

MERCHANDISING WEEK

OCTOBER 23, 1967

EDITED FOR THE CONSUMER ELECTRONICS, APPLIANCE, AND HOUSEWARES INDUSTRIES ☐ READ BY THE RETAILERS ☐ A BILLBOARD PUBLICATION ☐ PRICE 50 CENTS VOL. 99 NO. 43

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◀ **Tape cartridge portrait:
MW's Forum plays back
a new retail sound ☐ p.16**

(2-track Stanton, PlayTape; cassette Semmelink, Norelco; 8-track Kusisto, Motorola; seated, 4-track Muntz, Muntz Stereo-Pak)

**First report: how your
customer feels about
the use of plastic in
major appliances ☐ ☐ p.26**

**Can a home electronics
retailer make the scene
in hippieland? ☐ ☐ ☐ p.24**

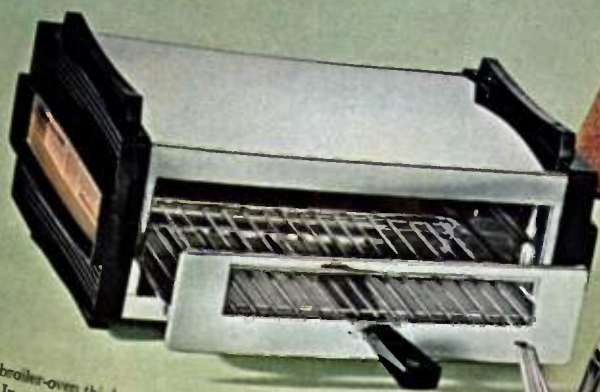
**Waring is blending
some marketing plans
for the future ☐ ☐ ☐ p.28**

NEXT WEEK

**A worthwhile trip for retailers to clock country
picks up the when, how, and why for plus sales**

Six new gifts that speak for themselves.

Woof!



This Toastermaster broiler-oven thinks it's a \$300 stove. In one position it's a broiler, flip it over it's an oven. Automatic thermostat control. Polished chrome finish. Model 5231.

The Toastermaster "his and hers" toaster makes dark and light at the same time. It's the family-size, 4-slice model with separate controls for each pair of slots. Toasts 1 or 2 slices on half the power. Model D111.



Even the gurgler maker is made of stainless steel... and so is everything else the coffee touches. Toastermaster deluxe. This means better "See-level" tube in sight. Brews 4 to 12 cups. Model 1716.

Note the raised, open grip on the Toastermaster electric knife, so you don't have to carve with a hand full of motor. Up-front power control button that you press to operate—turn to lock. Model 6101.

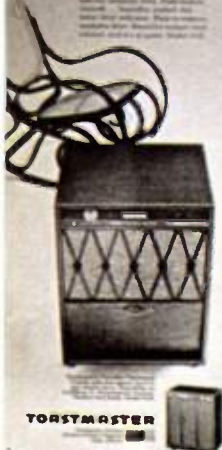
With the Toastermaster deluxe 12-speed hand mixer, you can dial the exact beater speed for everything from folding to whipping. Thumb speed control. Model 1716.

TOASTMASTER

Toastermaster Division
McChesney-Stinson Company
Elgin, Illinois



Our new humidifier moistens the air so softly, you can almost hear your furniture stop cracking.



Meet our 6-second chill chaser.



This broiler-oven thinks it's a \$300 stove

Toastermaster's broiler-oven is really better than any other broiler-oven. It's a \$300 stove. In one position it's a broiler, flip it over it's an oven. Automatic thermostat control. Polished chrome finish. Model 5231.

TOASTMASTER



Even the gurgler maker is stainless steel.



Note our over-hand grip.



The "His and Hers" toaster. Makes light and dark at the same time.



Toastmaster toasts the Christmas Season with the "doggonedest" national magazine campaign in its history.

397,307,000 total adult impressions in these great magazines:

Look, Post, Better Homes & Gardens, Ladies' Home Journal, Ebony, Holiday, American Home, Southern Living.

Everybody will be giving Toastmaster gifts this season. Be sure to have plenty of stock on hand. When these ads hit, the stock will move.

TOASTMASTER

Toastmaster Division, McGraw-Edison Company, Elgin, Illinois

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 • HEATERS • HUMIDIFIERS • ELECTRIC KNIVES • BUFFET RANGES



WHITE FRONT WARRANTIES

Dear Sir:

I would like to point out a slight error on page 5 of your October 2 issue. You state that White Front Stores has followed Sears by offering a 2-year color picture tube warranty on selected color sets.

As service manager for one of the Northern California stores, I would like to point out that White Front was not only first with the 2-year picture tube warranty, but also it DOES cover ALL models—from the bottom-of-the-line leaders right up to the top-of-the-line combos. If you check any of the ads from last October, you will find that White Front has been giving a free 2-year picture tube warranty from October 17, 1966. This is much before Sears or any other company even started to think about free 2-year color picture tube warranties.

White Front also was the first company in the U.S. to give a free 2-year parts-and-labor warranty on b&w on a full scale (also on ALL models) as of Jan. 18, 1965.

Thank you for noting the error in your Oct. 2 issue.

Keep up the good work on keeping us up to date with the retail industry.

Arthur S. Mayoff
Service Manager

White Front Stores Inc.
Pleasant Hill, Calif.

(Editor's Note: A typographical error has confused the issue here. Our Oct. 2 story referred to a White Front operation in Southern California, where only "selected" color models were covered by a 2-year picture tube warranty. The word "Southern" was inadvertently left out of our story.)

RIOT REPORT

Dear Sir:

I've just seen a copy of your "Riot Report (part 3)—Washington looks to the retailer: how business can help ghetto youth" [MW, 21 Aug., p.12].

Congratulations to you and Mildred Hall on your superb handling of this feature, particularly your appeal for the cooperation of small businessmen. I'm turning the clipping over to the Youth Opportunity staff here, to be passed along to the Vice President.

Patricia Fenton
Information Specialist
U.S. Dept. of Labor
Washington, D.C.

WORD FROM DOWN UNDER

Dear Sir:

Thank you for the time and assistance which you extended to me during my recent visit to New York.

The discussions I had with you, together with many other people in the United States in connection with the merchandising of electrical appliances in your country, were most informative and interesting and, I feel, will be of assistance to us in the long run.

R.G. Booker
General Manager
Willers & Co. Pty. Ltd.
Newstead, Brisbane
Australia

(Editor's Note: Mr. Booker is a wholesale distributor of appliances.)

MERCHANDISING WEEK

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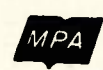
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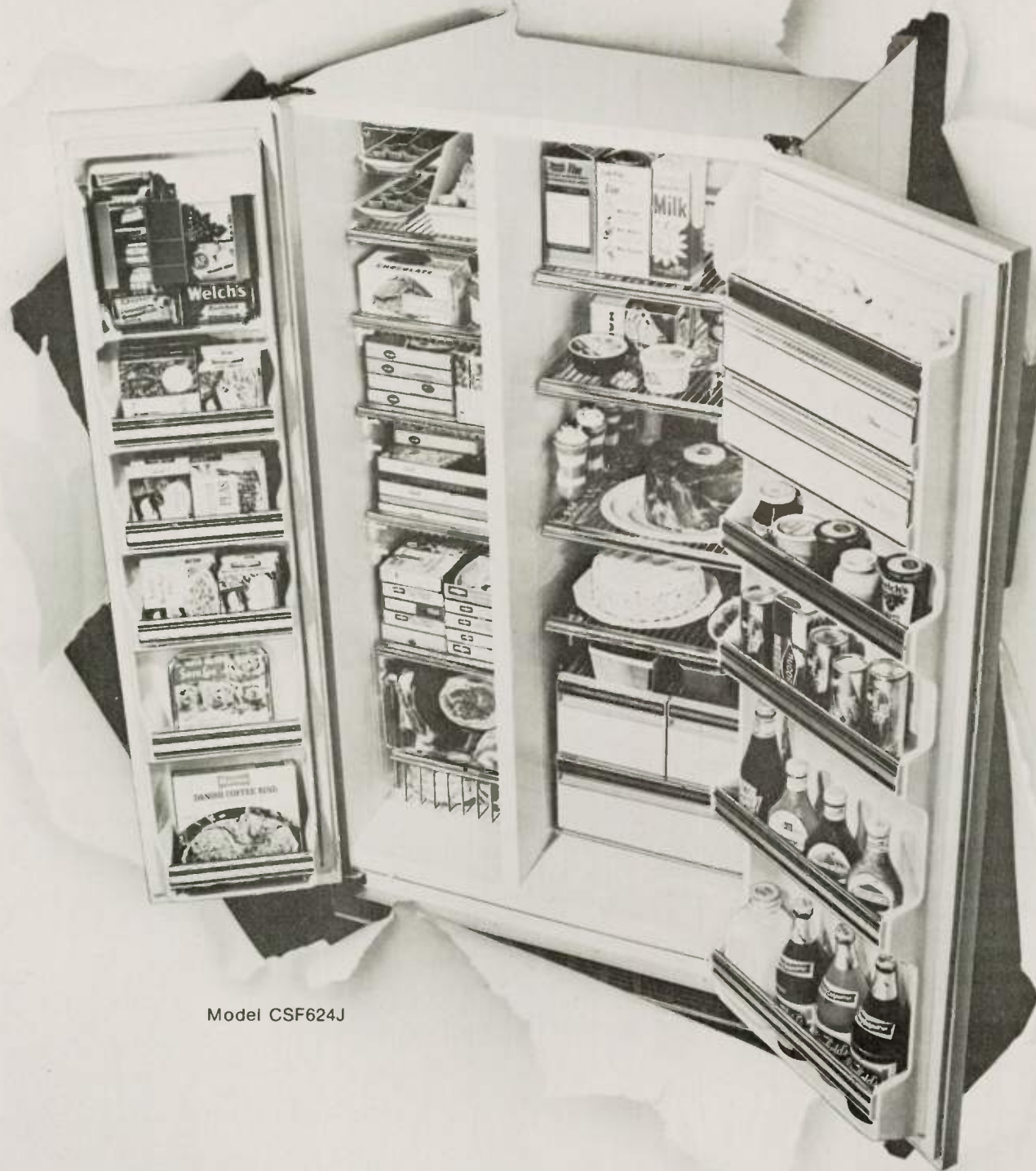


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Great refrigeration

BREAK-THROUGH!

New 24 cu. ft. Hotpoint, 2 to 3 cu. ft. bigger than most other 35³/₄" wide side-by-sides.



Model CSF624J

Wham! It's here. A side-by-side that's 2 to 3 cu. ft. bigger than most of its 35³/₄"-wide competition.

It's the great new Food Center 24 from Hotpoint. A 24-footer with 15 cu. ft. of fresh food area, and 9 cu. ft. freezer area. (That's a lotta extra groceries!)

And now, just get a load of these features!

- Completely no-frost, both sides • Rolls out on wheels for easy cleaning • Adjustable cantilever shelves • Lighted interior panel with separate fresh food and freezer cold

- controls • Meat conditioner drawer for fresh meat storage • Butter spread control • Dual automatic frozen juice dispenser • Two adjustable freezer basket-shelves.

Something this great deserves a smashing ad campaign. And we've got one. On The Tonight Show, and in Life, Saturday Evening Post, Sunset, Southern Living and Progressive Farmer. Plus, a door-bustin' dealer program.

And you haven't even heard the half of it! Get on the phone to your Hotpoint Distributor, right away. It'll be a big break-through in profits for you.

Hotpoint *first with the features women want most*
HOTPOINT • GENERAL ELECTRIC COMPANY • CHICAGO, ILL. • 60644



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

□□□□ **Kelvinator's line for 1968** includes two 33-inch side-by-side refrigerator-freezers (one with an icemaker) and a front-loading portable dishwasher. There are 21 other refrigerators in the new line: six side-by-sides; nine top-freezer, 2-door models; two bottom-freezer, 2-door models; and four single-door models. The 11 free-standing electric ranges include four 40-inch models, six 30-inch, and one 20-inch. There are 10 freezers, including a new 25.2-cu.-ft. upright and 15.8-cu.-ft. chest. The portable dishwasher, which holds 16 table settings, has detergent and water-softening dispensers and two wash arms. Suggested retail prices had not been set at presstime. A company spokesman said that Kelvinator might not fair-trade the line in New York City.

□□□□ **August was an up month for home electronics** distributor sales, as the fall sales upswing got under way and plants returned to full operation after July vacation schedules—and strikes. Color tv sales for the month climbed to 427,820 units, making it the biggest month since March. The color figure is about 62% above the low point in May, and 14.8% ahead of August, 1966. B&w tv sales of 441,999 units were down from August of last year, but rose for the fifth straight month. FM radio sales hit 282,562 units, up 4.3% from 1966. Portable phonograph sales were down 24.7% from last year, to 272,506 units; and console phonos dropped 28% to 104,998 units.

□□□□ **The new McCormick Place will be one long hall:** 432,000 sq. ft. of exhibit space on a single floor, totally unhampered by columns. The architectural trick: Chicago's new hall will hang suspension-bridge style as it stretches 1,200 ft. along Lake Michigan. Meanwhile, the City Council voted to lease Navy Pier to Transworld Exhibits for its January and July, 1968 shows. The Independent Show is planned for the Conrad Hilton Hotel.

□□□□ **One company is not raising color tv prices:** Pilot Radio has sent out a special announcement that it will not raise prices on its line of 18-inch and 23-inch color tv sets, in the hopes that, by holding the line, "We will be giving added impetus to the color tv market."

□□□□ **Color broadcasting at almost the cost of b&w?** CBS Laboratories is offering a new electronic video recording (EVR) system to broadcasters. Much like an LP recording, the EVR system will enable low-cost prerecording for broadcast on home or classroom tv sets. The system, which incorporates the same technology as the CBS home device (MW, 4 Sep., p.5), will have its first tryout on CBS-TV in January; it will be used by educational tv sometime in 1968. A CBS spokesman said the new system will enable CATV and closed-circuit tv to economically increase color programming. A special adapter camera will cost about one third as much as standard color transmitters, film as little as one third the price of color tape.

The minority merchant: TAMFAD tells it like it is

Basically, TAMFAD is an attempt to bring minority furniture and appliance retailers into the mainstream of American business life.

This is what came out of a closed-door meeting between Jules Steinberg, executive vice president, National Appliance & Radio-TV Dealers Assn., and representatives of the Trade Assn. of Minority Furniture and Appliance Dealers. These included Lawrence N. McClenney, TAMFAD's president and a vice president of Superlative Furniture, Philadelphia, Pa., and Garrett D. Obey, TAMFAD's project director. The meeting was arranged by Merchandising Week at the request of NARDA and TAMFAD (MW, 16 Oct., p.12).

McClenney stressed that TAMFAD

is not a separatist "Black Power" group, does not want to further isolate the Negro businessman from the white community, is not a competitor of NARDA. He also stressed that Negro retailers have special problems that can best be solved by a special-interest trade association.

For example, Negro dealers often have difficulty placing their paper. Not long ago, a New York finance company rejected the credit application of a woman who was buying her furniture in a Negro-owned store. Two weeks later a salesman from the finance company's own retail store called on the woman and sold her the furniture. The finance company apparently felt her credit was good when she bought from its store.

At the same time, it is recognized that Negro retailers often cannot compete with white businesses because they do not know how to run a store. They do not know how to buy merchandise or how to advertise. They cannot offer any fringe benefits to employees. They do not have capital and they do not have adequate records; therefore they cannot borrow money. TAMFAD will work to correct these deficiencies, to bring the Negro businessman up to the level of the white businessman.

Among the projects TAMFAD has planned are a prototype store; standards of physical appearance for member stores; customer services, such as an interior decorator, carpet installation, appliance rentals; standardized

accounting, inventory control, and credit procedures for members; group buying; and health insurance and retirement benefits for employees.

Steinberg reiterated his point that Negroes "will never solve their problems by further separation," but agreed that there are some things that a minority group trade association can accomplish on a local, racial basis that the national association cannot. He pointed out that NARDA is open to any appliance-tv dealer, and said "Whether you join NARDA or not, we will be glad to assist you."

McClenney and Obey said they will be making use of NARDA's services and hope that ultimately TAMFAD will be merged into the national trade group. —Wallis E. Wood

Tape cartridge retail picture: brighter and greener

The retailer's search for profit pockets to dip into is an on-going preoccupation. The need to diversify in order to expand his business never ends. Last week at the Tape Cartridge Forum, the message for the pioneering dealer in our business was clear: take the plunge, or at least a dip, into tape cartridges.

Figures fly fast and furious in this new industry. The Electronic Industries Assn. will soon be compiling statistics. Until then, the industry will have to rely on what are commonly called

"guess-timates."

One of the best guess-timates comes from a leading home electronics firm (see table). This company projects 1968 sales of home equipment at 2.4 million

units, with almost \$100 million in total dollar volume at the factory level. This preliminary estimate could be conservative.

