

MERCHANDISING

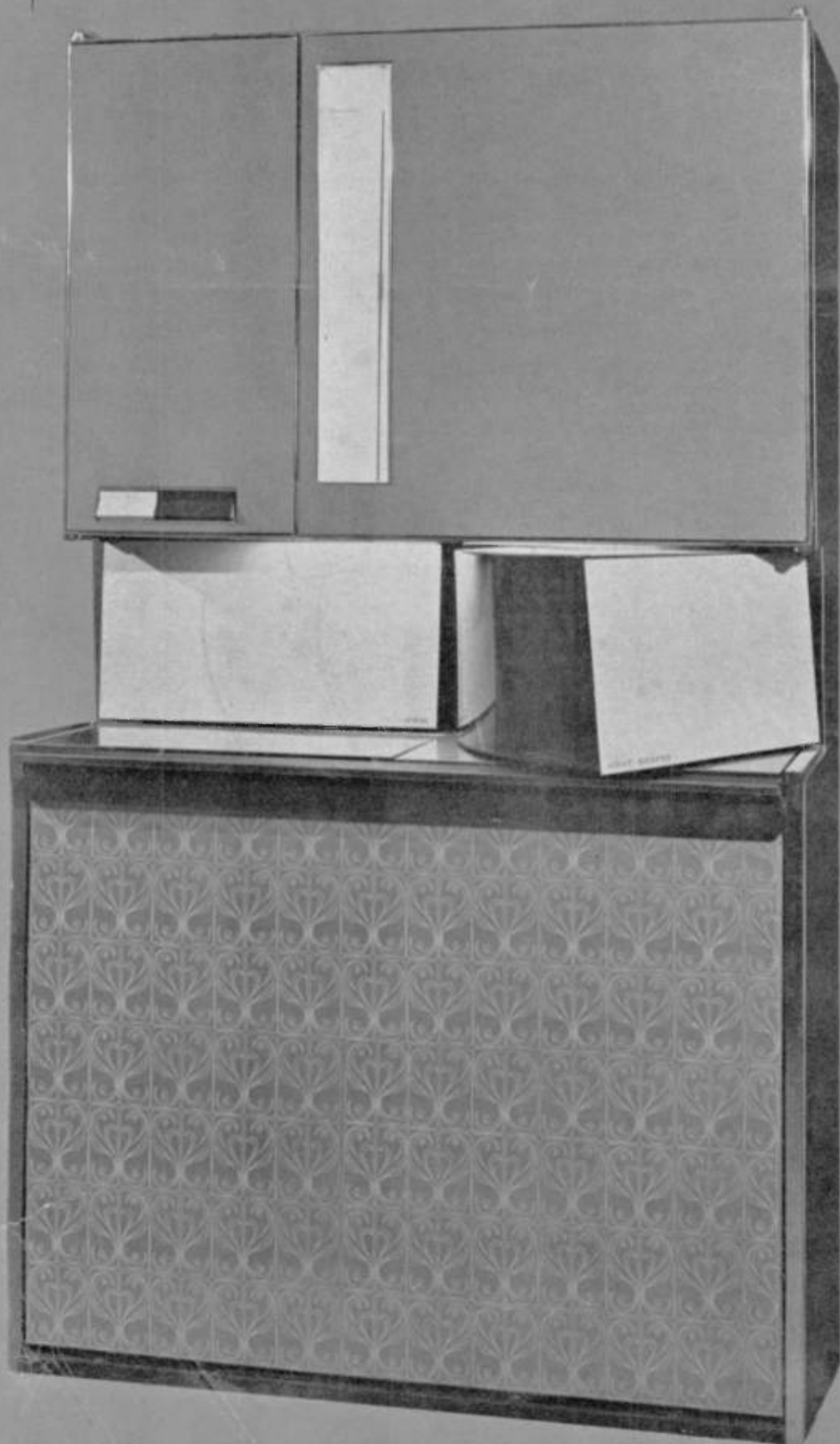
HAWKES T V SERV & SA
10 HARDY RD
WESTBROOK MAINE

F 9-64 1

WEEK

EDITED FOR THE APPLIANCE, CONSUMER ELECTRONICS, AND HOUSEWARES INDUSTRIES

A MCGRAW-HILL PUBLICATION/50 CENTS/VOL. 98 NO. 13/MARCH 28, 1966



◀◻◻◻◻ All-steel refrigerator from U.S. Steel is one weapon in the steel industry's battle to regain sales lost to plastics and aluminum in major appliance manufacturing. For the story behind the design of the all-steel box and the mark steel hopes to stamp on the appliance business, see.....p.14

AT PRESSTIME ◻

◻◻◻◻ Stereo FM stations increased by 67 over the last five months, reports the National Assn. of Broadcasters. Two new stations opened this month. This brings the total number of stereo stations in the U.S. to 437.

