan to carry Schick's new denture cleaners and its facial sauna device. As he does in all areas, he will make liberal use of the manufacturer's co-op ad money to introduce the products to the community.

"Our customers are really Hammacher [Hammacher-Schlemmer] customers, and we've got to give them what they're reading about in the New York City papers," Cohen explained.

"Our customers like to have things first, and they know we'll have them," he repeated, noting that the gourmet cooking craze has been a part of the Westfield way of life for over two decades.

The demand for gourmet ware, Cohen explained, was responsible for making Made In America a purely institutional name. "When Nathaniel started the business on \$300 as a 49¢ store, there was a boycott of German and Japanese goods in progress. We carried only American-made goods, in fact, until 1951, when we first introduced imported cookware. Now, we have things from all over the world with the exception of the Iron Curtain nations."

"The key to success, however, and I always tell Jack this," the elder Cohen interjected, "is that you never let a salesman leave the store without finding out what's new, what's going to be new, and what's turning sour."

Hard goods selling: snaring the class, as well as the mass, market

The mass merchandising revolution changed the retail scorecard to read: 20% of the retail organizations do 80% of the retail business. Now the new consumer revolution is producing a new consumer scorecard that often reads: 20% of the customers are buying 80% of the goods.

Studies have shown, for example, that 25% of all beer drinkers drink 75% of the beer, and that 20% of all phonograph record customers buy 80% of the records sold.

In hard goods, a similar situation is beginning to develop, especially in regard to newer products being introduced in the housewares, major appliance, and home electronics fields.

Selling's new direction

What is happening is: the big manufacturer—and the big retailers, too—are now going after the consumer big-spenders. Madison Avenue calls them the "heavy users."

It is not really so surprising that the big manufacturers, after concentrating so much of their selling efforts in recent years on the 20% of retailers who do 80% of the business would now seek to single out the 20% of the customers who buy upwards of 80% of the products.

Where it is leading

The result will be some important changes in marketing and merchandising of all products, including hard goods. Manufacturers and retailers are talking less about reaching the mass market and more and more about reaching the mass users. The difference, of course, is significant, if a little subtle.

Applying the theory to housewares is essentially what Willard H. Sahloff is doing when he speaks of the

"early adopters": a "group of consumers who increasingly purchase new products in their early introductory period in the marketplace."

Sahloff describes the early adopter as an affluent, mature consumer residing in a metropolitan market. His annual family income is \$10,000 or more. These upper-income people, he adds, enjoy the prestige of being the first to own a new product and appreciate the status.

"Because he is new-product oriented," Sahloff continues, "he usually owns considerably more electric housewares products than the average consumer. The average consumer family of today owns nine electric housewares products, compared to the 20 owned by the early-adopter family."

The object of the search

The early-adopter consumer is the housewares industry's heavy user, but he plays an even more important role than that. The early adopter is the customer who gets a new housewares product off the ground and turns it into an established business for the industry.

Although Sahloff is talking housewares, it would appear that his theory also is applicable to both the home electronics and the major appliance industries. Certainly, the color tv industry has had its early adopters, and one of the problems is that the early adopters—the best customers—are running out. The color tv industry must now sell the mass market, which is more price-oriented.

In major appliances, the early-adopter theory undoubtedly could be applied to side-by-side refrigerators and self-cleaning ovens, and unquestionably to all decorator-model appliances.

GE's research on the early adopter

included the study of a group of consumers who had purchased the firm's automatic clothes brush. The survey showed that 58% of customers owning a clothes brush also owned a blender. By contrast, a general survey of undifferentiated households showed that 16% owned blenders.

"Since affluence is a key characteristic of early adopters, let us define affluence as meaning an annual family income of \$10,000 or more, Sahloff pointed out. "By 1971," he added, "it is estimated that 38% of the nation's families will have annual incomes of \$10,000 and over."