The average selling price—again at

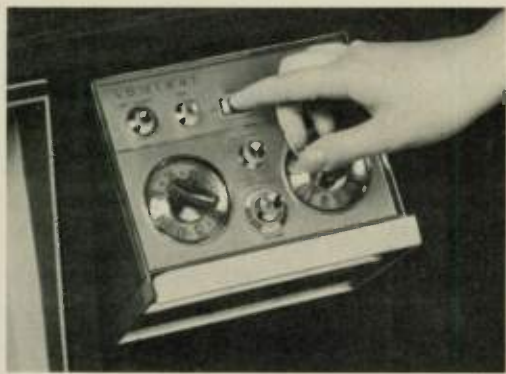
Type of home equipment	Units (add 000)		Total factory dollar volume (add 000)	
	1967*	1968*	1967*	1968*
4-track, 8-track, PlayTape	630	900	\$28,000	\$34,000
Cassette	600	1,500	\$27,000	\$65,000
Total	1,230	2,400	\$55,000	\$99,000

*1967 figures are estimates; 1968 figures are projections.

the factory level—for all units in 1967 is projected at \$44.71. In 1968, the average price should dip to \$41.25. In 1967, the average factory selling price for 4-track, 8-track, and PlayTape: \$44.44; in 1968: \$33.77. For cassettes, the 1967 average price is projected at \$45; in 1968: \$43.33.

So, as Jack Wayman, staff vice president of EIA, said at the Forum: "Come on in, the water's fine." To see what's happening for those already in this growing business, see MW's playback, starting on p.16. —Martin R. Miller

Exclusive Selling Power!



The exclusive Admiral Tilt-Out Control Center and Admiral AFC make Admiral color TV the easiest to tune in the industry. The exclusive Tilt-Out Control Center tilts out for easy stand-up tuning. And Admiral AFC—Automatic Fine Tuning Control—automatically fine tunes the color picture and sound instantly and electronically at the flip of a switch.

**Only Admiral
gives you the
“Tilt-Out” Control
Center with
Admiral AFC.**

Now! Perfect color tuning as easy as turning on a light.

Admiral AFC "locks in" brilliant, vivid color pictures even when you change channels. And Admiral puts AFC on every Giant 23-inch color console (picture meas. diag.). Admiral color TV offers a host of other outstanding selling features,

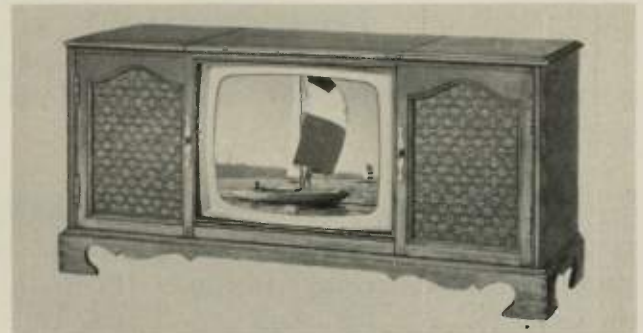
too! Admiral Instant Play... high gain 3-stage IF amplifier... Admiral precision-crafted transformer-powered color TV chassis... fine handcrafted furniture cabinetry... plus the largest picture in color TV—295 square inches.



The Carlton. Giant 23-inch color picture (picture meas. diag.) with exclusive Admiral Tilt-Out Control Center.



The Douglas. Giant 23-in. color picture (picture meas. diag.) with 7-button Color Sonar Remote Control.



The Madison. Giant 23-inch color Stereo theater (picture meas. diag.); fine handcrafted furniture cabinetry.

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

□□□□ **The role of the independent store is examined** in an executive report issued by the big-store-oriented National Retail Merchants Assn. The NRMA report concludes that it is harder for independents to succeed today, but, paradoxically, the opportunities for the good independent retailer are greater than ever before. The NRMA points out that while competition for the independent retailer is stiffer than ever before, "there are always openings for the entrepreneur, the innovator."

"The changing consumer," the NRMA points out, "is looking for the new, the different, the specialized—things in which the smaller retailer can and should be the leader."

□□□□ **What the independent retailer can do to succeed** in this paradoxical situation of mixed difficulties and opportunities is outlined in the NRMA study. Among the key suggestions listed in the study are: create a unique store personality; develop a modern management approach; use tools of modern merchandising; develop adequate financial resources; look to the experts; to cost conscious; improve your merchandising; and, build good vendor relations.

□□□□ **"Serving the Changing Customer"** is the NRMA's theme for its annual convention next Jan. 7-11 at the New York Hilton Hotel. Some 5,000 department, chain, and specialty store members of the association are expected to attend the convention, which will feature some 48 business sessions.

"No one is more concerned with serving the American consumer than the retailer is," points out James J. Bliss, the NRMA's executive vice president. "It is the retailer's responsibility to see that the consumer's right to free and informed choice is protected. The retailer must be the consumer's advocate in anything that might affect the freedom of the marketplace. Reputable merchants, aware of the consumer's needs and desires, and willing to fulfill them in a competitive market, are the best possible guarantee that the consumer's rights will be protected."

□□□□ **National retail sales for September rose** to \$26,688,000,000, up 4% over the same month in 1966 and about .5% over sales this August. Manufacturing and trade inventories, according to the Department of Commerce, increased by \$375 million in August and \$250 million in July. Inventories dropped by \$275 million in June, in the first decline since June of 1961; at that time, the drop was \$36 million.

□□□□ **"The Race for Space"**—for retail displays—is the theme of the annual exhibit and symposium of the Point-of-Purchase Advertising Institute (POPAI), next week, in Chicago. The show-convention runs from Oct. 31 through Nov. 2 at the International Amphitheatre.

Judges for POPAI's point-of purchase display contest, an annual feature, are: Chad Taylor, assistant professor of visual design at the Illinois Institute of Technology; John W. Amon, vice president of Needham, Harper & Steers, Inc.; and Norman Perman, of Norman Perman Advertising & Packaging Design.

□□□□ **An Australian retail group is joining IRS**, the New York City-based resident buying office, effective Jan. 1. The new member of Independent Retail Syndicate is Woolworths Ltd. of Australia (there is no connection with this country's F. W. Woolworths Co.).

How to build service customer confidence: a new SBA Aid

"If I knew of a place where the repairmen would fix it right, fix it fast and stand behind their work, I would carry by lawn mower, tv, or whatever to that shop even if I had to drive to the next town."

This is a quote from a new Small Business Administration Small Marketers Aid, "Building Customer Confidence in Your Service Shop" (No. 128, available free from SBA field offices).

The points made by the author, Robert K. Otterbourg, who heads his own public relations company in New York City, are basic, but every service manager, like a pro football player, can benefit from a review of the basics.

"Customer confidence is essential to success in a small service shop. Because they are not technicians, customers have to rely on the owner-manager. Quality work at reasonable prices is the foundation upon which to build confidence. Customers learn to respect and trust a shop which gives an honest opinion, respects their time, and keeps promises. In addition, the owner-manager must keep reminding people that their interest is his first concern."

Basic, but true, and Otterbourg gives several specific ways to reach these

goals: display a code of ethics where the customers can read it—and offer more than the code. Call the customer when there will be a delay. Tell her if the repair will cost more than the original estimate. Provide a replacement when you take an item into the shop. Promote the shop through direct mail, or an item that can be used around the home: a list of emergency telephone numbers that the customer can attach to her telephone, for example. Keep the shop clean.

Run a contest. "One radio repair shop holds an annual contest for the best 'homemade' radio built by teenagers. Besides the goodwill, the contest helps the sale of radio parts, and it may help you spot individuals who would make good part-time employees."

A short bibliography at the end of the 8-page Aid is worth the time it takes to stop by an SBA office or write directly to Washington, D.C.

There is more to running a successful service operation than knowing how to repair a broken product. A service manager who looks into management basics will find himself working less hard, enjoying himself more, and making more profit.

Christmas is coming. Hark! 'Tis the season to be wary

Latest FBI crime reports substantiate what retailers have suspected—shoplifting is on the rise. Since 1960 (see chart), shoplifting losses are up 93%.

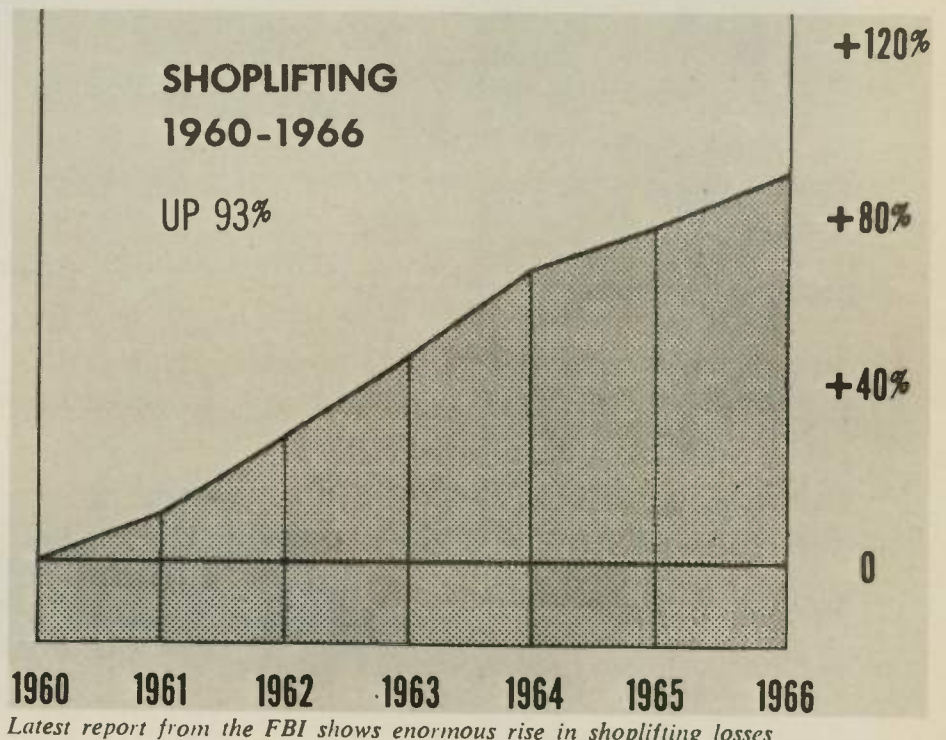
Shoplifting, however, is only one side of the inventory-shrinkage picture. The other side is employee pilferage. And the whole picture is the blackest at Christmastime, reports Pinkerton's Inc., the nationwide security-service operation based in New York City.

Preventive measures, says Pinkerton's, can go a long way toward helping retailers cut their losses. Here's what Pinkerton's recommends:

Post signs saying shoplifters will be

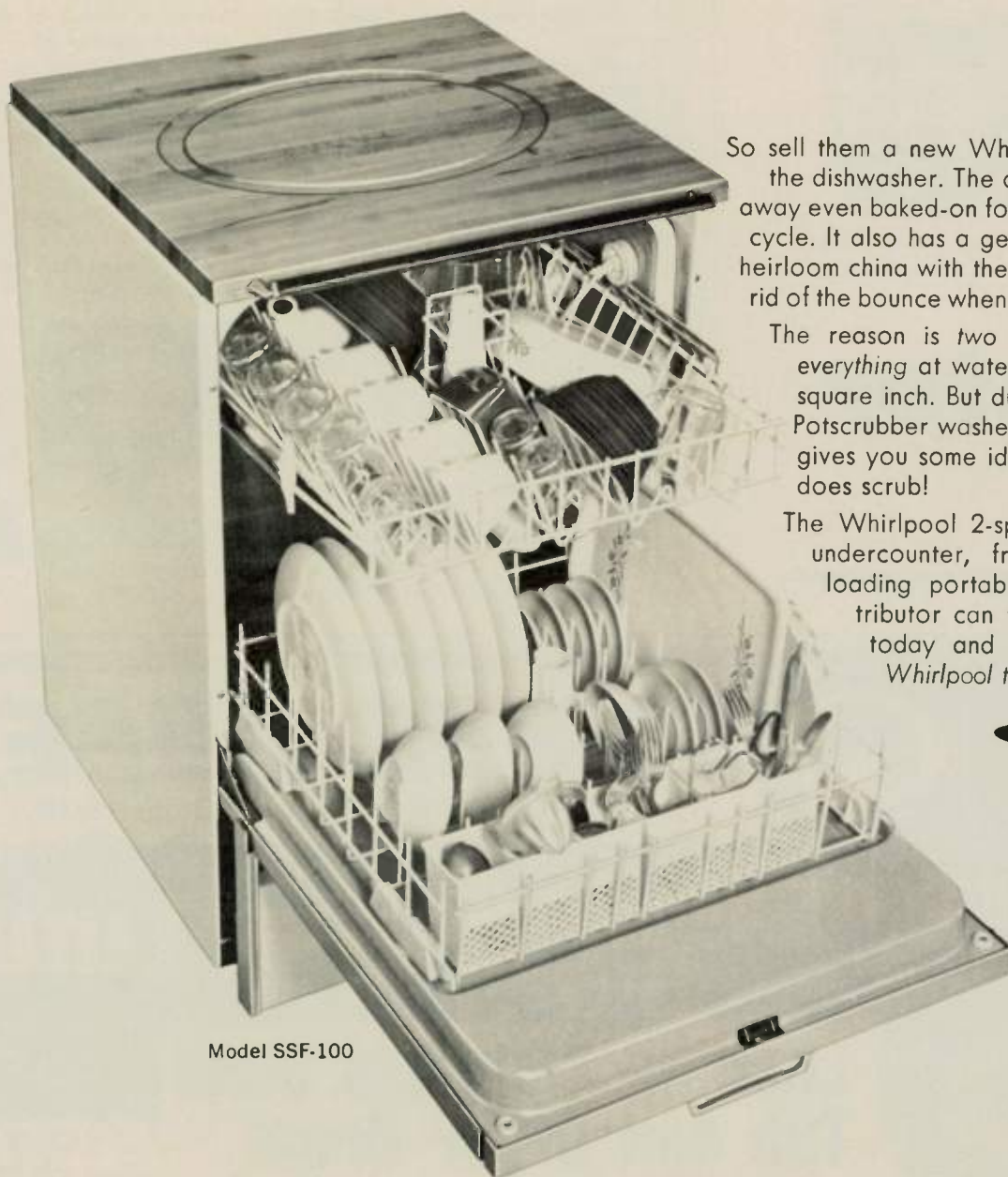
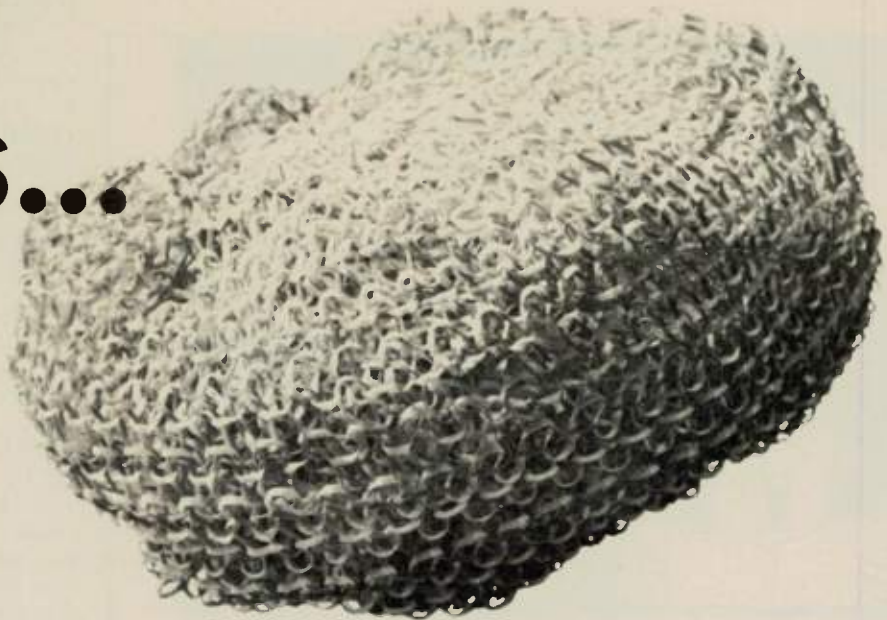
prosecuted, light the store properly, don't stack merchandise above eye-level, use peep-holes and one-way mirrors, work closely with the security personnel of other stores. As for employee pilferage: check backgrounds of cleaning crews, change locks periodically, check for collusion between janitors and trash-disposal outfits, check night entries beyond the mere signing of the register.

These measures, says Pinkerton's, plus the employment of uniformed patrolmen and plain-clothes investigators during peak periods, should insure a merrier Christmas for retailers.



When your customers ask for the POTSCRUBBER

they don't want this...



Model SSF-100

So sell them a new Whirlpool Potscrubber, successor to the dishwasher. The one that has what it takes to scour away even baked-on food and grease . . . a SUPER WASH cycle. It also has a gentler cycle that treats crystal and heirloom china with the respect they deserve. And it gets rid of the bounce when you wash lightweight dinnerware.

The reason is two speeds. Most dishwashers wash everything at water speeds of about 3 to 5 lbs. per square inch. But during the SUPER WASH cycle the Potscrubber washes at 7 lbs. per square inch. Which gives you some idea of why the Potscrubber really does scrub!

The Whirlpool 2-speed Potscrubber is available in undercounter, front-loading portable and top-loading portable models. Your Whirlpool distributor can tell you all about them. Call him today and discover why it's easier to sell Whirlpool than sell against it.


Whirlpool
CORPORATION



Edward P. Reavey Jr.



James F. Haley

THIS BUSINESS IS PEOPLE



Motorola's new team: consumer-bent marketer, field-trained salesman

The man whose "hole in the handle" promotion behind the electric slicing knife pumped increased sales and profits, as well as brand awareness, into Hamilton Beach is being asked to do a similar job for Motorola, Inc. He is Edward P. Reavey Jr., former director of marketing for Hamilton Beach and newly named vice president of marketing for Motorola's consumer products division.