◻◻◻◻ The IEEE convention in New York City last week held hints of things to come in the consumer electronics field, in worldwide broadcasting, and in video tape recording. The engineers attending the Institute of Electrical and Electronics Engineers meeting—which combined a show with technical sessions—had an opportunity to see RCA's 15-inch color tv tube in action and a chance to look over RCA's new solid-state device, the Triac (see story p.8).

At a technical session on the problems of selecting a color tv system for Europe, Francis McLean, head of the British Broadcasting Corp., said the not-too-distant prospect of broadcasting directly from satellites added an urgency to the need for selecting the European system. He expressed hope that a system could finally be chosen at the European color tv conference to be held in Oslo this June.

Two Japanese companies showed video tape recorders at the Show: Shiba had its home video
continued on p.3

GLEEPS!
ANOTHER CALORIC
HAS DISAPPEARED!!

OF COURSE! IT'S OBVIOUSLY
 THE WORK OF THE UNCANNY
ULTRA-RAY



Exclusive product features like our patented Ultra-Ray® broiler do wonders in moving ranges off Caloric Dealer floors. Of course, our three year or 3000 meal warranty—the longest in the industry—has been known to influence a few sales, too.

But above all, we want our dealers to make money on what they sell. And that's what the Caloric Dealer Plan is all about; things like margins, selling room, pre-paid shipping, total promotions and the cash to advertise.

If you like to see ranges disappear in the most profitable ways, we should talk.

To: Mr. Roy Klein, President, Caloric Sales Corporation, Wyncote, Pa. 19095
 Dear Roy: Zowie! Your Ultra-Ray is a gas! How do I get to be a Caloric agent?

NAME _____
 FIRM _____ TEL. _____
 STREET _____
 CITY _____ STATE _____ ZIP _____

Caloric®

CALORIC CORPORATION, TOPTON, PA.

MW-32866

GAS RANGES • BUILT-IN UNITS • KITCHEN HOODS • DISHWASHERS • FOOD WASTE DISPOSERS • COLOR-COORDINATED SINKS • OUTDOOR GAS GRILLES • CONVENIENCE CADDIES

tape recorder (using ½-inch tape at 7.5 ips, it was priced at \$1,100) and the prototype of a color unit (1-inch tape at 9 ips; no price) on display. And Ikegami Tsushinki showed its "compact professional quality" video tape recorder.

At another session at the convention, an engineer from Sonic Vee Corp., George Doundoulakis, described a new video recording system—using a variable velocity method of scanning the picture—that he claims will make possible the production of video playbacks for less than \$400 and instant home movie playbacks for under \$650. Another application of the system, Doundoulakis suggested, could be video long-playing records.

"The use of standard, low-cost, ¼-inch tapes, operating at 15 ips, is the breakthrough we have all been waiting for to make home tv playbacks practical and low-cost tv tape libraries available," Doundoulakis said. However, he admitted that the picture produced by the Sonic Vee system is still "outside" today's standards.

Sylvania, along with RCA, also showed its 15-inch color tube for the first time.

□ □ □ □ **Major appliance shipments were up** in February, according to a report issued by the National Electrical Manufacturers Assn. (NEMA). February dishwasher shipments shot up 29.7% over February, 1965; disposers climbed 14.7%, refrigerators gained 9.3%, ranges increased 6.3%, water heaters went up 4.3%, and freezers rose 3.2%. Dehumidifiers racked up a 56.7% gain over shipments in February, 1965.

□ □ □ □ **Zenith's new radio series** includes the Royal 990, a 5-band, transistorized portable with AM-FM and continuous shortwave on three bands, at \$99.95. Another model, the Royal 960, is a transistorized AM-FM portable at \$89.95. The Royal 995, a 4-band receiver for long-distance AM reception with shortwave coverage on three bands, will retail for \$79.95. Also new for Zenith are two table models: the Operetta, an AM-FM receiver at \$54.95; and the Minstrel, a transistorized AM-only unit for \$29.95. A new 8-transistor "personal portable" AM radio has a suggested list price of \$19.95.