"This uptrending percentage is all the more impressive when correlated to the significant increase in the number of families projected for the next 10-year period. By 1976, we expect the number of families with annual incomes of \$10,000 and over will jump to 29 million from 13.4 million in 1966, an increase of 116%. . . . And because of the increase in numbers of early adopters, the base for development of future markets and new products will be enlarged."

The big question facing manufacturers and retailers, however, is how to reach these early adopters—or heavy users. How do you zero in on the mass-user market?

Naturally, those 25% of beer drinkers who consume 75% of the beer are not necessarily the same consumers Sahloff is talking about. And the 20% of record customers who buy 80% of the records undoubtedly are more youthful than affluent. But the beer producers and record producers are seeking to reach its heavy users: its early adopters.

Resetting the sights

Already, hard goods producers are re-examining their advertising budgets

to see if they are reaching their best potential customers. This, to a certain extent, at least, is one reason why some major manufacturers are becoming disenchanted with the mass market exposure offered by television advertising.

Manufacturers—and in housewares, Sunbeam is a good example—have started to make better promotional use of the warranty cards consumers return to the factory. An early adopter in one product is an ideal prospect for selling the next new product that comes along. Therefore, there undoubtedly will be more direct-mail promotional offers to consumers—often tied in to local retail outlets: for example, Sunbeam's offer of \$5 off on a shaver if the enclosed coupon is taken to a retail outlet.

Retailers, too, are making better use of their better customers—their charge-account customers—by stepping up their promotional offers and special events (such as special night openings) for charge-account customers.

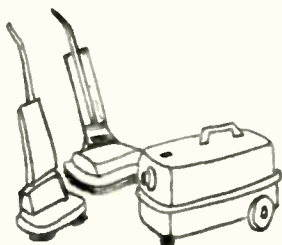
The closed-door discount operation traditionally has had a membership mailing list advantage over the open-door discount. And the major national credit card companies are becoming significant rivals of traditional retailers because of their stepped-up offering of merchandise to their charge-account users.

Most of the nation's largest department stores, too, are working on ways to further encourage mail and phone orders from charge-account customers.

The "heavy user," as Madison Avenue says, or the "early adopter," as GE prefers to say, provides one more example of how the mass market is being segmented, and how manufacturers and retailers are now turning their attention to the search for the mass user.

—Ed Dubbs

FLOOR CARE NEWS



□□□□ The old hard sell—in an updated version—is on tap for floor care electrics this fall, as manufacturers and retailers seek to spur sales.

"We've got to promote hard if we're going to pull sales up to last year's level," one chain

buyer commented. "There is evidence that sales have picked up, but we're still going to have to work hard."

Retail ads are being designed to do a better sales job on two fronts: the appeal of owning a new vac and the new features.

□□□□ A specific vac for a specific job is one idea that will be played up this fall. In particular, many retailers will be focusing on the upright vac as the best cleaner for rugs and carpeting. Thanks to wider use of carpeting in the home, the standard upright—with its beater bar feature—is experiencing a virtual rebirth in manufacturer, retailer, and consumer interest. While Hoover will undoubtedly benefit the most dramatically, other producers

clearly are seeking to cut out a bigger share of the upright business.

□□□□ The multi-vac home concept also appears to be winning additional support at both manufacturer and retail levels. With the increase of carpeting in the home, consumers do need an upright—along with a canister for all-purpose cleaning, especially for above-the-floor jobs. One buyer said he was considering an ad that would offer a canister and an upright at a single, 2-for-1 price, in order to point up the need for both units. Although he has not yet made up his mind on whether to try this approach, he noted that it is not too far removed from the 2-in-1 approach often used for high-end uprights with above-the-floor cleaning attachments.

□□□□ Manufacturer support for floor care retailers should be plentiful this fall, as most producers have newer models to promote. Examples are Sunbeam, in the upright field; Eureka, with its Crown Princess line; Hoover, with its new floor polishers and 6-in-1 machine; and GE, with its SV-1 carpet sweeper. In addition, Shetland and Regina will be stepping up their promotional efforts behind light-weight vacs; and Shetland plans to use television in a number of major markets for the first time.