At Motorola, Reavey will get a strong sales assist from another new appointment, that of James F. Haley as president of Motorola Consumer Products Inc., the sales subsidiary. Haley, who has been general distribution manager for consumer products, has behind him considerable field sales experience.

Reavey and Haley succeed S.R. "Ted" Herkes, who has resigned as executive vice president and general manager of Motorola's consumer products division. (MW, 16 Oct., p.55). Herkes is establishing his own marketing consultant firm, which has been retained by Motorola on a full-time basis.

Reavey is a consumer-oriented "total marketer," a man who believes that all aspects of a company's operation must aim at filling the needs of the mass consumer market. Before he became a bright star at Hamilton Beach, thanks to the "hole in the handle," Reavey is credited with having rebuilt the Sheaffer Pen Co.'s marketing program.

Presumably, Reavey will be tackling Motorola's all-solid-state color tv set as one of his first marketing assignments.

Haley has been with Motorola for 10 years. Before that he spent considerable time as regional sales manager for several other consumer electronics firms.

WANTS TO "REFUEL": A retailer who rose to become head of one of the nation's leading department stores, Alfred H. Daniels, of Burdine's, in Miami, is calling it quits. At age 55, Daniels wants to retire, to "refuel" intellectually and creatively, and to relocate to Westport, Conn. He is expected to combine his own studies with teaching, hoping to "dive into areas of knowledge that I have so far been able to pursue only part-time." Daniels

began his retailing career in 1936 at Abraham & Straus, in Brooklyn. His retirement as chairman and chief executive officer at Burdine's is effective Feb. 5; he is being retained, however, as a consultant to Federated Department Stores, parent firm for Burdine's and A&S.

Burdine's president, Thomas C. Wasmuth, has been named board chairman to succeed Daniels. Martin Clark, who has been executive vice president, succeeds Wasmuth as president.

STILL IN THE FAMILY: One year after selling G. Fox & Co., of Hartford, Conn., to the May Co., Beatrice Fox Auerbach is retiring as president and treasurer of the department store. Control will still remain in the family, however, as two sons-in-law, Bernard Schiro and Richard Koopman, become board chairman and president, respectively. Mrs. Auerbach continues as vice president and member of the board of directors of the May Co.

ALLIED DUTIES: Allied Stores Corp. has added to the duties of Alfred Eisenpreis, Allied's vice president for planning and research. He becomes responsible for Allied's corporate public relations and government and industry relations, as well as serving as the department store chain's R&D man.

KEY MOVES: Caldor, Inc. has named Jack Machulam as housewares buyer. Machulam, who has been in retailing since 1955, joined Caldor in 1963 as an assistant store manager. Channel Master has named Gerard Brennan as president of its Chroma-Tube operation, which produces color cathode ray tubes; Brennan continues as president of Channel Master's Empire Tube operation and as general manager of Chroma-Tube. Louis K. Warden has been named to the newly created post of administrative vice president of Craig Corp. He will handle special projects in marketing, sales, distribution, and new product development. Hamilton Beach has assigned to Joseph B. Mason, the firm's eastern regional sales manager, the additional duties of supervising the New York sales office. The late David Horowitz, as national sales manager for Hamilton Beach, had been responsible for that office.



Brennan



Warden

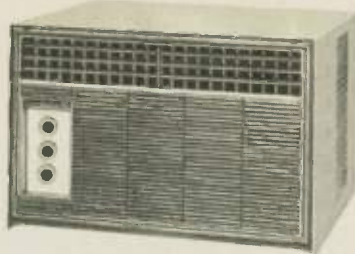
"QUIET"

*as in Coolerator Room
Air Conditioners"*



Coolerator quiet ends noise annoyance

Customers annoyed by noisy room air conditioners annoy you with complaints. Put an end to all that. Sell the room air conditioners that make good on claims of quiet—Coolerator. Freedom from noise annoyance means a big reduction in service complaints. But that is only one way that Coolerator protects your full profit margin. Get the whole story. There is money in it for you.



Coolerator

Manufacturers also of Coolerator
Central Air Conditioners, Dehumidifiers, Humidifiers.

another
quality
product of



Write to: Albion Division
McGraw-Edison Co., Albion, Michigan

Switch to

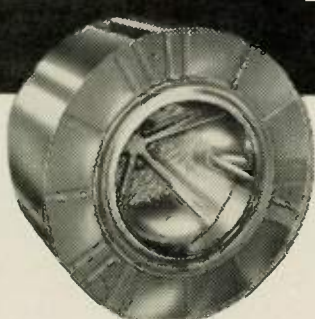
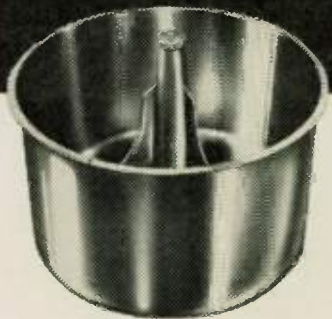


SPEED QUEEN

Quality and Dependability Since 1908

... the Washer and Dryer with the

Silver Lining



Lifetime Stainless Steel Tub and Dryer Drum

A Division of McGraw-Edison Company, Ripon, Wisconsin 54971





**Tell your customers
(nicely) that
Audiomotion[®]
has just obsoleted
their stereo sets.**

Audiomotion programs, plays, retrieves and stores 50 LP record albums at the touch of a dial. This exclusive Seeburg innovation, together with an AM-FM-FM Stereo radio, is available in a beautiful console—the Seeburg Stereo Home Music Center. And in a handsome component that hooks in easily to existing stereo systems, replacing old-fashioned turntables.

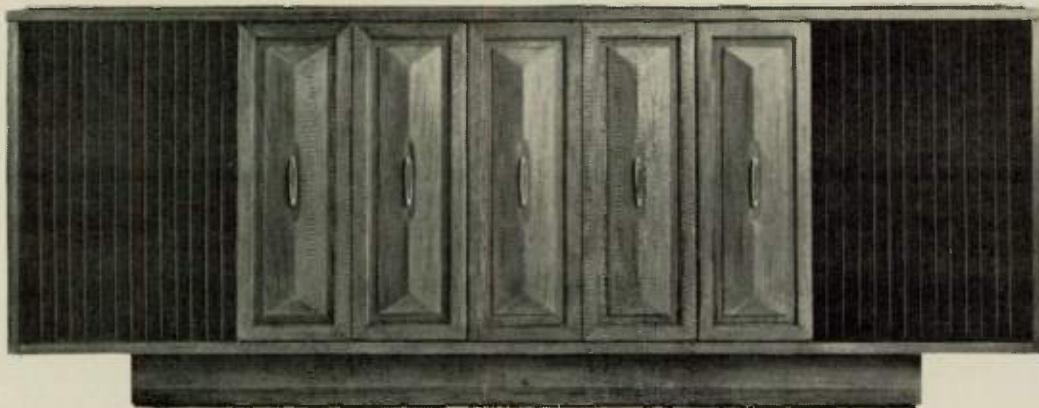
**Then have them
dial a record
from 50 feet away.**



Watch customers' enthusiasm as they operate Seeburg's remote control! These units can be located in every room of their homes.

**You'll write their second
reaction on your order pads.**

Audiomotion is so exciting that a brief demonstration alone will make sales. For full information on Audiomotion, the Seeburg Stereo Home Music Center (console) or the component unit, write: Consumer Products Division, The Seeburg Corporation, 1500 North Dayton Street, Chicago, Illinois 60622.



The Seeburg Stereo Home Music Center
—world's first console with Audiomotion.



Audiomotion is also available in this component unit, for hook-up to existing stereo systems.

SEEBURG

Serving America Musically Since 1902 / Consumer Products Division • The Seeburg Corporation • Chicago 60622

*REG. 656,755 ©1967, The Seeburg Corporation

UTILITY NEWS

With the fourth quarter underway, retailers can turn to utility companies for some extra assistance in making this traditionally strong selling season even stronger.

This year, utility promotions across the country generally are concentrating on home laundry equipment, particularly electric dryers, through November.

Consumer come-ons include cash bonuses with each purchase of selected major appliances. In some cases, the bonuses paid by the utility companies are large enough to cover installation expenses.

Retailer rapport with the utilities' load-building campaigns is being built with co-op advertising allowances, cash awards for dealer salesmen, and a barrage of free window and wall posters and special home laundry brochures featuring electric dryers. Also not to be overlooked are the utilities' home-service personnel, many of whom are available to retailers for in-store appliance demonstrations.

Check the following nationwide sampling of promotions, then check with your own local utility to see what help it is offering for the big selling season just ahead.

Arizona: Color tv and stereo, in November. Arizona Public Service Co., (APS) will offer "Reddy Recommended Dealers" the wherewithal (ad support, co-op allowances, etc.) to tie-in with a consumer prize drawing. First prize is a \$500-value tv set (APS will pay the cost of the set to the dealer whose customer wins). Consolation prizes are 50 sets of tv trays, which will be supplied by APS. No purchase is necessary, but Reddy Recommended Dealers must validate consumers' entries.

Connecticut: Electric dryers through Dec. 2; home electronics through Nov. 19; and electric housewares Nov. 20 through Dec. 23. Connecticut Light and Power Co. (CL&P) offers cooperative advertising, paying up to 25% of retailer ad costs on approved copy during special campaign periods. Special

window and counter display cards are available during campaigns. As a consumer inducement, a \$25 allowance is given on the purchase of each appliance requiring 100-amp service. Also offered through CL&P: free direct-mail advertising, appliance demonstrations on store sales floors by the home-service staff, and dealer financing on certain major appliances.

Florida: Electric dryers through Nov. 30. Florida Power Corp. residential customers who buy an electric dryer will receive a gift catalog entitling them to a choice of any one of the 30 gifts shown. Newspaper, radio, and tv advertising will encourage customers to complete the laundry team with an electric dryer. A sales bonus of \$1 will be paid to retail salesmen for each 230v dryer sold.

Georgia: Electric dryers, water heaters, and washers through Nov. 30. Savannah Electric Power Co. (SEPCO) is running a newspaper advertising campaign that offers a \$15 cash coupon to consumers who buy a 230v electric dryer or a 4,500w water heater. The coupon also will be mailed to 65,000 SEPCO customers. Retailers stand to make \$5 on this deal. It works this way: the consumer buys a dryer or water heater and gives the retailer the coupon; the retailer gives the consumer \$15 and then files a claim with SEPCO for \$5. Coupons must be submitted by retailers to SEPCO no later than Dec. 8. SEPCO also is offering retailers an advertising credit of \$5 on each washer sale through Nov. 30, providing ads meet SEPCO's specifications. Demonstration assistance is also available to retailers through SEPCO's home service department.

Illinois: Electric dryers through Nov. 30. Central Illinois Public Service Co. (CIPS), offers a set of no-wrinkle sheets and pillow cases to customers who purchase a 240v electric dryer during October or November. For retailers, CIPS offers to pay up to 50% of electric dryer newspaper and radio advertising. CIPS home service representatives are available for dryer demonstrations at laundry parties in individual stores. Free display materials, including window banners and customer handouts, are available on request.

Maryland: Dishwashers, Nov. 1 through Dec. 30. Baltimore Gas and Electric Co. will offer retailers co-op funds up to \$300, bonuses of \$5 per sale, tie-ins on one or more of its billboards for \$50. The campaign's theme, "Escape . . . Buy a Dishwasher," will be touted on billboards, buses, taxis, trucks, and in radio and tv ads.

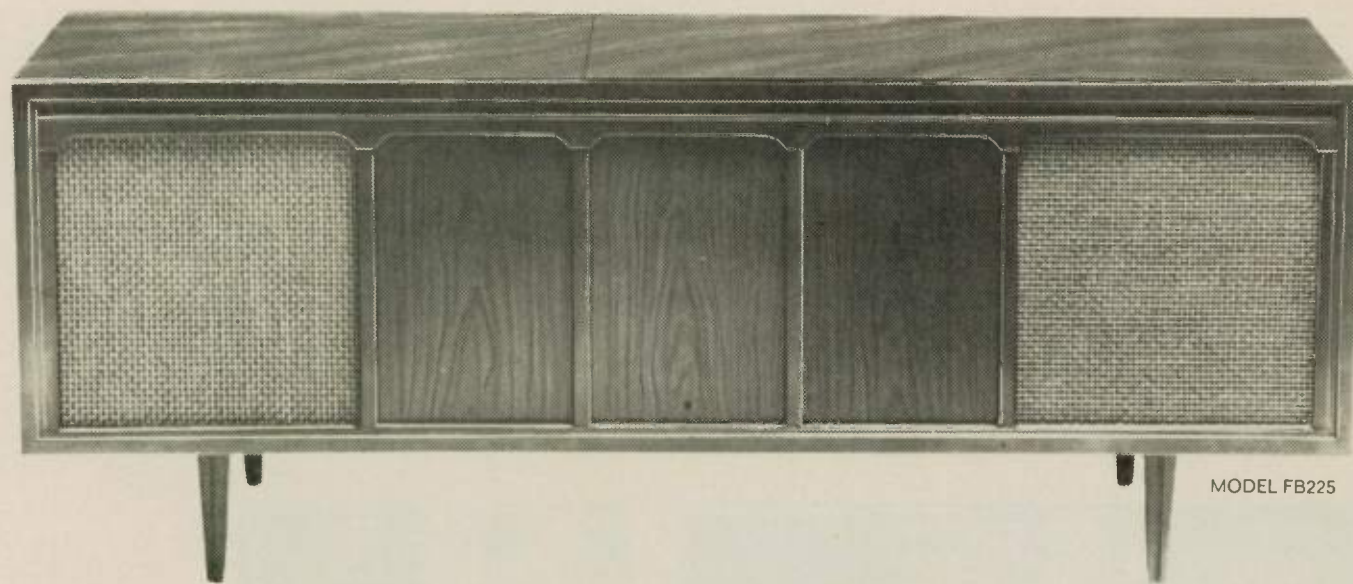
Missouri: Electric dryers through Dec. 31. Empire District Electric Co. is offering extra profits to retailers who participate in promotions now being run by manufacturers and distributors. Empire is participating with co-op allowances ranging up to 25% for radio, tv, newspaper, and handbill ads. Consumers will receive up to \$25 in wiring assistance with each purchase of a 240v electric dryer.

New Jersey: Electric dryers through Nov. 25. Jersey Central Power & Light Co. and the New Jersey Power & Light Co. will pay retailers \$2 for each dryer sold on the 1st through the 5th sale, \$3 for each on the 6th through the 9th sale, and \$5 on the 10th and each succeeding sale. With each purchase, consumers will receive a double-bed set of no-wrinkle sheets and matching pillowcases. Dealers can earn up to 35% co-op for qualifying electric dryer newspaper ads.

EXCLUSIVE new Olympic 'money-making machine'!



'STEREO BAR'

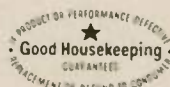


Lift the lid to profits with Olympic's new party mixer!

- | | |
|--|--|
| <input type="checkbox"/> Stereo Hi-Fi phono, FM-AM radio, handsome bar combine in this beautiful, low, long 67" Danish-style console | <input type="checkbox"/> Free! 6 beverage glasses, included, help you clinch sales |
| <input type="checkbox"/> Big, built-in compartment holds bottles or party records | <input type="checkbox"/> Automatic changer, light tubular arm, cushioned turntable |
| <input type="checkbox"/> Non-spill tray for glasses lifts out, adds storage space | <input type="checkbox"/> Sensitive, lighted dual slide-rule tuning for FM and AM |
| | <input type="checkbox"/> Acoustically balanced 6-speaker stereo sound system |

Olympic

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



**Westinghouse
dishwashers have:
porcelain-on-steel tub
145° Sanitizer
random loading
built-in detergent storage
telescoping top racks
automatic lift-up racks
soft food disposer
filter screen
sound insulation**

(Nine good selling points. Don't trust your memory. Show your customer this list.)



Westinghouse's dishwashers for 1968 include convertibles, portables and undercounter models. Compare them—feature for feature—with any other line and see why Westinghouse will help you cash in on the fast-growing retail dishwasher business. See your Westinghouse distributor today.

You can be sure if it's

Westinghouse 



□□□□ **Appliance-tv manufacturers are fighting a bill** in Congress, which they contend would excessively obscure and broaden the definition of the term "franchise" to cover practically any selling/buying arrangement between vendor and vendee. Representatives of the Electronic Industries Assn. and the Assn. of Home Appliance Manufacturers testified against the proposed legislation—S. 2321—at a Senate hearing last week. The bill, now before the antitrust and monopoly subcommittee of the Senate Judiciary Committee, is sponsored by Sen. Philip Hart (D-Mich.).

Those speaking against the bill included George H. Fezell, sales vice president of Magnavox, who represented the EIA as vice president of its consumer products division; C.H. Rippe, vice president of Hamilton Manufacturing Co.; and George Lamb, general counsel for AHAM.

Fezell claimed that the bill, as written, would encourage manufacturers toward more vertical integration; in other words, to set up more of their own wholesale and retail operations. Lamb argued that the bill would tend to "freeze" a manufacturer to his current distribution setup, discouraging outside expansion.