□ □ □ □ **Kelvinator will take on 600 more employees** at its Grand Rapids plant beginning in August. The additional employees are needed to accommodate production orders for the Norge line of refrigerators, which Kelvinator will manufacture (MW, 28 Feb., p.3). August is the pivotal month when production of the Norge units will get under way on a full-scale basis.

□ □ □ □ **Over 100 video tape recorders were sold** by Ampex in Hawaii since October, according to John H. Trux, the company's consumer products marketing manager. Trux attributes 90% of the sales to the test promotion which the company conducted in Hawaii last fall (MW, 25 Oct., 65, p.7). Ampex will begin selling the recorders in June in the New York City area.

□ □ □ □ **Marquette has bought Setchell-Carlson.** Marquette's desire to acquire Setchell-Carlson's color tv manufacturing operation was a basic factor in its decision to buy the company, say Marquette officials. In the transaction—which was settled for \$3 million—Marquette also took over Walco Industries, a manufacturer of wood cabinets, and Wright Zimmerman Inc., a manufacturer of speakers and components. The three acquisitions are all located in the same facilities in New Brighton, Minn. Marquette is the marketing arm of Franklin Manufacturing Co., private-label manufacturer.

□ □ □ □ **"Pay tv is broadcasting,"** the FCC ruled last week; therefore, subscription tv services are now subject to FCC jurisdiction under the same rules as tv stations. The FCC also concluded that subscription service "can be effectively integrated into a total tv system, with advantages to the viewing audience."

□ □ □ □ **Tape cartridge developments:** Telepro is designing an 8-track cartridge "single" comparable to a record single. Capitol Records, which has set up facilities to duplicate its own cartridges, will probably release recordings on the new Telepro cartridges. Muntz Stereo-Pak will have a 4-track "single" on the market in 10 weeks for 99¢. In 90 days, it will begin marketing a \$119 4-track/8-track car player.

FTC gains high court support in private-label territory

With an assist from the U.S. Supreme Court, the Federal Trade Commission (FTC) is expected to step up its policing of private-label pricing activities by name-brand manufacturers.

FTC private label activity was strengthened last week by a U.S. Supreme Court decision handed down on the Borden Co. milk case. The case disclosed that Borden markets its brand-name evaporated milk at one price, and supplies the same milk to private-label users at a lower price. Borden had claimed that its brand-name alone justified the price differential between the Borden label and the private label.

Thus, by a 7-to-2 vote, the Supreme Court upheld the FTC's long-argued contention that a name brand

alone does not necessarily justify a higher selling price than for an otherwise identical product sold under a private label.

The "landmark" decision—as the FTC hailed it—brings those manufacturers who sell identical products both under name brands and under private labels within the bounds of the Federal price discrimination law (Robinson-Patman Act) for the first time.

The reaction: The FTC was hailing this decision as a victory for smaller retailers who fight private-label pricing of the big retail chains. Manufacturers of brand-name appliances, housewares, and consumer electronics who also make private labels were busy studying the ramifications of the Supreme Court decision.

There is confusion because the high court hedged. It stopped short of declaring that a brand manufacturer could not sell a private-label product for less money than he sells his own well-known brand-label merchandise. In essence, the high court ruled that each case will have to be reviewed on its own merits. Manufacturers will have to justify pricing differentials.