□□□□ Promotion countdown: most manufacturers and retailers will kick off their fall floor care promotions next month. In several cases, producers plan to start earlier and keep their promotions running continuously through the Christmas season, rather than slackening off in October. There is little doubt that the big push will be on to move floor care volume ahead by the end of the year.

CLASSIFIED

LIFE INSURANCE
ISSUED BY MAIL • KEEP IT FOR LIFE
MAIL THIS AD NO OBLIGATION
APPLICATION MAILED TO YOU

\$5000 ENTRY AGES 21 to 70 • \$2000 ENTRY AGES 21 to 80
Whole Life Policy pays world-wide for death from any cause, any time, except during first policy year for either suicide or death from undisclosed pre-existing health conditions. Mail your name, address, zip code, year of birth and ad to Great Lakes Ins. Co., Elgin, Ill. 60120. Dept. GHD143P8

"What good does advertising do?"

Advertising Sells Good Works
(as well as goods and services)



Have you noticed how often, when an important public cause is at stake, people turn to a good salesman for leadership? Successful businessmen have given uncountable man-hours to America's schools, churches and charities, and have led in solving major national problems. For its part, advertising—good salesman that it is—has provided the means to communicate such causes to the American people.

For 25 years ads like these have been prepared by advertising agencies who volunteer their services. Radio and television give time on the air; space is donated by newspapers and magazines. Last year alone, for example, business publications like this one gave more than a million dollars' worth of space in the public interest through The Advertising Council of which the American business press is a part.



25 years of advertising contributed for the public good

STAY OPEN TO BUY

FOR SOME

 **N TARGET**
OPPORTUNITIES
IN SOME

 **N TARGET**
SETTINGS

MERCHANDISING WEEK'S
calendar of specialized
editorial events for
the balance of the year
is precisely timed to
coincide with
retailer's information
and buying needs
in every sales area

Specifics about your related products will
have triple the excitement and impact when
backed by the strong, high-interest editorial
features coming in the business paper "Read
by the Retailers Other Retailers Follow."