□□□□ **The Administration is going all out** to persuade business to create jobs in the city slums. Most of the emphasis is on getting manufacturers to build new plants in the ghetto areas, but the new push is going to include retailers, as well. Already, Commerce Secretary Alexander Trowbridge has tried to interest Sears, Roebuck in the plan; and smaller outlets will be targets, too. One idea is that the blue chip outfits may set up a business, and then lease it to a local entrepreneur, with the Small Business Administration guaranteeing the lease.

Basically, Washington is saying that urban slum problems must be solved at the local level, and the businessmen—at that level—can come up with the most workable answers. A host of federal programs, which are ready to help, offer payments for the full cost of training an unskilled employee; management aids; a step-up on government supply contracts; and even the reworking of a city's transit system to make it easier for slum dwellers to get to their new jobs. To dramatize the new White House interest, a leading member of the business community—William E. Zisch, vice chairman of Aerojet-General—will set up a one-stop shopping section in the Commerce Department, where a businessman with an idea can get assistance.

□□□□ **Government's increasing tendency to interfere** in business is partially the fault of business itself, according to Edwin P. Johnson, of Sperry and Hutchinson Co. Speaking before the American Advertising Federation, Johnson blamed the "special-interest attitude of some businessmen" for contributing to the problem.

He explained: "I have in mind the special-interest attitude of some businessmen which leads them to seek relief from the rigors of the marketplace, to go to a friendly legislator and ask for a law designed to protect them from a successful competitor."

INDUSTRY TRENDS

Color tv again cornered the news in home electronics with record distributor-to-dealer sales of 209,695 units for the week ended Sept. 29. A series of strong increases during September culminated in the latest record-breaking sales performance: the first time the product category has ever cracked the 200,000-unit mark.

Black-and-white tv set sales, while off sharply from the comparable week of 1966, hit a new high for the year. Similar conditions prevailed for other home electronics products, which still lag behind last year's sales.

Home radio sales, for example, although 8.25% behind the corresponding week a year ago, jumped about 100,000 units over the previous week. Con-

sole phono sales were the highest since Mar. 3, but still lagged 4.14% behind the comparable week of 1966.

In major appliances, significant changes for the month of September came in washer-dryer manufacturer shipments, which exceeded the usual seasonal increase. Portable dishwasher shipments continued strong for the month, advancing with a seasonal buying trend; while built-ins, where shipments were lower due to a cutback in new housing construction this year, showed only a modest gain.

Air conditioner shipments took a sharp drop from September a year ago; dehumidifier shipments were almost double those of the corresponding month last year.

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	August	85,234	92,841	- 8.19
	8 months	687,793	735,033	- 6.43
Vacuum Cleaners	August	488,980	417,213	+ 17.20
	8 months	3,547,176	3,562,238	- .42
MAJOR APPLIANCES				
Dryers, clothes, elec.	September	219,300	196,700	+ 11.49
	9 months	1,217,100	1,132,900	+ 7.43
Dryers, clothes, gas	September	96,800	95,700	+ 1.15
	9 months	546,500	526,100	+ 3.88
Washers, auto. & semi-auto.	September	423,500	326,400	+ 29.75
	9 months	2,977,800	3,069,800	- 3.00
wringer & spinner	September	41,100	49,700	- 17.30
	9 months	347,700	406,500	- 14.47
Air Conditioners, room	September	67,900	81,100	- 16.28
	9 months	3,484,600	2,734,000	+ 27.45
Dehumidifiers	September	9,900	5,700	+ 73.68
	9 months	264,000	225,200	+ 17.23
Dishwashers, portable	September	61,200	50,900	+ 20.23
	9 months	379,900	326,500	+ 16.35
under-counter, etc.	September	95,700	88,400	+ 8.26
	9 months	693,000	751,400	- 7.77
Disposers, food waste	September	145,500	132,100	+ 10.14
	9 months	995,600	1,080,700	- 7.88
Freezers, chest	September	41,700	36,100	+ 15.51
	9 months	355,200	358,500	- .92
Freezers, upright	September	58,500	67,500	- 13.33
	9 months	522,400	526,300	- .74
Ranges, electric	September	153,000†	181,400	- 15.66
	9 months	1,351,600	1,566,600	- 13.72
Ranges, gas	September	204,800*	183,100	+ 11.85
	9 months	1,552,500	1,635,300	- 5.06
Refrigerators	September	430,900	434,200	- .76
	9 months	3,568,800	3,859,800	- 7.54
Water Heaters, elec. (storage)	September	95,800	95,500	NC
	9 months	816,900	806,400	+ 1.30
Water Heaters, gas (storage)	September	219,070	215,940	+ 1.45
	9 months	1,886,830	2,029,100	- 7.01
HOME ELECTRONICS				
Phonos, port.-table, distrib. sales	Sept. 29	132,539	139,798	- 5.19
	39 weeks	2,354,126	2,354,844	NC
monthly distributor sales	July	227,306	249,300	- 8.82
	7 months	1,618,696	1,420,044	+ 13.99
Phonos, console, distrib. sales	Sept. 29	47,149	49,187	- 4.14
	39 weeks	980,567	1,246,062	- 21.31
monthly distributor sales	July	102,914	112,446	- 8.48
	7 months	696,237	905,453	- 23.11
Radios (home), distrib. sales	Sept. 29	392,106	427,352	- 8.25
	39 weeks	8,425,777	9,677,815	- 12.94
monthly distributor sales	July	854,934	942,786	- 9.32
	7 months	6,167,325	6,919,688	- 10.87
B&w Television, distrib. sales	Sept. 29	150,391	202,257	- 25.64
	39 weeks	3,896,098	5,306,485	- 26.58
monthly distributor sales	July	409,220	508,977	- 19.60
	7 months	2,822,922	3,935,766	- 28.28
Color Television, distrib. sales	Sept. 29	209,695	143,681	+ 45.94
	39 weeks	3,548,482	3,103,043	+ 14.35
monthly distributor sales	July	324,705	293,056	+ 10.80
	7 months	2,301,735	2,114,250	+ 8.87

†September Electric Range Total includes: 105,200 free-standing ranges; 47,800 built-ins.

*September Gas Range Total includes: 153,700 free-standing ranges; 22,000 high-ovens; 9,800 set-ins; and 19,300 built-ins.

Source: AHAM, EIA, GAMA, VCMA

Not for everyone.



Only for those who want everything.

You name it...the new Whirlpool Connoisseur* refrigerator-freezer has it!

For prospects who demand *more-than-ample* storage space, there's 18.1 cu. ft. of capacity, including room for 182 lbs. of frozen foods in the "zero-degree" freezer.

To please the fashion-minded, this new provincial-styled beauty comes complete with handsome fruitwood panels in place on all doors. And for *custom* effects, the door trim frames can be removed to accept 1/4" decorative panels of just about anything! Put in vinyl-clad aluminum or steel, brushed aluminum or steel sheets, Formica-type laminates, fabric or wallpaper on plywood, hardwoods to match your cabinets, etc.

The housewife can practically design the interior of this refrigerator to suit herself. Chrome-plated adjustable steel shelves can be rearranged in seconds. And they're half-width so one side can be shallow to handle pies or low items while the other side is set high for bottles, etc. Big twin crispers and the Jet-Cold* meat pan can be located



anywhere in the refrigerator, too. Even the metal door shelves are adjustable for custom flexibility.

The number of features in this super-super refrigerator is too great even to list them all here! They include big easy-rolling wheels, a true No-Frost system, a reversible freezer door, a new "Floating-Quiet" compressor suspended by four sound-absorbing springs. And, of course, the new Connoisseur comes equipped with Whirlpool's famous IceMagic® automatic ice maker...tried and proved in over 1,500,000 homes.

Your distributor will be glad to show you the complete new line with capacities from 10.0 to 21.2 cu. ft. And, why it's easier to sell Whirlpool than sell against it. See him today.

*Tmk.

Model ESF18MM with double-door provincial styling is available in edged copper, edged avocado or white.

 **Whirlpool**
CORPORATION

Yesterday's pipe dreams become today's plans:



On the cover: a rare get-together of the four far-flung branches of the tape cartridge family tree, photographed expressly for Merchandising Week. Seated is the grand-daddy of the whole business, Earl Muntz, president of Muntz Stereo-Pak and the man who started the tape cartridge down a 4-track highway over four years ago. Standing from left to right: Frank Stanton, president of PlayTape Inc., marketer of the 2-track PlayTape system; Wybo Semmelink, assistant vice president, North American Philips Co., the big cassette proponent in the U.S.; and Oscar Kusisto, v-p and general manager of Motorola's Automotive Products Div., major 8-track OEM supplier.

This time there was a difference.

The ballyhoo and excitement that accompany any meeting of the music merchants, show biz promoters, small manufacturers with big plans, large manufacturers with conservative programs, and slightly bewildered retailers who make up the tape cartridge industry, were all there—though in somewhat subdued form. So were the contradictory claims for opposing systems, the pie-in-the-sky sales promises, the confusion over what the real facts and figures are.

But this time, participants at the Tape Cartridge Forum were dealing with what Oscar Kusisto, vice president and general manager of Motorola's Automotive Products Division, calls a "mature, explosive industry, with price gaps being closed and major manufacturers entering the competition."

And this time, at least there were numbers to be had—even though some of the industry old-timers, who have weathered the past few years' growing pains, were inclined to take everything they heard with a grain of salt.

This time, Kusisto came up with projections of a 1.25-million-unit year for 4-track and 8-track automobile players in 1967. Earl Muntz, president of Muntz Stereo-Pak, estimated there were about 2 million cartridge players in the field to date.

Martin Miller, editor-in-chief of Merchandising Week, explained that 44 manufacturers were on the market with 250 cartridge units in one configuration or another, that Detroit had sold 167,000 cartridge players in 1967.

There is a market to be had: the

cartridge industry is no longer based merely on wishful thinking.

So at this Forum, more energy could be spent on the practical problems: how to educate the consumer, how to enter the marketplace, how to merchandise and display, how to advertise, what media to use, how to exploit new markets, where to go from here.

One theme ran throughout. Are manufacturers and distributors talking to themselves? Is the cartridge industry really "a great daisy-chain of self-interested companies and developers telling everybody what each thinks we'd like to hear," as Stanley M. Gortikov, president, Capitol Records Distributing Corp., put it?

There is a dearth of retailers in the business, most manufacturers felt. Certainly, retailers were not represented in the greatest numbers at the otherwise heavily attended Forum.

But the success stories some retailers were telling at the Forum showed another side. Those retailers who advertise with imagination, who invest sufficient money in a tape center, who promote what they sell, and who set up efficient inventory control, find not only that they are making good profits in a business not yet heavily discounted, but that they also are building up a good image.

Many retailers, however, complain that there is no point in their entering the cartridge business until manufacturers have paved the way by creating demand at the consumer level.

"I speak of the consumer: the forgotten man of the tape cartridge saga,"



Lord Mottistone, Radio Rentals Ltd., London, England; Alfred J. Truax, sales manager of Cadet Distributing Co. Inc., Oak Park, Mich.



Jerry Geller, International Tape Cartridge Corp., New York City; Sidney Koenig, president of Chancellor Electronics, Newark, N.J.; Julius Cohen, regional manager of Ampex Stereo Tape, Elk Grove Village, Ill.; Joel Koenig, vice president of Chancellor Electronics



Charles E. Wright, manager of tape sales for Action Record Distributing Co., Denver, Colo.; Jim Ellstrom, president of Gotta Go Stereo Inc., Colorado Springs, Colo.; Jack Wilhite, vice president of Western Sound Corp., Denver, Colo.; Don Stromstad, president of Western Sound Corp.

an industry talks money, markets, and merchandising

Gortikov told Forum participants. "To the consumer expected to buy it, a cartridge is primarily music and entertainment, not convenience alone. Yet," he charged, "at this very moment, several major equipment makers are involved in the adoption of still other cartridge forms—oblivious to the availability of musical libraries."

The way to consumers' pocketbooks, according to Gortikov, is through a well-stocked music library recorded on a minimum of systems—the better to concentrate the inventory.

Neither Gortikov's company nor any other music company, however—with the possible exception of RCA Victor—has made any concerted drive for consumer interest. And only a few equipment manufacturers—like Ampex and PlayTape—have begun to exploit radio and television on the national level. A handful of music and equipment manufacturers—like International Tape Cartridge Corp. and Borg-Warner—are exploiting those media on a local level. And national ads in magazines are only beginning.

Some at the Forum were calling for an industry promotional arm to spread the word about the cartridges.

Proliferation of systems is still a problem.

Will Capitol adopt the cassette system? It's a possibility.

Will 4-track, 8-track, or cassette manufacturers turn to PlayTape? It could happen.

Will the Bulova 16-track system take off? While most manufacturers cringe at the thought of still another system, others point out that Bulova's

has what others lack and discs have: selectivity.

None of the problems are major enough to be discouraging, however. The industry has already weathered too many hurricanes to be overcome by a few thunderstorms.

Products now on the market will continue to improve. Kusisto spoke of a cartridge 30% smaller than the present one. Others speak of automatic changers, recording capabilities, lower prices.

New products are making new markets: in hotels, motels, truck stops, car washes, and specialty shops. Gortikov predicts that Capitol Record Club will be distributing cartridge tapes.

By next June, when the Forum meets at the New York Hilton, on the two days preceding the Electronic Industries Assn. Show, there will be new improvements and new market growth. Already in January, EIA will begin releasing statistics on the new industry. This is only the beginning.

On the following pages is a wrap-up of the second annual Forum: a report on the product, the market, distribution, and retailing. For recorded texts of Forum speeches, write: Sales Communications Systems, 342 Madison Ave., New York, N.Y. 10017. Cassette, 8-track, 4-track, or reel-to-reel recordings of the Forum's 12 sessions are available at \$6.95 per session or \$69.50 for the series.

Forum news coverage by: Amei Wallach, Wallis E. Wood (Chicago), Neil Spann, and Cathy Ciccolella. (Cover and all Forum photos by the Robert M. Denelsbeck Studio.)



Phil Ballot, North American Philips Co. Inc., New York City; Dan Halpin, vice president of Sales Communications Systems Inc., New York City; Willard Faulkner, chief engineer of the audio tape division, Philco-Ford Corp., Philadelphia, Pa.



Dick Wilson, Billboard; E.O. Welker, RCA Victor Record Division, New York City; Joseph Slatterly, International Tape Cartridge Corp., New York City.



Judy Cook, general manager of A.J.R. Stereo Center, Chicago, Ill.



Larry Finley, president, International Tape Cartridge Corp., New York City



Daniel Yellen, Arrow Stereo Tapetown, West Hartford, Conn.



Terry Beaurline, buyer for W.T. Grant Co., New York City



Jeff Browning, International Tape Cartridge Corp., New York City; George M. Slaughter, president of Texas Tape Cartridge Corp., Fort Worth; Sol S. Zamek, president of West Coast Tape Cartridge Co., Van Nuys, Calif.

TAPE PLAYERS AND CARTRIDGES: KING OF THE ROAD, BUT THEY STILL HAVEN'T FOUND THEIR WAY HOME

Despite the fact that most major home electronics manufacturers and a large number of Japanese producers have introduced cartridge players for the home in one or more of the four major systems—4-track, 8-track, cassette, and PlayTape—there is still a feeling in the industry that cartridge sales cannot really take off until there is more home equipment available.

So far, most 8-track equipment sales have been in the automobile market. Four-track "Big Daddy" Earl Muntz reports that his home player sales never exceed 12% of his annual volume.

While neither the cassette system nor PlayTape have made great inroads into the automobile market, both are portable systems; thus, they have not really exploited the potential home market. No system has yet.

Manufacturers of the four systems are working at closing the gaps in their lines, at improving their products, and at bringing down price.

Those manufacturers with a concern for the automobile market are already looking to the 1971 model year, when, they fear, the dashboard will have been legislated out of the automobile.

Already on the drawing boards are: plans for a cartridge console for the car, and plans for a unit that fits into the trunk, programmed like a jukebox, so the listener can make his selection simply by pushing a button in the front of the car.

Those 8-track manufacturers who want to penetrate further into the home market are talking about smaller units—priced in the \$30-to-\$40 range—and units with recording capability (see p. 24).

Nearly all systems will have some models with a cartridge changer and stacker sometime next year.

The cassette system will make inroads into the educational market, as manufacturers like Telex-Magnecord-Viking introduce a heavy-duty recorder for school use. Other manufacturers are making plans to enter the market with prerecorded educational programs on cassettes.

Tape Handling Products will be putting out 10,000 cassettes a day after Jan. 1, all programmed with 20 mins. of teaching aids. Voice of Music will supply cassette recorders for educational use to manufacturers on an OEM basis.

Look for more prerecorded cassettes, too. Liberty will debut its line in November (MW, 16 Oct., p.3) at \$5.95 per cassette. In addition, reports are that one manufacturer (probably Ampex) will have a 12-min. prerecorded cassette at \$1.69.

Distributors report that Play-Tape will have a stereo playback unit from Japan and stereo prerecorded cartridges early next spring.

Whatever the system, changes and improvements are ahead.

Below are manufacturers' descriptions of their systems, plans for new applications, and a discussion of some of the problems confronting the industry today.

FRANK STANTON
President
PlayTape Inc.