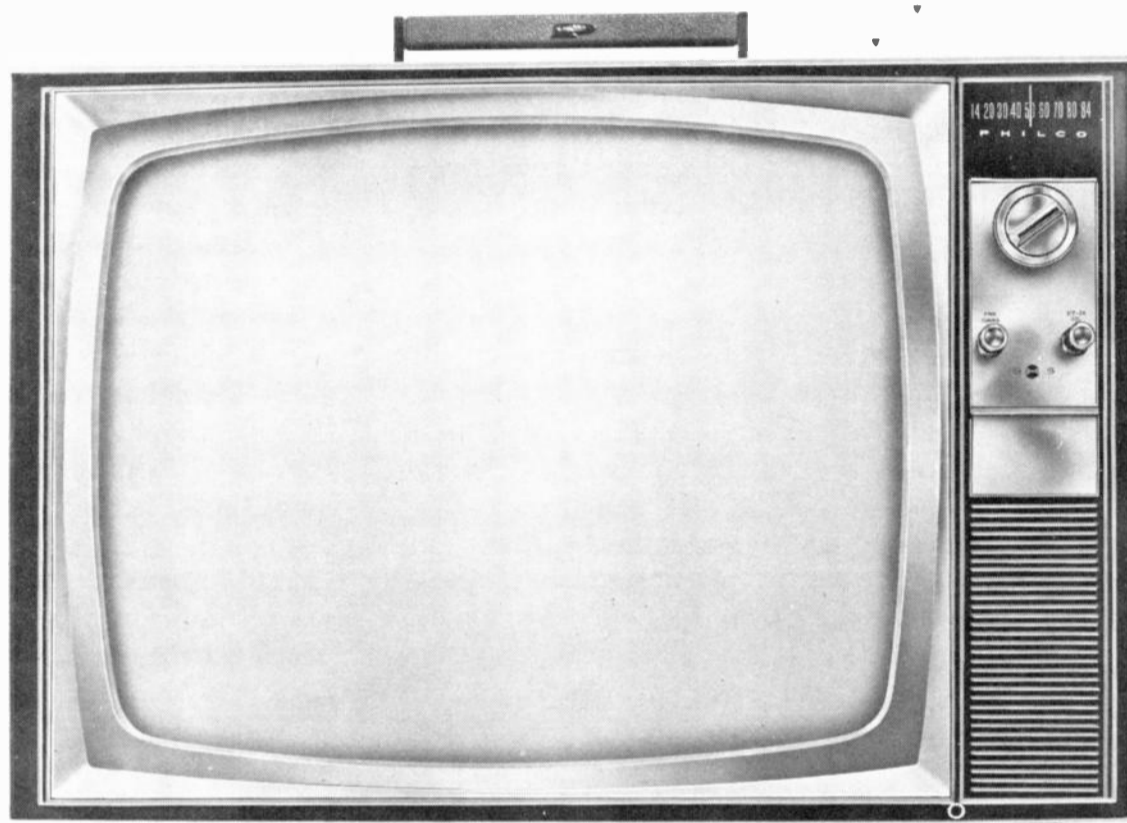
Under this interpretation, lower pricing for private-label goods would be allowed if distribution costs are less for private labels than for brand goods. Lower pricing on private labels would also be allowed if a manufacturer has to meet market competition. The impact of the decision is also tempered by earlier court decisions.

The Borden case has been remanded to a lower court. If that court upholds the FTC contention that Borden is guilty of price discrimination, Borden will be required to offer its milk—whether under private or Borden label—to all customers at the lower private-label price.

The Robinson-Patman Act essentially forbids a manufacturer to sell products of "like grade and quality" at different prices—unless the price difference can be justified by differences in costs.

For appliance manufacturers, previous cases decided by the FTC still have broad significance. The commission has held that even a slight physical difference in a product can be enough to constitute a different "grade and quality."

Everybody's portable lines are exactly alike, right? Right until now.



21" PREMIERE

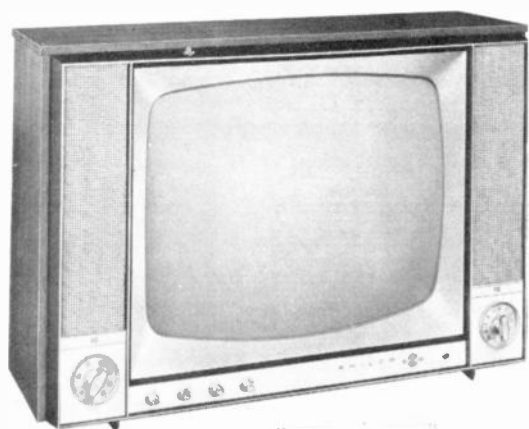
Until now, everybody's line of portables looked pretty much the same. It was hard to tell one from the other. Until now.

Now Philco makes the big difference. To begin with, we've unveiled our all-new 21"*. The **Premiere**. It's the 21" with **more features** than any 21" the competition can offer.