**CHECK THESE DATES . . .
TAILOR YOUR ADS TO FIT
. . . AND ZERO IN!**

**RESERVE YOUR SPACE NOW
AT ANY OFFICE OF
MERCHANDISING WEEK**

MERCHANDISING WEEK EDITORIAL CALENDAR FOURTH QUARTER

| RESERVE SPACE ✓ | ISSUE DATE | EDITORIAL EVENT | ADVERTISING DEADLINES | |
|-----------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------|
| | | | B & W | COLOR |
| | AUGUST 28 | <u>COLOR TV SPECTACULAR</u> PLUS—CONTINUATION OF 4-PART SERIES ON HOUSEWARES SALES TRAINING. THIS WEEK COVERING PERSONAL CARE ELECTRICS. | AUGUST 18 | AUGUST 14 |
| | SEPTEMBER 4 | <u>WALTZ THROUGH WASHDAY— SELLING HOME LAUNDRY</u> PLUS—PART 3 OF HOUSEWARES SALES TRAINING SERIES FOCUS- ING ON FLOOR CARE EQUIPMENT. | AUGUST 25 | AUGUST 21 |
| | SEPTEMBER 11 | <u>VIDEO & AUDIO PLAYBACK EQUIPMENT</u> PLUS—FINAL SEGMENT OF HOUSE- WARES SALES TRAINING SERIES COVERING COOKWARE. | SEPTEMBER 1 | AUGUST 28 |
| | SEPTEMBER 18 | <u>HOUSEWARES MARKETING AND MERCHANDISING EDITION</u> | SEPTEMBER 8 | SEPTEMBER 4 |
| | SEPTEMBER 25 | <u>RANGE PROMOTION</u> | SEPTEMBER 15 | SEPTEMBER 11 |
| | OCTOBER 2 | <u>DISHWASHERS</u> | SEPTEMBER 22 | SEPTEMBER 18 |
| | OCTOBER 9 | <u>HARDWARES</u> (COINCIDING WITH HARDWARES SHOW) | SEPTEMBER 29 | SEPTEMBER 25 |
| | OCTOBER 16 | <u>MAJOR APPLIANCE MARKETING REPORT</u> | OCTOBER 6 | OCTOBER 2 |
| | OCTOBER 23 | <u>MERCHANDISING CLOCKS</u> | OCTOBER 13 | OCTOBER 9 |
| | OCTOBER 30 | <u>UTILITY REPORT</u> | OCTOBER 20 | OCTOBER 16 |
| | NOVEMBER 6 | <u>RADIOS</u> | OCTOBER 27 | OCTOBER 23 |
| | NOVEMBER 13 | <u>HOW CO-OPS OPERATE</u> | NOVEMBER 3 | OCTOBER 30 |
| | NOVEMBER 20 | <u>WARRANTIES AND GUARANTEES</u> | NOVEMBER 10 | NOVEMBER 6 |
| | NOVEMBER 27 | <u>PLANNING '68 ADS</u> | NOVEMBER 17 | NOVEMBER 13 |
| | DECEMBER 4 | <u>HOUSEWARES AWARD PROGRAM</u> | NOVEMBER 24 | NOVEMBER 20 |
| | DECEMBER 11 | <u>OUTLOOK '68</u> | DECEMBER 1 | NOVEMBER 27 |
| | DECEMBER 25 | <u>MERCHANDISING WEEK 60TH ANNIVERSARY DOUBLE ISSUE</u> | DECEMBER 8 | DECEMBER 4 |

NOTE: Deadline for four-color ads requiring separations is 30 days prior to issue date.

EASTERN

165 W. 46th St.
New York, N.Y. 10036
(212) PLaza 7-2800

MIDWEST

188 W. Randolph St.
(312) CE 6-9818
Chicago, Ill. 60601

SOUTHERN

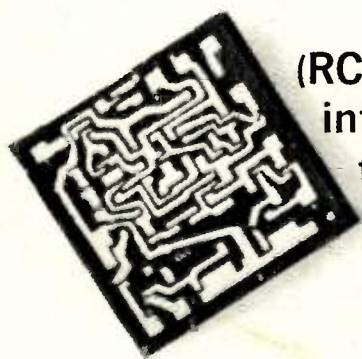
110 21st Ave. South
Nashville, Tenn. 37203
(615) 244-1836

WEST COAST

9000 Sunset Blvd.
Los Angeles, Calif. 90069
(213) 273-1555

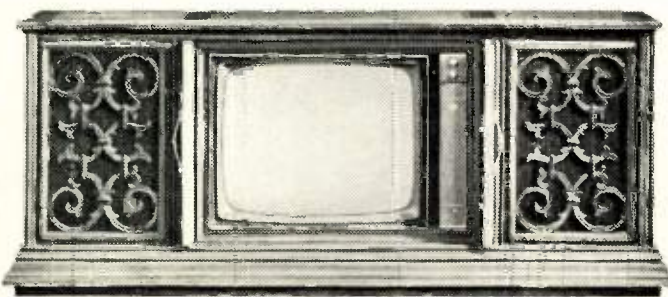
A BILLBOARD PUBLICATION

The hottest thing in electronics hardly gets hot at all



(RCA's solid integrated circuit, that is)

With the tiny chip there are few heat problems and low power consumption. And this could make it an even hotter item. Because integrated circuits run cooler, parts can be placed closer together to enhance design convenience. One day you may see stereo cabinets with more real storage space, and color TV sets the size of a transistor radio. At RCA Victor today we've taken a big step



into tomorrow by using integrated circuits in new color and black-and-white TV and stereo phonographs. They're not only the most advanced products of their kind, they're more reliable than ever. And once your customers get to know that, you can count on some pretty hot sales.



The Most Trusted Name in Electronics