"The PlayTape System"

PlayTape deals with both pleasure and learning. Five color-coded PlayTape cartridges—each with a different purpose and a different length of play—are on the market today:

The PlayTape (1) "hot single," geared to the teenage rock-and-roll market, contains six minutes of music, two songs. This cartridge, sold at a lower price than most other tapes, carries music current on the pop charts. The (2) "extended play," comparable to the extended play disc, contains 12 minutes of music, four songs. The (3) "long play," the album of the PlayTape stable, carries 24 minutes of play, eight songs. The (4) children's and (5) educational tapes run from 12 to 24 minutes, depending on the amount of material supplied.

The PlayTape machine has two playback heads, each scanning its own track of information, to reduce internal crosstalk and interference. PlayTape portables operate on a battery, but can also be played in the home on AC current. Tape speed is 3¾ ips. Frequency response is 50cps to 8,000cps.

RALPH E. COUSINO
Director of Engineering
Orrtronics Inc.

"The Four-Track System"

From its original use as a program source for broadcast commercials, the 4-track tape cartridge system has evolved into wide usage for entertainment in both the automobile and the home.

The 4-track system uses a plastic cartridge containing magnetic tape, lubricated to reduce friction, in an endless loop. The tape is wound around a hub with its recording side facing out. A pressure roller and capstan shaft drive the tape in its continuous circuit within the cartridge.

The plastic cartridge case comes in three standard dimensions: 6 inches by 7 inches, 7½ inches by 8½ inches, and, most commonly, 4 inches by 5¼ inches. The 4-inch cartridge has a tape-load capacity of 400 ft., providing 45 minutes of stereo programming. Tape speed is 3¾ ips. Frequency response is 50cps to 10,000cps.

MARTIN EHRLICH
Engineering Manager
Lear Jet Industries, Stereo Div.
"The Eight-Track System"

The major difference between the 4- and 8-track systems is that, in the latter, the pressure roller necessary to drive the tape with the capstan is contained within each cartridge, rather than within the player unit. This makes for a simpler, more reliable, operation.

Tape speed: 3¾ ips. Eight-track machines play for 80 minutes or more of stereo programming before automatically returning to the start position, and continuing indefinitely. For monophonic programs, more than 160 minutes can be played before the cycle begins to repeat itself.

EDWARD R. HANSON
Technical-Commercial Manager
North American Philips Co. Inc.
"The Cassette System"

Triple-play, .007-inch-thick tape, which was available when the cassette system was developed, determined the size of the cassette. Standard dimensions for cassette units are 4 inches by 2½ inches by 7/16 inches. Tape speed is 1½ ips. Frequency response is 60cps to 10,000cps.

The major advantage of the cassette over other tape cartridge methods is its ability to record as well as play back. Cassette cartridges can be erased and re-recorded at the user's will. Cassette units are also completely compatible for playing both stereo and monaural programs.

Today, 70 marketers throughout the world have adopted the cassette. Since the cassette was developed, 2.5 million cassette players have been produced. In 1967, 16 million cassettes will be marketed worldwide. Projections for the 1967 tape cartridge market forecast that cassettes will account for 25% of all players and tapes sold in the United States.

EARL MUNTZ
President
Muntz Stereo-Pak
"The Automobile After-Market"

"The automobile after-market is where the action is," says 4-track booster Earl Muntz. And the after-market is a 4-track market. Because 4-track got a head start over other systems, and because 4-track players tend to be cheaper than 8-track (Muntz has been selling a \$39 unit for years; Borg-Warner introduced the first \$39 8-track unit last week), 4-track is the big seller.

To back up his contention, Muntz came out with these pro-4-track figures:

there are 1.5 million 4-track units already in the field—compared with only 400,000 8-track units.

You can take or leave these figures, but the fact remains that Muntz does a bang-up job with 4-track players in the California market. How? According to Muntz, by sticking to these rules: "Get the cost of your units down; carry a complete inventory; advertise intelligently; offer lifetime service and warranties; carry and install a complete line of equipment; provide 'live' demonstrations; cut down on installation time." Retailers who heed the rules, he says, will cash in on a bonanza after-car market.

Whether or not car makers produce the 10 million cars they predict for 1967, he says, they certainly will not realize more than 2% tape cartridge penetration. So there will be nearly 9 million new cars on the road—plus 80 million older models—all ripe for the automotive after-market sale.

THOMAS F. HATCHER, Director
Experimentation & Innovation
Equitable Life Assurance
Society of the U.S.

"Company Training Programs"

For Equitable Life, the portability of the cassette was ideal for a new communications program being planned for its sales staff working in the field.

The program gets underway officially this week, with the first of the company's 15- to 30-min. messages going out to about 600 members of the sales staff who have joined the program on an optional basis.

The company is introducing the program and recommending the purchase of the Mercury cassette in its "Best Buys" catalog. Three units will be promoted: a small portable, an in-car unit, and a stereo system for home use.

In January, the company will begin supplying one cartridge a month to those staff members in the program. Each member must buy his own cassette player, but the cassettes will be sent free.

ALBERT BERMAN
Controller
Harry Fox, Agent and Trustee
"Copyright Dangers and Tape"

As more and more recording equipment goes on the market, the problem of what is and is not legal to record grows more acute. In California, for example, many small companies have sprung up which record tapes from discs—an illegal practice. Vending machines that copy disc content have also been developed—and are also illegal.

The whole area of copyright liability is a foggy one, and the advent of tape cartridge recorders has done little to clear the picture. Although the penalty for copyright infringement can be up to triple damages, many tape manufacturers and distributors are not sure exactly where the liability falls.

The essential fact about the copyright law is this: in case of infringement, everyone participating in the infringement is equally liable—from the manufacturer of the empty cartridge, to the manufacturer of the raw tape, to the ultimate vendor of the completed cartridge. To carry the law to its strictest interpretation, even the steel producer who provided the metal screws used in putting the cartridge together is liable in case of copyright infringement.

In the case of tape vending machines, both the manufacturer of the machine and the merchant who gives it house room in his store are liable.



What's new in the tape industry? Audience at the Tape Cartridge Forum gets some ideas from a keynote speaker



Jack C. Cummings,
Universal Tapedex Corp.



Frank Stanton
PlayTape Inc.

TO MARKET, TO MARKET, WHEREVER IT IS ... THE INDUSTRY'S WILLING, BUT THE DATA IS WEAK

The crying need in this fledgling industry has always been for some kind of market definition: how much equipment is actually in consumer hands; what are they buying; do consumers want home or portable units.

The answers that were offered at the Forum were all new, and sometimes contradictory. Proponents of warring systems do not always agree on figures. But many facts stood out:

The cartridge market is only just emerging from the pipeline stage, and is badly in need of promotion at the consumer level. While Motorola projected that industry sales of 4-track and 8-track auto units should hit two million in 1968, it is still clear that many consumers have never even heard of a cartridge or player.

There was a call for more exposure in consumer magazines—for more articles like the one in the October *House and Garden*, which described the new products for the lady of the house. And there was a cry for more national advertising, more promotions.

Manufacturers of prerecorded cartridges were calling for more cartridge playback equipment, and more retailers to sell it. So far, automotive units are enjoying the biggest sales; many new home units were introduced at the Consumer Electronics Show and are just now hitting the market.

New markets—like the educational, premium, builder, motel, and hotel markets are still in the infancy stage; and in effect, the cartridge show is only now beginning to hit the road.

The teen market will help speed things up considerably. Four-track units traditionally have been a teen item; now 8-track is going that way.

Capitol Records realized good cartridge sales when it released its latest Beatles' album on cartridge and disc simultaneously. RCA will begin releasing more teen music on 8-track, and will also go with the simultaneous cartridge-disc release for teen hits. And all record manufacturers are trying to get cartridge releases into the marketplace while they still are hits.

But an exact definition of the market must await exact figures describing the type and amount of cartridge players sold. The Electronic Industries Assn. will fulfill that need in January, when it begins releasing tape cartridge statistics for the first time.

OSCAR P. KUSISTO

Vice president & general manager
Motorola Automotive Products Div.

"The Tape Cartridge Field: Where It Is Heading"

Figures, a rarity in this new industry, dropped fast and furious in Kusisto's keynote address. They were encourag-

ing figures from an established manufacturer, which, as the major OEM supplier of home and automotive 8-track equipment to automotive manufacturers, automotive parts makers, and electronics producers, should know.

Sales of 4-track and 8-track cartridge players for the automobile should hit 1.25 million units in 1967, said Kusisto. Of these, 80% will be 8-track, 20% will be 4-track. Only 20% will be factory-installed. Home cartridge sales during the same period should far exceed the 50,000 units Kusisto originally had projected.

In 1968, said Kusisto, 4- and 8-track automotive cartridge players, "the fastest growing consumer electronics product second to color tv," should hit 2 million units and rise to 3 million in 1969 or 1970, where it should level off.

It is Japanese manufacturers, rather than domestic ones, that will dominate the cartridge player market, however. Nine companies in Japan are producing 8-track players this year, said Kusisto, "and in most cases their planned level of production is in excess of our projected sales level." The Japanese will make about 60% of the players projected for sales in 1968.

STANLEY M. GORTIKOV

President
Capitol Records Distributing Corp.

"The Tape Cartridge: You Son of a Disc"

In the atmosphere of restrained enthusiasm that prevailed the Forum—so different from the carnival, pie-in-the-sky euphoria that has marked other tape cartridge meetings in the past two years, Gortikov urged caution.

"We've all been involved in a 'happening,'" he said, "a fantasyland of inadequate facts and too much misinformation." The results: "impulsive equipment adoption, design shortcomings, trade paper exaggerations, ignored consumer communication, improper maintenance planning, overloading of production pipelines, primitive merchandising, distorted touting of favorite systems.

"The prerecorded cartridge is over-distributed at this point in time," he charged, "but if you would achieve massive sales of playback equipment, the whole scene would quickly come into balance."

JACK WAYMAN

Staff vice president
Electronic Industries Assn.

"Programs for the Home Market"

It was what the industry has been waiting for: by January 1968, the

Electronic Industries Assn. hopes to begin releasing tape cartridge equipment marketing statistics.

"EIA has been gathering data in this area since 1961," Wayman announced. "In the last year, we have made good strides in reporting domestic factory sales, now broken down into monaural and stereo, cartridge and reel-to-reel, and on a monthly basis."

"Since most tape equipment is imported, we have been working with the U.S. Tariff Commission to obtain more sophisticated breakdowns of tape recorder imports: such as audio and video, AC and DC, monaural and stereo, home and auto, reel-to-reel and cartridge."

EIA also is working with manufacturers to establish cartridge standards, and develop industry promotions. Standards already have been completed for 4-track, 8-track, and the little-known Orrtronic systems, and work on cassette standardization is now in progress.

MARTIN R. MILLER

Editor-in-Chief
Merchandising Week

"Equipment Sales: Where and How Much"

The scope of the equipment market was brought into still sharper focus, as Miller brought forth figures on sales of automotive and home cartridge equipment, gathered by the Merchandising Week and Billboard research departments and other sources: at last count, 44 manufacturers were marketing 250 types of playback and recording cartridge units for the home. Auto manufacturers sold about 167,000 stereo players in the 1967 model year—double the 1966 figure of 78,000. Of the 1967 total, 144,000 were factory-installed, and 23,000 were installed by dealers. Miller's speech was printed in Merchandising Week last week (MW, 16 Oct., p.3).

LEE ZHITO

Editor-in-Chief
Billboard

"Who Is Buying and Why?"

It's not just how much, it's who. Participants at the Forum wanted to know not only "how much are customers buying," but "who are those customers." Because this is a new market, that "who" continues to change.

But who that customer is today will influence efforts of manufacturers, distributors, and retailers today; and Zhito, with the help of the Billboard research department, was able to come up with a sketch of that customer. So far, the cartridge tape and unit customer is a young, married man

with a well-paying position that has a future. Here's how it breaks down: About 60% of cartridge players go to married couples; about 92% go to men. Of all purchasers, 45% are in the 18-to-25-year-old bracket; 25% are 26 to 35 years old; 20% are 36 to 49; and only 10% are 50 years and older. About 28% of playback buyers are executives, officers, managers, or owners of their own business; 20% are professionals or technical people; 13% are students; 11% are in the sales or clerical field; 8% are skilled craftsmen; 6% are unskilled labor; and 5% are in the armed forces.

Younger customers tend to buy only a few cartridges at first; the older ones stock up right away. And, while in 8-track the male adult buys 80% of the cartridges purchased, in 4-track he buys only 62%.

GRAEME ANDREWS

Editor
Record Retailer (London, England)

"The European Market"

Europe is taking its first steps into a potentially explosive cartridge market, Andrews said. Philips, with its cassette system, is currently the undisputed king—and has been for the past 30 months. But a battle is shaping up: RCA will market Stereo 8 in Britain, and probably in Italy, too; and International Tape Cartridge Corp., Muntz Stereo-Pak, and PlayTape are also committed to marketing their systems in several European countries.

LARRY FINLEY

President
International Tape Cartridge Corp.

"Consumer Promotions"

What about that forgotten man of the cartridge industry—the consumer? Finley has a list of ways to reach him: install a stereo player in a car and leave it in the store's parking lot, where salesmen can take customers for a demonstration; work through your local medical association to contact local doctors; use window streamers, giant flags, or even a war surplus balloon announcing cartridge availability in your store; take a stereo-equipped car to sports attractions and demonstrate; exhibit at boat, automobile, automobile parts, and photo shows; use the Muntz gimmick of girls in mini-skirts to sell cartridges; arrange a discotheque dance party to attract teens; or give away stereo decks to an outstanding high school football player or student leader; give a free player to the music editor of the local newspaper and get a manufacturer to supply him with cartridges for review as they are released. Advertise on the teen or sports pages of the local newspaper; use direct mail and stuffers; place brochures in restaurants, hotel lobbies, or buses; advertise on FM radio; advertise in local movie houses.

GERALD KATCHER

Secretary-Treasurer
Universal Stereo Studios Ltd.

"Selling Door-to-Door"

Instead of waiting for manufacturers to do it for him, Katcher takes the message about this new music medium directly to the consumer himself. Here are his pointers: place a small ad in a local newspaper, inviting people to call for a free home demonstration; get leads from gas stations; induce customers to make referrals by offering free tapes or discounts; establish a decent service department; offer credit; and demonstrate, demonstrate.



Stanley Gortikov, Capitol Distributing (l), and Hal B. Cook, Billboard Publishing Co.



Oscar P. Kusisto
Motorola Auto. Div.



Jack Wayman
EIA



Martin Miller
Merchandising Week

RETAILERS AND DISTRIBUTORS GET ON THE RIGHT TRACK TO TAPE CARTRIDGE AND TAPE PLAYER SALES

By next year at this time, it may be too late. In a few markets, it is too late now. But between now and the next Tape Cartridge Forum, smart retailers have an opportunity to establish their franchise.

This seemed to be the word for retailers at the two-day Forum. Not all questions were answered, but what speakers lacked in information, they made up in enthusiasm.

How big is the market? What are the problems of retailing tape cartridges and players? What does it cost to get into the business? Why bother?

To answer the last question first; there is money to be made. At the moment, neither tapes nor players are being discounted (except in a few markets where they have been around for some time). Retailers are talking about 30% and 40% gross margins. True, this will not last. But as long as it does, a retailer can make a name—and some money—in the field.

How big is the market? No one knows exactly. "Growing," was the most responsible evaluation. "There is an unlimited market for tapes," said one speaker, "because they are consumed. They eventually wear out, but usually the consumer gets tired of the music."

The problems of retailing cartridges and players are very similar to the problems of retailing records and car radios. A retailer who sells cartridges must know something about music, must fight the problem of pilferage and returns, and must be ready to meet competition. The retailer who sells car players should have adequate service capabilities to install auto units. He should also take a long, hard look at the potential of home players.

But cartridge sales mean traffic, and car player sales mean home player sales. And sales mean money.

It costs approximately \$8,000 to \$10,000 to get into the business. This pays both the standard overhead expenses—light, heat, rent, and the like—and the tools and equipment to install car units and an inventory of tapes.

Right now in the business, one can find traditional appliance-tv dealers (like Harold A. Wittler, H&H Service & Sales, New Castle, Ind; see his story on p. 22), record retailers, auto accessory retailers, tape cartridge specialists, mass merchandisers, and department stores. It was predicted that during 1968 two major national oil companies will begin selling tapes and players from their gas stations—on credit cards. Ultimately, tapes will sell in supermarkets, drugstores, newsstands.

But now—before the price cutting begins and while the market is mushrooming—is the right time for the smart retailer to establish his name in his market. This is what the dealers and distributors were saying.

DON STROMSTAD
President, Western Sound Corp.
Denver, Col.

"How One Retailer Operates"

Stromstad is an auto cartridge specialist who sells about \$10,000 worth of tapes a month, and sells and installs \$10,000 worth of auto players a month. He began the business about three years ago, and recently moved to a better location. The old store had 2,400 sq. ft.; the new store with 7,400 sq. ft., is four blocks from a big Ward outlet.

"At this point, I could survive on tape sales alone," Stromstad says. "But I go after every installation I can get to get the tape business." He finds that people who buy their auto player from him come back for tapes.

Stromstad sells player, speakers, and installation separately, and advertises his players as "Priced from \$39.95 up." He offers the customer speakers of four different qualities, at prices from \$10 to \$30 a set, and charges a flat \$10 to install the unit. He has three installers who can install player and speakers in 45 minutes. The installers work a 48-hour week, at a salary of \$80. Stromstad carries a \$30,000 inventory in tape, a \$10,000 inventory in machines.