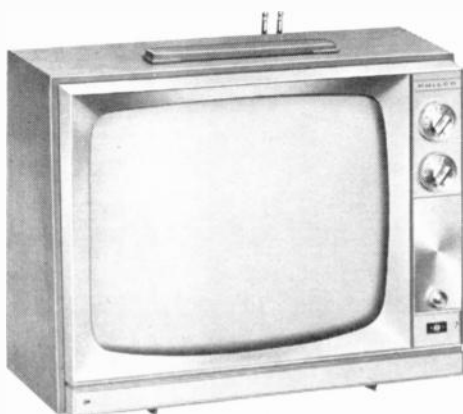
Like our exclusive **Transformer-Powered Cool Chassis**. We combined it with a **Solid-State Signal System**. Now tubes are replaced by long-lasting transistors and diodes in the signal receiving circuits. Which means cooler performance, better and more

reliable operation and longer tv life. The Premiere has **solid copper engraved circuits** that eliminate hundreds of potential trouble spots. A **slide rule tuning scale** for UHF and a **separate VHF window**. An **82-channel solid-state single knob tuning system**. And an **all-transistor automatic picture pilot** and **3-stage IF amplifier**.

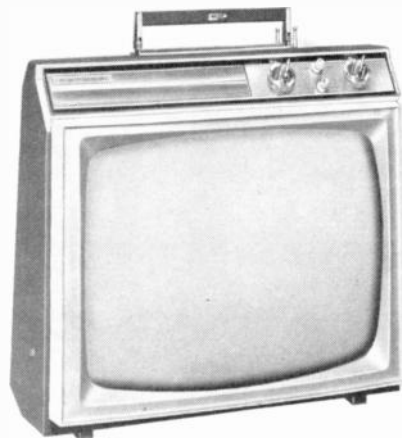
We put the Premiere into a tapered **19" cabinet** and gave it a rectangular picture that's nothing short of brilliant. There's up to **20% greater fringe area signal-pulling power** than in prior Philco models. **20,000 mighty volts of picture power** make sure of that.



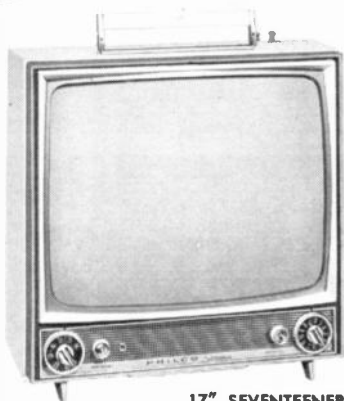
19" IMPERIA



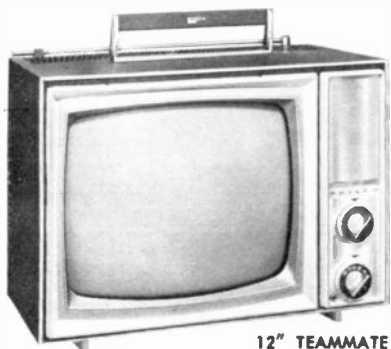
19" STRATUS



19" PACER



17" SEVENTEENER



12" TEAMMATE



9" NOMAD

But to get to the rest of the line. At 19"* we have the new **Pacer**, very stylish and a real value. The new 17"* **Seventeener** has **Cool Chassis** in a slimline cabinet. The 12"* **TeamMate** with a **solid-state UHF tuner** has **pre-set fine tuning**. And littlest, but not least, is the 9"* **Nomad**, with four IF stages and built-in battery charger.

Counting the Starlite and Woodstock and the Stratus and Imperia with Philco's Solid-State Signal System, there's **full profit margin** built in right through the line. Which means logical and **profitable** step-ups for you. So step up to the new and exciting line of Philco portables.

PHILCO

A SUBSIDIARY OF *Ford Motor Company*

TELEVISION • STEREO PHONOGRAPHS
RADIO • HOME LAUNDRY • RANGES
REFRIGERATORS • AIR CONDITIONERS

FAMOUS FOR QUALITY THE WORLD OVER®

* 21" overall diagonal measurement, 212-sq.-in. view. area • 19" overall diagonal measurement, 172-sq.-in. view. area • 17" overall diagonal measurement, 141-sq.-in. view. area • 12" overall diagonal measurement, 77-sq.-in. view. area • 9" overall diagonal measurement, 43-sq.-in. view. area.