Stromstad says he cannot sell home tape cartridge players, and the bulk of his business is in 4-track. He tried to sell reel-to-reel tape recorders, figuring there was a natural connection. Apparently there is not, because he had to dump the other machines.

His average initial sale—player and tape—is around \$110, although he has sold as much as \$150 worth of tape to a customer at one time.

Western Sound has a "Tape Exchange Club." The customer can bring in a tape he no longer wants and, for a dollar, exchange it for another tape. Stromstad also gives the customer a card when he first buys a tape, which is punched with every additional purchase. When the customer has bought nine tapes, he gets a 10th free.

While Stromstad advertises chiefly on the radio (the auto tape cartridge market is a young market), he also has two Ford Mustangs painted to advertise the store, and equipped to demonstrate an installation.

MARVIN TALMATCH
President
Stereomatic of Long Island
Floral Park, N.Y.

"Selecting a Site"

Talmatch has been in the business 10 months in a store just outside the New York City limits. He sells mainly 8-track units and does the installations himself. His average sale is \$150:

player, speakers, tape, installation.

His advice is what one might expect: "Pick a store on a main thoroughfare, accessible to autos—near towns. Make sure you have ample parking, and a shop that can handle cars."

Talmatch feels that an old gas station could be an ideal auto tape installation center.

Contradicting Stromstad, Talmatch said, "With every car unit sale, we see an interest in home units. I think home players can go bigger than car players before this Christmas."

RUSS SOLOMON
President, MTS Inc./Tower Records
Sacramento, Calif.

"A Record Retailer's Experience"

As a record retailer, Solomon sees himself as the obvious tape retailer. "Selling prerecorded music is our business. We give total effort to the sale of music. Our clerks have knowledge of the product. And our buyers have up-to-date information on what is selling or what is likely to sell on tape because of their involvement in records."

Solomon does not believe a record retailer should carry players unless he can set up a separate department with separate staff and facilities. "We feel by making available in our community a well-stocked, well-merchandised, well-promoted tape department, staffed by knowledgeable people, we make it possible for many other types of stores to concentrate on the sale of tape equipment and not be bothered by the complexities of the music business."

Solomon characterizes his tape customer in a description that has large implications for equipment retailers. "He is a young, unmarried male with a car. He wants 'hit' songs (pop, folk, and love-rock) as well as 'music to seduce by.'" One market.

"He is an affluent adult male. He wants new adult 'hit' products as well as variety packs and demonstration tapes so he can show off his new tape machine." Another market.

"He is an adult, middle-income male. He wants Country and Western, and rhythm and blues tapes because he can't find enough of what he likes on the radio. This group is worth noting because the rate of sale in these categories on tape far outdistances the same categories on records."

It was generally agreed that the first two groups are not now interested in home units; they live in the car. However, it will not be long before they marry, establish a home, and begin thinking about playing their tapes at home. The older, married men are good current prospects for home players.

Solomon feels that he has solved one big tape cartridge problem—the re-

turn of "defective" tapes that the customer himself has actually cut—by giving a guarantee. Within two days, the customer can return a tape for any reason and exchange it for any other tape. Within 30 days, he can exchange it for the same title.

MURRAY KLEIN
Executive administrator
AID Stores. Woodside, N.Y.

"An Auto Accessory Retailer's Experience with Tape Cartridges"

AID Stores is a 46-store chain in the New York metropolitan area: 40 units are stock-holding members, five are franchises, one a wholly-owned company store. They sell about 12,000 different auto accessories and parts.

AID likes the profits and traffic from tape cartridges and players. "Our sound department, starting from scratch a little over two years ago, is now responsible for 6% of our volume. This translates itself into a very healthy six-digit figure." And, Klein said, the gross margin on sales was around 40%.

AID Stores, because it has so many units, because it is not familiar with the music business, and because of the diversity of systems, has gone to a rack jobber, who "is aware of the problems with the many tape decks being sold and is able to key your people to these trouble areas. He will run seminars for you, and teach your people to display and sell tapes. And he will teach them how to sell tape decks."

Klein suggests, "Buy only from a manufacturer who will give you 'across-the-counter' replacement for his defective players. He must either replace them with new units or credit you with the return of defective units. You cannot sell repaired tape decks. He must furnish you with counter displays, for you cannot sell this as a shelf item. Start with an initial inventory of 60 tapes, and you are in the sound business."

JERRY B. TENNEY
President, Tape Town Inc.
Fullerton, Calif.

"Franchising Opportunities"

Tenney had some hard things to say about manufacturers and their relation to distributors and retailers. "One manufacturer sells direct to distributors and retailers and, to their dismay, has advertised his own retail outlet at prices 25% less than his advertised list price. The retailer has purchased at 40% off list. If he meets the manufacturer's retail prices he is hardly covering his laid-in cost."

The way to "squeeze the manufacturer and hold reasonable prices," Tenney feels, is "through captured accounts and through an association of dealers and distributors that is run at that level without manufacturer influence."

Tape Town, which distributes only cartridge stereo, is franchising specialists, offering them "a way of doing business; one source of supply, continued guidance and management influence, and an image."

Tape Town guarantees a franchise will realize "at least 33% gross if he sells at list, and we demand that he sell at list." Tenney called for manufacturer help to maintain 33%.

Whether more help will be forthcoming, whether any distributor will be able to continue to guarantee a retailer 33% gross, and whether a national association will be formed remains to be seen. Certainly those retailers who attended the two-day Forum returned home with problems answered, with renewed excitement, and confidence in the future of the business.



J.A. "Sasch" Rubinstein
Calctron



J.B. Tenney
Tape Town



George W. Novak
Columbia Records Sales



Don Stromstad
Western Sound

Auto tapes go home



... with RCA Victor's new Mark 8 stereo cartridge players!

These smart players let your customers enjoy up to 80 minutes of uninterrupted stereo music with a single cartridge. MJC 26 (above) plays through any stereo console, stereo table radio or component system with plug-in tape jack. YJD 22 (left) is self-contained, has two 7" oval speakers. MJC 28 (right) is a larger step-up version of the MJC 26.

All three have cabinets of Danish-style walnut veneers and selected hardwoods. Now that you know why auto tapes go home, get the players that bring home the profits. See your RCA Victor distributor.



The Most Trusted Name
in Electronics



a retail profile



Participants at the Merchandising Week-Billboard Tape Cartridge Forum wanted a crash course in the dollars, cents, and details of setting up a tape cartridge center in an appliance-tv sales operation. And Harold A. Wittler, president of H&H Service and Sales Inc., New Castle, Ind., was just the man to give it to them.

The lesson he had to teach came from his own recent experience. It was in April of this year that Wittler opened the 500-sq.-ft. Tape Centre in his 9,000-sq.-ft. appliance-tv store. While Wittler does not expect the center to account for more than 5% of his \$650,000 total sales volume this year, he finds that it gives him the added plus of attracting customers who stay to buy high-ticket items.

Planning for the cartridge center began in March with a list of questions that needed answering: Where in the store does such a center belong? What would be the cost of setting it up? Should the store carry both cartridge units and tape?

The answers are to be found in the new center itself: It was placed squarely before the store's front entrance, slightly left of the middle of the sales floor, across from Wittler's 2-year-old kitchen planning center, and in the midst of the heaviest traffic flow. It cost Wittler \$1,072 to build and install the center, which consists of a counter, tape racks, unit displays, a closing desk, and the all-important listening booths where customers can try out new tapes.

HAROLD A. WITTLER TALKS TAPE: THE STORY BEHIND HIS NEW CENTRE

The amount of inventory most desirable for the operation was computed, with the help of Wittler's distributor, by figuring the cost of goods based on four inventory turns a year. Wittler projected a \$3,000 to \$4,000 gross business in the first three months, and decided to maintain \$10,000 worth of inventory. So far, he has been operating on a 30% to 31% gross margin.

To control the inventory, Wittler adapted the Cardex System he had been using for the rest of his operation. To control the sales flow and reduce pilferage, tapes are displayed in browser racks behind a counter, just out of the reach of customers.

Sales are logged in a daily spreadsheet, and the bookkeeper incorporates Tape Centre business in the same daily

cash report used for all departments.

The department's personnel come, for the most part, from outside the store. Wittler hired a Tape Centre manager who had a basic knowledge of music and inventory control. To handle car installation, one of the five servicemen who handle H&H service operations received training from one of Wittler's suppliers.

The time it takes to install a cartridge unit, Wittler discovered, depends on the vehicle in which it is installed. For an average automobile, the time is 1½ to 2 hours; for a deluxe auto, 2 to 2½ hours; for a tractor-trailer, 3 to 5 hours; for an airplane, 5 to 7 hours.

The cost of setting up an installation center should not exceed \$500, says

Wittler. This includes the purchase of an air compressor, hose, muffler chisel, paint for matching speaker covers, and hand tools. Wittler's cost was only \$296, because he bought a used air compressor and already had most of the tools.

With the operation equipped and ready to run, Wittler was ready for the Grand Opening of his new Tape Centre.

Promotions took generally the same line as appliance-tv promotions. The Grand Opening was announced as the full-page opener of a 12-page tabloid section in a local newspaper. Radio spots emphasized the message. Once the opening took place, Wittler followed up with more radio and newspaper advertising, and with come-ons such as a free tape caddy with the purchase of five tapes or a free tape to any customer who both bought a unit himself and was instrumental in sending in another customer who purchased.

Wittler also set up portable displays in filling stations and new-car dealer showrooms. In July, Wittler set up a cartridge tape tent in front of his store and invited customers in for lunch and exposure to the world of cartridge tapes. Nevertheless, he feels that, while exposure from this promotion was good, sales were not. He had a better response at the local Home Show.

"The advantages of a tape center by far offset the pitfalls," emphasized Wittler. "It is a natural traffic builder, it puts you in front of the competition, and it makes a profit."



Customers can listen to cartridges in special booths

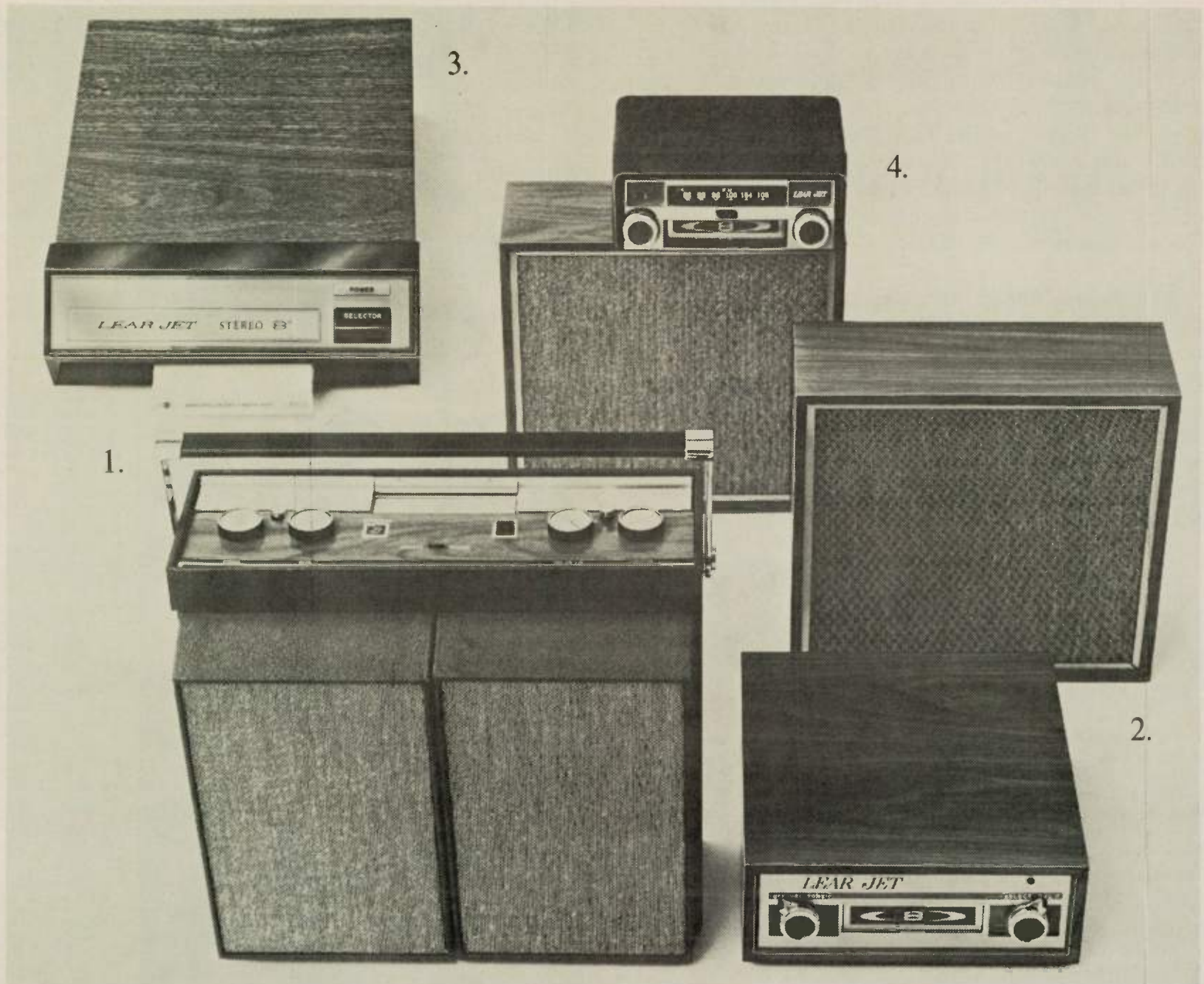


H&H features its Tape Centre



The Tape Centre is next to the Kitchen Center

three years ago, we invented eight track stereo: this year, we perfected it. Lear Jet stereo eight.



Not long ago experts were calling us an all talk and no action outfit. They said eight track stereo was improbable.

So we put our money where our mouth was, and came up with a winner that never quits.

We redesigned an assembly line around quality control check points.

Fifty to be exact. If there's a defect in a unit, we're the first to hear about it. And the last. For those people who could care less about music, they have

our regrets. For those people who care about uninterrupted music in their home, in their car, or in the open, we have six new models.

They look as good as they sound. And will be seen in national magazines throughout the year.

As for the all talk and no action, we heard you.

Now hear us.
Lear Jet Stereo Div.; 13131 Lyndon;
Detroit, Mich. 48227; (313) 272-0730.

1. Portable stereo eight with detachable speakers. Plays on AC current or rechargeable batteries. Built-in battery charger operates automatically: Model PS-8.

2. Home music system. Eight track tape cartridge player with 20 watt peak amplifier and four high-fidelity speakers: Model HA-20.

3. Eight track stereo deck. Plugs into home stereo systems: Model HSA-901.

4. Solid state stereo eight for cars. Shown here, FM radio (FM stereo with multiplex adapter optional) and tape player: Model ASFM-871.

AM radio with tape player: Model ASR-851.

Automotive tape player only: Model AS-831.

Lear Jet stereo eight

it plays happily ever after

HOME ELECTRONICS NEWS

□□□□ **Color tv distributor sales continued to gain** over last year's pace. For the week ended Oct. 6, sales of 155,438 units were up 36.41% over the corresponding week of 1966, but down sharply from a new high of 209,695 units reported the previous week. Black-and-white tv distributor-to-dealer sales of 132,254 units were off 7.22% from the comparable week a year ago. For home radios, sales of 278,427 units were down 10.94% from the comparable week of 1966. Console phono sales totaled 36,896 units, off 13.28%; and portable-table phono sales of 100,514 were off 38.39% from last year.

□□□□ **The lowest-priced 8-track cartridge player** to date—priced to compete with the Muntz 4-track unit that has been on the market for some time, as well as various PlayTape and cassette models—is Borg-Warner's \$39.95 battery-operated portable. The under-3-lb., 3-inch-by-9-inch unit was the talk of the Tape Cartridge Forum, as Borg-Warner announced that, due to high demand, pre-New Year's deliveries will be limited to the San Francisco and New York City markets. Motorola supplied Borg-Warner with the Japanese-made unit.

□□□□ **A recording 8-track cartridge unit** is on the way from Universal Tapedex. The \$389 bookshelf model, with speakers, will make its debut at the Furniture Mart, in Chicago, next January. In June, a full line of 8-track players, including models that record, will be introduced. One of these will be a console unit with room for cartridge storage. At the same time, Universal will introduce the new low-end model of its line: a player with speakers, priced at \$119.

□□□□ **Arvin adds a 12-inch b&w tv set at \$89.95** to its 1968 line. Other drop-ins include a portable tape recorder and a stereo phono, both solid-state units weighing 7 lbs., with suggested lists of \$39.95 and \$49.95, respectively.

□□□□ **Tonemaster adds a tv set and 12 radios** to its line. The new b&w tv set has an 11-inch screen, a 3-inch-by-5-inch oval speaker, an avocado case, and an \$89.95 suggested list price. The radio additions include three pocket-size models (one, an AM-FM unit at \$18.88); two personal-size models; three clock-radios (one, an AM-FM unit at \$44.95); and four portables, two of which are multiband. Tonemaster has a one-year, over-the-counter exchange policy. It is the brand name of Broadmore Industries, Des Plaines, Ill.

□□□□ **RCA sales and earnings were up** in the third quarter, despite a month-long strike in June. According to the company, "Color television was a major contributor to the record third-quarter results, with factory dollar sales of RCA color receivers exceeding last year's record levels by 79% for the third quarter and 48% for the first nine months, despite the strike." Both net income and sales for the entire corporation were up 10% for the third quarter.

□□□□ **Symphonic's first cassette tape recorder** is a portable unit priced at \$59.95 suggested retail. Model CR40 operates on 5 C-cells or an optional 7.5v AC adaptor. The new Symphonic recorder is available for immediate delivery.



Singer Electric, at Haight and Ashbury, the Times Square of Hippieland

The hippie market: how a store in San Francisco survived it

For the past 12 years, Max Singer, Singer Electric Co., has been doing his thing at the corner of Haight and Ashbury in San Francisco.

Two years ago, the hippies moved into the neighborhood and started doing their thing.

Now the hippies are just about gone, but Max remains, still doing his thing, which is selling and servicing home electronics products.

For a while, Haight-Ashbury was Mecca for the beard-and-barefoot set. Hippies smoked marijuana on the sidewalk and in nearby parks; acid-heads (LSD users) turned on and tuned in to their expanded consciousness; and teenagers from all over the country came to panhandle.

For many, for a time, Haight-Ashbury was a perpetual love-in. ("I think nonverbal communication is so important," said one female hippie recently.) There were times this past summer when the sidewalks were so full of hippies, hangers-on, and tourists, says Singer, that you could not see the street.

Singer Electric, which has been in business for 45 years, moved to the Haight-Ashbury area 12 years ago because, as Singer says, there are plenty of old families in the neighborhood, working people, the sort he enjoys working with.

At the same time, he points out, the neighborhood was always liberal. "Nobody ever thought anything, for example, about seeing a Negro man and a white girl walking together." Perhaps this is why the hippies were attracted to the neighborhood in the first place.

Singer also says that, while the hippies with their outlandish clothes, long hair, beards, and beads gave the Haight-Ashbury section its dis-



A barefoot chick buys batteries from Singer



Jack Woodard, in hat, adds color to the corner



Jack kisses his bride-to-be for the tourists



Two local head salesmen raise food money

tinctive appearance (and tourist appeal), they never constituted the majority. "You go two blocks over from Haight," says Singer, "and you will see houses and people just like any place else."

Hippies as consumers have had some effect on Singer's business—but not much. He does feel he may have lost some color television sales "because some little old lady didn't want to walk along the sidewalk." But his phonograph sales have tripled.

"They are really interested in sound," says Singer, and they bought portable units, expensive portable units. Singer says he sold more than 10 Zenith "Circle of Sound" phonographs (list price: \$199.95) between the time they were introduced in June and the middle of September. In fact, Singer even sold hippies some color tv sets.

The hippies who came into the store to buy were good customers, says Singer. "They are polite, interested, and pay cash." He was not troubled with shoplifting, a problem other merchants in Haight apparently have had. ("Shoplifting is a bad karma," warns a sign in one store. "Karma" is a Hindu word for "fate.")

Singer's is mainly a service shop, which sells Zenith and RCA Victor on the side. He says that he has all the work he can now handle, and no longer advertises. "You have too many problems when you get too big."

He has one truck, and services every brand, charging \$6.95 for a b&w tv house call, \$8.95 for color. (This is just to walk in the door.) He charges \$14.95 to converge a color set.

"The hippies' moving in did not change the way we did business," says Singer. Are you sorry to see them go? he was asked. "No."



we

get

**carried
away...**

The movement is to SHARP because SHARP moves. Where? Off the shelves of hundreds of SHARP retailers. Into the homes of thousands of SHARP consumers. Why? Because SHARP specializes in portables—the home entertainment products that move. Like our TV pictured above (described below). They move fast! They do more than that. They carry sales-stimulating prices with full profit. Anything else? Yes! Sell SHARP and sell with full confidence. Remember . . . SHARP gets carried away—and never comes back!

**the big move is to SHARP
because . . .**

**SHARP PORTABLES
SHOWN ABOVE**

MODEL UP-8. Beautiful, de luxe 71 sq. in. TV—a great sales-stimulator.

MODEL YP-7. Handsome, luggage styled, portable. Big 119 sq. in. picture.

MODEL TU-30P. Wood-grained, slim-lines, 71 sq. in. Styled to step up profits.



MODEL NP-11. Fast moving, deluxe 172 sq. in. portable. All channel performance.



**has an in-warranty
repair rate much lower than
the industry's.** U.S. Department of Commerce
figures utilized in determining TV-Radio Industry repair rate.

IT PAYS TO GET SHARP—THE FULL LINE OF PORTABLE TV (COLOR AND B&W) • RADIOS • RADIO-PHONOS • TAPE RECORDERS • TRANSCEIVERS • SHARP ELECTRONICS CORPORATION, CARLSTADT, NEW JERSEY 07072.

U.S. subsidiary of Hayakawa Electric Company, Ltd. In Canada: Import House of Canada, Scarborough, Ontario

WRH

MAJOR APPLIANCE NEWS

□□□□ The status of industry promotions was a main focus for retailers, and all other segments of the major appliance industry, last week. For some time, the industry has been waiting to see what U.S. Steel, a major force in product promotions, will do in 1968. Some observers feel that the company will not promote; others believe the firm will put all its promotional eggs into one basket, reverting to a one-shot campaign like its old "Operation Snowflake." Snowflake pushed eight products during the Christmas season.

Top-level budget meetings and executive "think" sessions continue at U.S. Steel headquarters, in Pittsburgh. But some indicators of what is happening emerge.

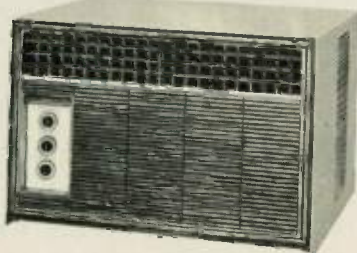
The company has realigned its marketing department: Robert C. Myers becomes the director of marketing. He was formerly general manager of consumer industry marketing. Harold O. Drosethes, general manager of automotive marketing, now becomes general manager of appliance marketing, as well. Reporting to Drosethes will be Robert F. Smith, current manager of appliances and packaging. George C. Shenk has resigned as manager of appliances to join Vic Maitland Associates, a PR and marketing organization, in Pittsburgh.

The Drosethes name is more than familiar in the industry. He was U. S. Steel's enthusiastic manager of appliance marketing for some time. While no one can tell what the final budget outcome will be at corporate headquarters, the appliance industry knows that a stalwart champion of its promotional cause has returned.



Coolerator quiet cuts complaints

Customers annoyed by noisy room air conditioners annoy you with complaints. Put an end to all that. Sell the room air conditioners that make good on claims of quiet—Coolerator. Freedom from noise annoyance means a big reduction in service complaints. But that is only one way that Coolerator protects your full profit margin. Get the whole story. There is money in it for you.



Coolerator®

Manufacturers also of Coolerator
Central Air Conditioners, Dehumidifiers, Humidifiers.

another
quality
product of



Write to: Albion Division
McGraw Edison Co., Albion, Michigan



Borg-Warner's prototype plastic refrigerator: are consumers ready for it?

Plastics in major appliances: it's the little things that count

Negative consumer attitude toward all-plastic refrigerators, such as the prototype from Borg-Warner's Marbon Chemical division, has been largely the result of continuously poor performance by plastic components in today's conventional refrigerators.

According to a Marbon-conducted survey, today's consumer has been burned too many times by the "little things"—plastic ice cube trays, door shelves, and food compartments, for example—to risk the many things that could go wrong with a big all-plastic unit. But, the survey results point out, consumers are by and large willing to pay extra for a refrigerator in which specially guaranteed plastic parts are used. They like plastic for its attractiveness, ability to take color, and the flexibility of its uses. In fact, many survey respondents indicated that they were originally attracted to a particular refrigerator model because of the eye-catching appeal of the very plastic parts that later proved disappointing.

Plastic requires extra service, said the respondents, indicating that there were enough difficulties involved in getting adequate service for major appliance parts (compressors, etc.) without considering the cracks, breaks, and warps common to plastic components. Of the consumers surveyed—all of whom had purchased refrigerators since 1956—47.81% reported complete breaks in their plastic refrigerator parts, while 54.53% said that they had experienced cracks, at least. Which parts were most at fault? Plastic shelves placed highest on the complaint list (18.17% of the respondents reported damage), followed closely by door liners and vegetable covers. Other causes of dissatisfaction: refrigerator knobs used to hold shelves, the freezer doors, butter storage units, door strips, meat trays, drip trays, and butter trays.

Furthermore, housewives strongly indicated to Marbon that, once the parts do break, service is annoying, unduly expensive, and deliberately protracted to the point where they will not call servicemen unless it is absolutely necessary—a point heavily emphasized by manufacturer reports that only 1% or less of plastic parts in re-

cent refrigerators have been serviced. Moreover, the majority of those consumers who had experienced plastic breakage said that it was of such a nature that servicing would not only be expensive, but would probably soon again result in exactly the same type of situation, necessitating service again and again.

Even servicemen agree on the problem of plastic breakage; but they refuse to take the blame for customer dissatisfaction with service work and the life of the plastic parts. According to the Marbon study—which sampled trade personnel as well as consumers—the servicemen blame manufacturers for their use of inferior materials and poor, not-made-for-plastic design.

"The problem of material selection," says the study, "is reported as a major cause of failure." A Dallas serviceman remarked that "Not too many years ago, manufacturers made their jam strips too rigid. . . and brittle. They're still pretty stiff."

"Refrigerator manufacturers must use the cheapest material on the market," said another serviceman. "They have plastic that is flexible and unbreakable . . . why don't they use it?"

"Many difficulties are also traced to poor design," the report states. "The use of a horizontal, hinged, freezer door greatly increases the possibility of a punctured liner or broken freezer door resulting from closing the outer door on an open freezer door."

The study notes that, although recent plastic refrigerator components are being made more adaptable to everyday use, many consumers actually place the blame for the failure of plastic refrigerator parts on the appliance manufacturer rather than on the plastic producer.

The Marbon study was conducted in a stratified sampling of 4,400 consumers—400 in-depth interviews and 4,000 telephone calls. Its purpose: to help focus the marketing of Marbon's Cycloc ABS material (as used in its all-plastic refrigerator); to determine the extent and intensity of consumer reaction to plastic-component breakage; and to predict the likely effect on buying determinations if this source of annoyance is eliminated.



Jim Bethanis: a soft-spoken retailer who hits his market hard

"The fellow who opens a store and fills it with appliances and tv sets is just a merchant. He's competing with the big boys who know how to merchandise in volume. They'll kill him. They can outpromote him every time." This is the warning of Jim Bethanis, president of MSI Appliances, Burbank, Calif.

Bethanis, who operates three stores in the Los Angeles area, knows the heat of competition from big discount and department store chains. But, he insists, the appliance business is a profession, and, if the independent dealer will run his store as a professional, he will survive and probably do well.

The key is service

"People say the independent is dying, but the little fellow can make it by providing service," Bethanis asserts. "You can't hope to meet the big stores head on; but, if the independent runs a professional shop, the shoe is on the other foot. The big stores can't compete with his service."

The Bethanis stores testify to the formula's success. In business since 1947, Bethanis expects his stores to log a sales volume this year between \$1 million and \$1.5 million—up "some-what" from the total for 1966, a year that was "substantially" higher than 1965. Bethanis' volume has increased every year for the past 10 years.

The company's main store, in Burbank, sells both major appliances and home electronics, and accounts for 70% of the business. A second unit, in nearby Glendale, does 20% as a specialist in custom-built kitchens and single-unit sales of major appliances. A branch in Van Nuys, in the San Fernando Valley offers a smaller selection of both home electronics and majors, and accounts for the remaining 10%.

All three are what Bethanis describes as "neighborhood stores." Each stresses personal service. "Little things are what people come back for. Price, while important, is not the most important motivator."

The stores make fast deliveries and respond to service calls immediately. Sometimes this does not involve sending a serviceman out, but discussing the problem with the customer by telephone. "This is the one thing customers tell us they really appreciate," Bethanis says. When trouble occurs after a warranty period has expired, the serviceman often tries to solve the problem on the phone, explaining to the customer how to make a minor repair by himself. "This can save him a \$10 service charge just for having a serviceman turn a knob."

Some customers buy from the Bethanis stores because of Al Hunt, service manager with the company for 17 years. "A person with this kind of experience is hard to find in the appliance business," Bethanis says, "and we make him available six days and one evening a week to accommodate customers."

One emphasis is on Maytag

While service builds goodwill, Bethanis says, he does not solicit service business. "People come back to the store that sells them products that give good service. So we try to handle only products that give a minimum amount of service problems." Maytag is the company's biggest line, for example. There are about 10,000 Maytags in customers' homes—but there is only one man to service them.

Bethanis has had a long association with Maytag, dating back to 1943 and the war-caused shortage of washing machines. His mother, Mrs. Lillian Bethanis, started the present company by opening a "help yourself" laundry in Burbank, renting Maytags for 90¢ an hour.

"At the time, that wasn't considered cheap," said Bethanis. "But we had Maytags, and no one else did. The Maytags did more wash per hour than most machines, so people got their money's worth."

Bethanis put together most of the machines from available parts. "We'd watch the classified ads, and, when someone offered a Maytag for sale, we'd rush out and buy it," he remembers. The Bethanis forerunner to today's laundromat usually kept 10 or 12 Maytags in use.



Lillian Bethanis does what she loves best: handling MSI's paperwork

"The machines held up so well and did such a good job, we decided we wanted to sell them," he says. The laundry was sold and a retail store opened around the corner at the company's present location.

Mrs. Bethanis, now 64, is still active in the business as a "coordinator," or, as Bethanis says, "the one who puts all the loose ends together." Bethanis himself, 39, majored in marketing and advertising at the University of Southern California, and handles that end of the business. Robert Grounds, also 39, is sales manager and a junior partner in the company.

The Bethanis stores still feature the Maytag line, but also carry Frigidaire, General Electric, Amana, RCA home electronics, and some Westinghouse products. The company's name—MSI—dates back to its early days, when it sold Maytag exclusively and called its stores Maytag Stores Inc. Bethanis retained the initials MSI "Because Bethanis is hard to pronounce."

The target is local

Bethanis shoots strictly for sales to local markets for each of the stores, and does no advertising in metropolitan newspapers or television. "We try to sell everyone who lives in Burbank," he says, referring to the main store.

"We'd rather get a large percentage of a small area than a small percentage of a large area."

"It's harder to compete with the discount stores if you go farther out. Besides, you lose the personal touch," he adds. "It's awfully important to keep the stores truly neighborhood stores, so that when people need service they can come back and talk directly to the owner or sales manager."

Bethanis advertises in the local paper of each town and avoids competing with the other two stores. He schedules a sale a month—the current installment is the 20th Birthday Sale, complete with free cake and coffee to customers.

The family name is used with all Burbank ads because the family is well known in the city, having lived there since 1936. Today, Bethanis lives there with his wife, Joan (secretary to the company), and their two children.

"We cater to the people in our area," he says. "And this is important to any independent dealer. Sometimes it takes several years to learn what your local customers want. But, once you find out, you'd better give it to them. If they want to shop Sundays, then you should stay open on Sundays."

—Bruce Weber



Jim Bethanis stands before main store. (Parking lot, not shown, is at right)



Jim helps a customer with a problem

□□□□ **A Housewares Shop opens** at Abercrombie & Fitch as the Madison Ave., New York City, specialty store moves away from its for-sportsmen-only image. Although Abercrombie's has always carried some housewares offerings, this is the first time it will boast a full-fledged housewares department, one of its several newly opened shops.

□□□□ **Threat of the application of import quotas** has been termed "a crisis of the greatest proportions for the American consumer," by James J. Bliss, executive vice president of the National Retail Merchants Assn. According to Bliss, quotas will add to inflationary pressures and could destroy the accomplishments of the Kennedy Round negotiations in reducing tariffs. Although imports represent about 5% of all retail sales, Bliss stresses their importance as stimulants to price competition and merchandise development. President Johnson also sent a message to Congress last week decrying legislative moves to reinstate and tighten import quotas.

Meanwhile, the Stainless Steel Flatware Manufacturers Assn. is readying itself for a fight over a Washington decision to end quota limits on stainless flatware imports.

□□□□ **No changes in Braun Electric America** marketing and distribution policies are expected to result from the Gillette Company's intention to acquire a controlling interest in Braun AG, Frankfurt, West Germany. Braun Electric America, the wholly-owned subsidiary of the German manufacturer, is hoping the link with Gillette will result in an expansion of its highly-promoted profitable line.

□□□□ **Add housewares to Doctor Dolittle's menagerie** as increased numbers of housewares manufacturers come up with special lines to coordinate with the opening of the Twentieth Century Fox film and the retail promotions that are expected to follow. Already on the list of Dr. Dolittle licensees are: Allied Chemical, with a group of children's plastic tumblers and dinnerware; Aladdin Industries, with lunch boxes and vacuum bottles; and Hallmark Cards, with a full line of party accessories that could easily go into the housewares paper shop.