**SAD . . . about
low margins
on Room Air
Conditioners?**



*Coolerator's beautiful
furniture that cools
lets you sell more . . .
without cutting price*

In 1966 take advantage of Coolerator's styling breakthrough and selected dealer appointment program. A complete and service-free line lets you sell with confidence and still maintain a full profit margin.

✓ Profit Protection ✓ Direct Buying ✓ Features That Sell
✓ Uncompromising Quality ✓ The Complete Profit Line

**HAPPINESS
. . . is a thing
called Coolerator**



Coolerator®

Manufacturers also of Thomas A. Edison Room Air Conditioners,
Central Air Conditioners, Dehumidifiers, Humidifiers



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

WASHINGTON NEWS

□□□□ **The Truth-in-Lending bill**, which has been stalled in Congress for several years, has received another push from President Johnson. But there is more than a little doubt that the push was big enough to dislodge the measure from its committee repository. The heart of the President's proposal is that Congress approve legislation "requiring lenders to state the full cost of credit, simply and clearly, and to state it before any credit contract is signed." This would apply to credit extended by retailers as well as by banks and other lending institutions.

The President goes out of his way to assure lenders that his proposal "will not regulate the cost of credit itself, or interfere with existing laws." A number of states already have usury laws to prevent excessive rates of interest.

□□□□ **What President Johnson omits**, however, seems even more important than what he includes in his message on protecting the American consumer. He leaves out, for example, a long-sought provision that would require lenders to state the true annual rate of interest.

Advocates of Truth-in-Lending contend that this is the guts of the bill sponsored by Sen. Paul H. Douglas (D-Ill.). Lenders long have claimed that a true annual rate of interest is virtually impossible to figure. The President appears to have accepted this argument.

Even with this compromise—if, indeed it is a compromise—the Truth-in-Lending bill will continue to run into almost solid Republican opposition, as well as considerable Democratic opposition. Senate GOP leader Everett M. Dirksen (Ill.) dismisses it: "They're trying to standardize the country."

The Douglas bill has been bottled up in the Senate Banking and Currency Committee for several years. Before the President gave it a boost, there did not seem to be a chance in the world that it would even get out of committee this year. The best guess now is that its chances have not improved very much.

□□□□ **CATV interests have an ardent friend** in Congress in the person of Rep. Walter Rogers (D-Tex.). If they did not know that already, they certainly should now—after House Commerce Committee hearings last week turned into a confrontation between Rogers and E. William Henry, chairman of the Federal Communications Commission (FCC).

Rogers has introduced a bill that would prohibit the FCC from exercising any control over cable-fed CATV systems. The committee is considering his bill, as well as one by Chairman Harley Staggers (D-W.Va.) that would give the FCC jurisdiction over all CATV systems.

Rogers insists that the FCC is seeking, in the Staggers bill, authority to censor the programs that are fed into homes by CATV systems. Henry denies this, of course, and other members of the Commerce Committee express skepticism about Rogers' contention.

However, Rogers does seem to be making some points. The Commerce Committee still can be expected to approve the Staggers bill—and Congress most likely will go along—to give the FCC most of what it wants. But it may put a strict limit on the FCC's requested authority to ban origination of programs by CATV systems.



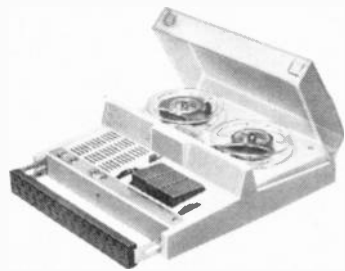
**Tape recorders...
It takes all kinds!
SUNWAVE has them!**

It takes all kinds of people to make a world. It takes all kinds of tape recorders to satisfy the requests of all the people. And that's what SUNWAVE gives you. SUNWAVE has a wide variety of models to meet almost any request. You'll find SUNWAVE tape recorders being used almost everywhere. And they're giving their users the utmost satisfaction in quality performance. It's because they're backed by SUNWAVE's long experience and most modern manufacturing facilities. Your sales are sure to increase if you stock up on SUNWAVE tape recorders.



APOLEX RC-600

Capstan drive • 6 transistors • 3 1/4" and 17 8" speeds • Dynamic microphone with remote start stop switch • Positive speed change lever • Simple push button controls • Flat, lightweight design • Optional equipment includes 4" reels, adaptors for AC and telephone recording • Size: 9-1/4" x 9-3/4" x 2-1/2" • Weight: 6 lbs., 10 ozs.



APOLEX RA-18

• Reel drive • 5 transistors • Push button controls • Remote controlled crystal microphone • Weight: 3 lbs., 5 ozs. • Optional equipment includes adaptor for AC, foot control start stop & quick rewind switch • Size: 7-5/8" x 8" x 2-5/8"

APOLEX RA-11

• Reel drive • Dual track • 4 transistors • Reel size: 3" • Recording time: approx. 30 min., dual track with 200 ft. tape • Power source: UM-2 (1.5V) x 2, & 006 P (9V) x 1 • Size: 2-3/8" x 6-1/8" x 9"



Electrical Appliance Division

No 15, 1-4 chome, Himonya, Meguro ku, Tokyo Cable Address: APLINCO TOKYO

NEMA distributor sales summary sizes up '65 appliance markets

More than two-thirds of all electric major appliance sales are made in fewer than half of the States of the Union. This conclusion is based on the 1965 distributor sales summary issued by the National Electrical Manufacturers Assn. (NEMA). In the table below, each state accounted for 3% or more of total U.S. electric appliance sales in at least one of seven product categories.

New York and California continued to lead the nation in distribu-

tor sales of refrigerators, upright freezers, portable dishwashers, and built-in dishwashers. California ran away with the built-in range record with 14.5% of total U.S. sales in 1965. North Carolina led in chest freezers with 5.6% of total sales, tailed closely by Texas, Tennessee, and Ohio—each with 5.2%. Following are the 22 states reported by NEMA as having sold 3% or more of total U.S. distributor sales in at least one product category:

| States | Household refrigerators | | Freezers | | Ranges | | Dishwashers | |
|------------------|-------------------------|-------|----------|----------|------------|-------|-------------|--|
| | refrigerators | chest | upright | built-in | free-stgd. | port. | built-in | |
| Alabama | 1.5% | 4.5% | 1.9% | 2.0% | 2.7% | 0.7% | 1.3% | |
| California | 10.3% | 2.2% | 9.3% | 14.5% | 4.5% | 12.1% | 16.8% | |
| Florida | 4.2% | 2.6% | 3.3% | 7.0% | 5.3% | 2.3% | 3.7% | |
| Georgia | 2.8% | 4.6% | 2.6% | 3.7% | 3.5% | 1.2% | 2.6% | |
| Illinois | 5.1% | 4.8% | 4.4% | 2.0% | 3.2% | 4.8% | 2.6% | |
| Indiana | 3.3% | 3.5% | 2.6% | 1.8% | 2.9% | 2.4% | 1.3% | |
| Kentucky | 1.5% | 3.6% | 1.4% | 1.4% | 2.0% | 1.0% | 0.7% | |
| Louisiana | 2.0% | 3.8% | 2.7% | 1.7% | 0.6% | 1.0% | 1.9% | |
| Maryland | 1.9% | 1.1% | 1.5% | 1.5% | 1.1% | 1.4% | 3.1% | |
| Massachusetts | 2.8% | 0.7% | 1.8% | 2.9% | 3.4% | 2.8% | 3.1% | |
| Michigan | 4.6% | 4.1% | 3.5% | 3.2% | 5.5% | 5.3% | 3.2% | |
| Mississippi | 0.8% | 3.9% | 1.2% | 0.9% | 1.0% | 0.5% | 0.6% | |
| Missouri | 2.2% | 3.7% | 1.9% | 2.4% | 2.1% | 1.7% | 1.7% | |
| New Jersey | 3.8% | 0.8% | 2.9% | 1.9% | 1.8% | 3.6% | 4.5% | |
| New York | 9.6% | 1.9% | 7.3% | 4.4% | 5.0% | 9.4% | 9.1% | |
| North Carolina | 2.2% | 5.6% | 2.9% | 3.7% | 4.8% | 0.8% | 1.6% | |
| Ohio | 5.1% | 5.2% | 5.6% | 4.7% | 6.1% | 6.5% | 4.6% | |
| Pennsylvania | 5.9% | 4.5% | 5.6% | 4.3% | 5.8% | 6.2% | 4.4% | |
| Tennessee | 1.9% | 5.2% | 2.2% | 1.9% | 4.0% | 1.2% | 1.4% | |
| Texas | 5.4% | 5.2% | 6.0% | 6.1% | 2.8% | 3.4% | 7.5% | |
| Virginia | 2.2% | 2.9% | 2.7% | 3.2% | 2.7% | 1.4% | 2.4% | |
| Washington | 1.2% | 1.1% | 2.6% | 2.6% | 2.7% | 3.2% | 2.3% | |
| % of total sales | 80.3% | 75.5% | 75.9% | 77.8% | 73.5% | 72.9% | 80.4% | |