□□□□ **Flags of all nations decorated G. Fox & Co.,** Hartford, Conn., last week during its International Bazaar saluting the "culture, craft, and creativity," of some 30 countries. The housewares department's contribution to the festivities was a Fondue Party in its Hostess Shop. A home economist from the Hartford Gas Co. was on hand to prepare cheese, meat, and chocolate fondues. Cooking demonstrations also took place in the Gourmet Food Shop. In other events, G. Fox re-created an Italian Village with an arcade of shops emphasizing giftwares, an art exhibit and sale, and daily performances by ethnic dance groups and musicians.

□□□□ **Key moves:** Hamilton Beach names William F. O'Boyle as national sales mgr., working out of Hamilton Beach's Racine (Wis.) headquarters, with responsibility for both electric housewares sales and commercial equipment products. Previously, both categories were handled by separate sales managers. O'Boyle comes to the division of Scovill Mfg. from Pilot Radio and Television, Yonkers, N. Y., where he served as marketing mgr.

Salton Inc. announces the election of Emil Mandelbaum as vp and secretary, and Martin Kabakas as vp-sales.

Waring may not be a giant, but it plans some big steps

Waring Products does not want to be a giant killer. It simply wants to stay in the kitchen, enjoying its role as a specialty electric housewares manufacturer.

But Waring is not above flirting; and its eyes are currently moving in two directions; toward giving birth to home-inspired new products and toward acquisition.

Says vice president of marketing and sales, Bill Newman: "We are known for the blender, which must be the hub of our product 'wheel.' Our immediate new product plans focus on items that are related to the blender: motor-driven products for use in the kitchen. We will not, however, take on the giants of the industry."

The initial stages in Waring's expansion plans have just been completed. This summer the company opened a 100,000-sq.-ft. one-story plant in New Hartford, Conn., managing to keep its production lines going during the move from its three-story factory 13 miles away in Winsted. The Winsted facility will continue to make Waring's commercial line and its ice crushers.

Research and development (r&d) will be Waring's key to growth. Only this month, Waring broadened its r&d group, which is now fully staffed. Bill Newman sees its role exclusively as that of originating new concepts. He does not want to be a "me, too" manufacturer. "Waring will become a leader only if it can show leadership in new concepts," Newman says.

R&d will be charged with approaching the problem areas in the home, and then, with arriving at an electric appliance solution through invention and basic innovation.

The new fling at product expansion will be different from the abortive attempt Waring made six or seven years ago. At the time, Waring had neither the manufacturing facilities nor the r&d capability, and therefore went to other manufacturers for its product expansion. Today, Waring's plan is to go into a limited number of new products—each priced right, each with a special twist or feature, each made at home, and each capable of becoming "important" to Waring. The target date is late 1968 or 1969.

What is necessary, according to Newman, is that the company control all cost elements. In addition, these home-grown new products should be motor-driven and, perhaps, controlled by an electronic device—two areas where Waring holds favorable patent positions. These patent advantages also permit Waring, for the first time, to enter the OEM business in motors and motor controls.

Acquisitions are also on Newman's mind. "We are most interested and have the support of our parent company" (the publically held Dynamic Corp. of America), he says.

Initially, any corporate acquisition would follow the formula for home-grown new products: it must be in a blender-related area.

The day will come, Newman believes, when Waring will move out of the kitchen—and possibly also out of the house and into the backyard or outdoor living area. While he would look at any product classification that

is exhibited at the Housewares Show as a potential for expansion, he nonetheless sees the advantage in remaining "a small company." He likes the flexibility that smallness offers.

To the question of whether Waring is evaluating the mixer business, certainly an area that is "blender-related," Newman answers: "We're taking a look at mixers, and people have suggested that we ought to be in there. But we don't want a 'me, too' product." He points out that the demise of Dormeyer has left a void in the mixer business that someone will have to fill. Dormeyer is still an important name to the consumer, he suggests.

Newman sees 1968 as the blender's biggest year yet—even bigger than this year, which will set industry records. Saturation by the end of 1967, he estimates, will still only approach 20%.

He credits Waring with pioneering new blender price points and promotions—such as an 8-speed blender at \$26.88 and the \$17.88 pushbutton model, both of which have created recent excitement in the category.

Newman justifies the fact that Waring has come out with features at a low price in this way: "If we can make an adequate profit, and give the trade the kind of profit it needs, then, when we score a technological breakthrough, we will pass it on."

New features, he says, should be ones that the consumer considers practical. He questions the practicality of a blender that also cooks, although he recognizes that "a certain group of women will buy an item because it is high-priced, unusual, and counter-cyclical." He places these innovating women at the apex of a "consumption triangle." As the market for a product or a feature expands—through advertising, lower price, better distribution—consumption moves down through the triangle and toward the broad base.

With any product, he says, you go through a stage when you are pushing it uphill; then, when it hits the top, you almost lose control, and it starts to run away. That is where the blender is now. He views the increasing emphasis on blenders at Sunbeam and GE as part of the snowball reaction, and one of the factors contributing to next year's "top of the hill" status.

Newman estimates that 75% of Waring's business is channeled through "big stores." He sees this pattern as accelerating, pointing out that, where a Korvette will buy 100 pieces for each store, many traditional outlets are still buying six and asking the distributor to hold 36.

—Joan Bergmann



At the conference table (l. to r.): Waring executives Bill Newman, Roy Swanke, and Alex Steinkoler

If it's autumn, the airlines say, it's time to travel: no crowds, good weather, low rates. If it's autumn and you can't get away, retailers tell their customers, take your chances on weather, crowds, and prices and book a department store tour.

New Yorkers, for example, were given a choice of four 14-21 day tours this fall. Macy's, Gimbel's, and Stern's promoted the marvels and the products of the Mediterranean; and Brooklyn's Abraham & Straus merchandised the classic "15 countries in 15 days" continental tour, with plenty of free time left to shop.

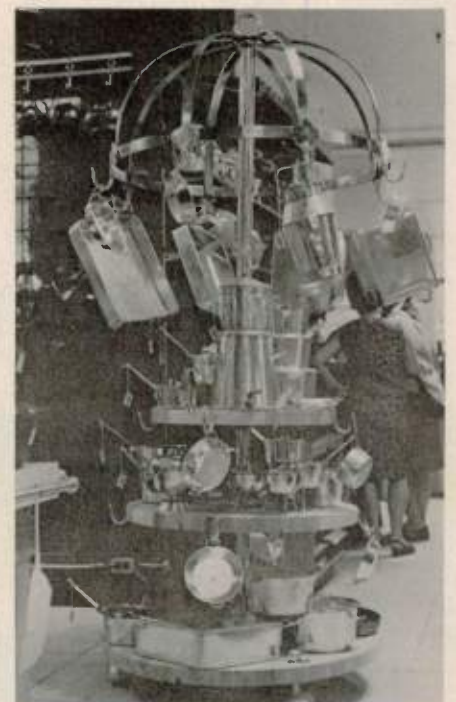


A&S MAPS A GRAND TOUR: 15 COUNTRIES, 15 DAYS, LOTS OF TIME FOR SHOPPING HOUSEWARES



The first stop—before leaving the country—is A&S's Personal Care Appliance Center. It's just off the escalator on the fifth floor and one of the biggest centers of its kind in the city. The guide book gives the well-lit, U-shaped island with its broad assortment of merchandise three stars and a "must see" rating. Added attraction, the ever-present, well-informed sales personnel.

A&S blends the "ambiance" of Paris' always bustling Galleries Lafayette with the quiet, untouched charm of the French provinces in its Gourmet Shop. Copperware, basic to any gourmet kitchen, has been carefully collected, shined to dazzle, and then arranged on free-standing display units of contrasting brass and butcher block.



A brief stop in Belgium, where the tour is guided to a LeCreuset cookware display. A&S buyers also combed Europe from the Alps to the Ardennes to bring back what the Import Fair '67 passport (given to every customer) calls a "gourmet's dream" assortment of fondue servers.

A&S' cook's tour includes a stop at the French Country Kitchen, where culinary authorities gather daily to demonstrate their specialties. The trip around the fifth floor includes stopovers at 12 shops set up expressly for the Import Fair.

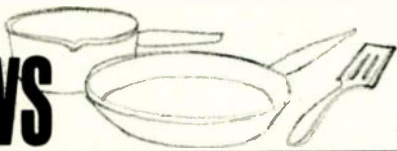


The trip ends with a stay at the blender display. Everyone is big on blenders, but A&S opens a new route to the business with eye-catching orange tissue paper stuffed inside the jars. The store is so proud of its assortment that its ads caution customers: "If you can't find the blender to do the job in the A&S head-spinning assortment, you better stick to meat and potatoes."

London swings, and so do A&S buyers who lead the tour from Petticoat Lane to Carnaby Street to come up with a switched-on assortment of red, white, and blue pepper mills, mugs, and serving accessories grouped in a "must see" display.



COOKWARE NEWS



Judge will add color to the Olde English line for the U. S. debut.

□□□□ DuPont seeks to clear up any confusion over Teflon that may still exist in the consumer's mind. At a recent meeting of the Metal Cookware Manufacturers Assn., DuPont spokesmen announced plans for the introduction of some type of "Teflon 2" identifying label that will distinguish cookware with the new hard-base

Teflon coatings and bakeware with the one-coat Teflon finish. With manufacturers all using their own names for the new application process, it is hoped that the label will take the guesswork out of Teflon-coated cookware buying.

□□□□ Non-chip enamel and non-stick interior coatings are two of the more functional features of the high-styled, colorful cookware that attracted buyers to the Judge International Ltd. exhibit at the Na-

tional Hardware Show (MW, 16 Oct., p.65). The non-stick interior coatings, manufactured in England by ICI, exhibit properties similar to the hard-base Teflon finishes now used by most American manufacturers. The enamel exteriors, in a broad range of colors, were demonstrated to be especially chip-resistant.

Attention was focused on two lines: the Town House line, similar to Club Aluminum's Colorcast cookware, has teak handles and lid lifts, and a black base. The saucepans are slightly squared off in shape.

Judge's Olde English enamelware has the non-chip finish on its interior as well as its exterior. The line—with a definitely traditional look—is decorated with sketches of turn-of-the century kitchen utensils. Judge expects to offer the more popular American shades: avocado and bright poppy.

The cookware, which will be shipped directly to stores, is priced to compete with the Belgian and Danish lines already on sale in this country.

"Decorated cookware is the popular thing all over," noted Alan Davis, Judge's export sales manager. "We hope to go back now and come up with some additional lines that will cater more specifically to American tastes."

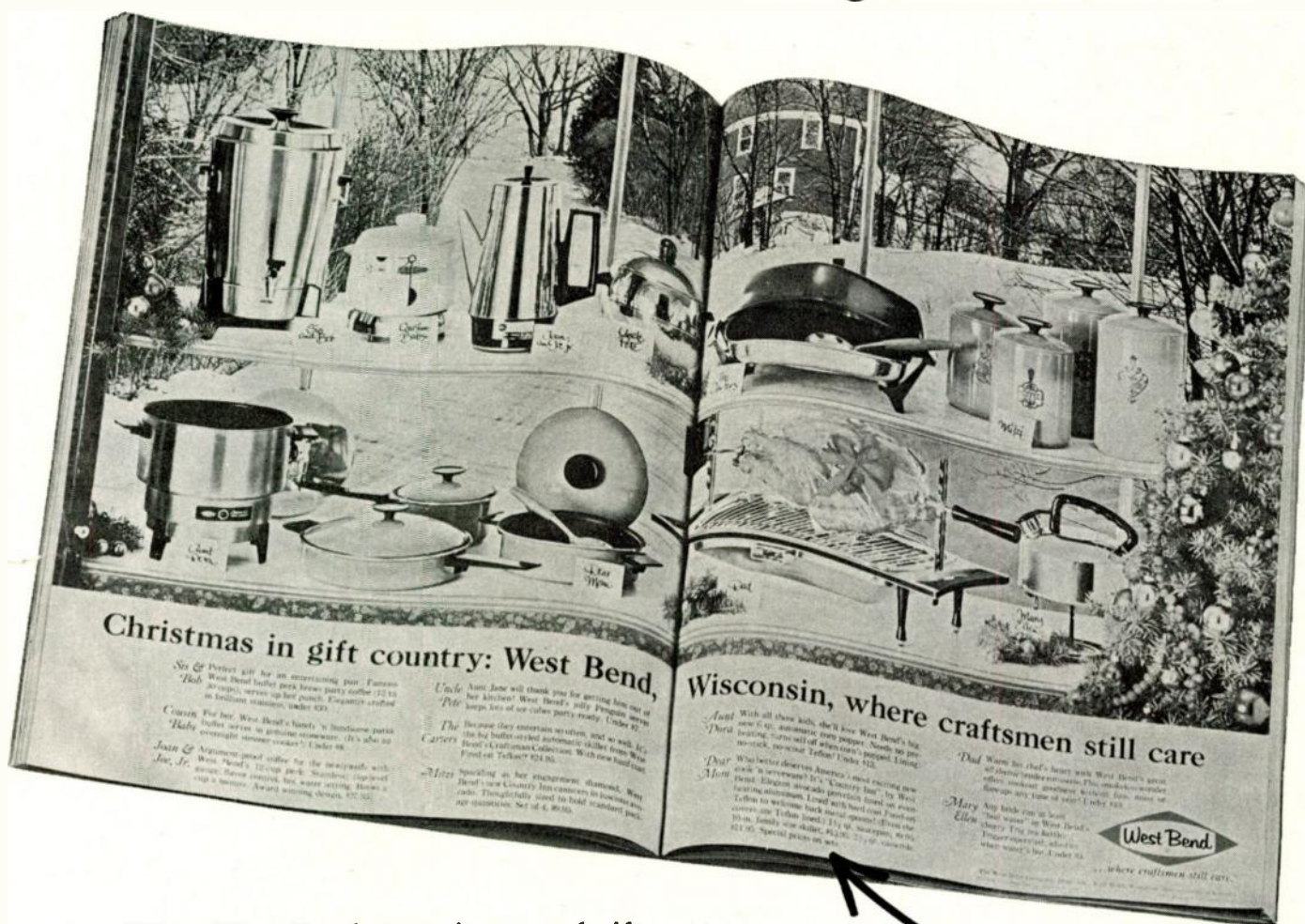
□□□□ The Teutonic influence on cookware design—in both shape and pattern—is evident in a new group from BFB of West Germany. The "Royal" glazed steel line, on view in the German exhibit at the Hardware Show, features multicolored geometric forms against a highly polished enamel finish. The Bakelite knobs are in black or white.

Also at the Show were similar groups from Bayerische Stahlgeschirr-Werke (BSW). In addition to geometric trim, BSW was showing new lines with fruit and vegetable patterns.



BFB's "Royal" glazed steel cookware.

BIG PROFITS FROM GIFT COUNTRY



When West Bend starts its annual gift country promotion, it pays to get behind it. Welcome your customers to gift country with a complete line of West Bend coffee makers, party electrics and deluxe family appliances. Show them Country Inn—the elegant new cook 'n serveware with hard-coat Fired-on Teflon*. Sell them the craftsmanship and quality for which West Bend is famous. And you'll make Christmas '67 your biggest profit season yet.

*Du Pont's trademark for its TFE non-stick finish.

McCall's Magazine



...where craftsmen still care®

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Dear Advertiser:

Over the years from either me or one of our District Managers you have heard the following "It's great that you bought the tv spectacular, why not run a page and announce it to your retailers?" If not that, maybe this "You're having your big push in 16 consumer magazines reaching 80 zillion people, why not run an ad and tell it to the trade?"

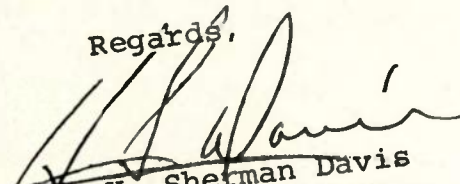
Sometimes your reaction to this has been positive, but in most cases your reaction has been "I don't want to take the money away from product advertising."

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Regards,


H. Sherman Davis
Director of Sales

HSD:jfb

MERCHANDISING WEEK
Read By the Retailers Other Retailers Follow

It's portable as a portable radio. But what's happened to the battery?

The battery happens to be *inside*. How come? We think it's about time somebody came out with a battery-operated TV that's really and truly as portable as a portable radio.

As you probably know, with most small "portable" TV sets you need to lug along a separate ten-pound battery pack. But *not* with the new Panasonic Valley View (TR 238-B).

There's nothing extra to carry, because the battery's inside. Nothing extra to attach. Nothing extra to fuss with. Adds up to a beautiful portable selling point, if ever there was one.

What's more, our battery can be recharged *twice* as many times as the lug-me-along type. So it lasts longer. And saves money. A fact you might want to point out to customers. And our battery's easy to recharge—just flick a special control knob. Can't be overcharged, either.

The Valley View works on AC, too. Customers can enjoy it indoors and out. No eyesquint picture—there's a 37 square inch viewing area. With a dark-tint screen

that cuts glare. Improves the picture clarity. Even under the noonday sun.

To clinch the sale, point out the smart slim look you can see right here. 49 solid state devices. 2 antennas (VHF and UHF) for extra good reception. 4" dynamic speaker (better sound than most small portables).

Matter of fact, we're doing a lot of pre-selling for you with national full-page ads in *Life*, *Saturday Evening Post*, *Sports Illustrated*, *Time* and *The New Yorker*. Why not call your Panasonic Sales Representative now? He'll be glad to bring over the Valley View. Because it's no trouble to carry.

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