New tune for Tappan in the kitchen

Tappan plans to make its mark in lower-priced kitchen remodeling in 1966. To do it, the company hopes to set up 300 kitchen remodeling centers in retail outlets this year.

Tappan is aiming at a mass market. "There are plenty of dealers who will put in a kitchen for \$4,000 or \$5,000. We hope to put in a kitchen for about \$1,500," said Richard Tappan, president of Tappan.

Tappan will furnish the cabinets. The centers will be run by established Tappan dealers, by kitchen dealers, and by small cabinet manufacturers who want to fill out their

custom lines with Tappan units. Tappan dealers who set up kitchen centers will continue their operations as appliance outlets. Experienced dealers can do the remodeling themselves; others may contract the jobs.

Tappan's two-style cabinet line—in Contemporary and Provincial—is made by its subsidiary, Kemper Bros. Tappan bought Kemper Bros. last year.

Three stores are being tested in the San Francisco Bay area and a fourth store was recently opened in Detroit. "We're really just getting started," Tappan explained.

Westinghouse unwraps b&w tv line

Three months ahead of schedule, Westinghouse has landed with its 1967 b&w tv line. Flying high with six Jet Sets—its black glass-fronted portables—the company has cut prices on several models in the new line.

The 12-inch leader model will now sell for under \$90—about \$10 down from this year's price. This set is available in Bermuda Beige or Antique Gold. Four other 12-inchers are included in the line, topped by a Jet Set for under \$120—down \$10 from the 1966 price.

Thirteen new 19-inch portables, ranging in price from \$120 to \$230, are also in the 1967 line. Five 19-

inch Jet Sets—starting at under \$180 for a tube-type model in Oxford White—highlight the line. A new fully transistorized 19-inch with walnut grain cabinet will sell for under \$200. A solid-state 19-inch Jet Set is again priced at \$230 for 1967. And a new remote-control portable comes in at under \$200.

Westinghouse jetted in with a 23-inch b&w tabel model expected to be priced at under \$180 for 1967.

Eight b&w consoles are in the new line, with no change in prices. They are expected to carry prices from \$200 to \$240. One 23-inch b&w combo—with stereo phono—is in the line for under \$400.

□□□□ **GE's Appliance Centers are spreading.** Predictably, a new center has opened in the Buffalo-Niagara Falls (N.Y.) area. The 6,000-sq.ft. unit in Niagara Falls, owned by George Milanovich, is operated under a GE franchise. Milanovich will continue to run a separate multi-line store at another location, thus keeping to the pattern set by some of the operators of GE Appliance Centers in the Cleveland area. There are also three new centers in Rochester, N.Y. The current expansion in Niagara Falls was predicted (MW, 14 Dec. 64, p.8), when GE's Cleveland operation—known as the Great Lakes District—absorbed the old GE factory branch in Buffalo.

Meanwhile, back at Appliance Park in Louisville, GE's production force returned to work. The workers voted to return to their jobs for a two-week cooling-off period that ends Apr. 10, during which negotiations will continue.

The three-week strike at GE's major appliance plants did not phase one enterprising retailer. Montgomery Appliances, in Montgomery, Ohio, ran a large ad in the *Cincinnati Enquirer* proclaiming a GE strike sale. The aim of the sale, as spelled out in the copy, was "to prove the availability of goods." President Jack G. Ludlow, of Montgomery Appliances, said, "This ad brought more business and conversation than anything we have done in a daily newspaper in the last 15 years."

□□□□ **An under-\$500 color video tape recorder** by 1967 is the goal of the Illinois Institute of Technology (IIT) Research Institute. The Institute has developed a unit that uses a standard 7-inch spool of ¼-inch tape to record both picture and sound. The recorder, which has a stationary record and playback head, could be priced in the same range as the conventional audio recorder it closely resembles. IIT is licensing manufacturers to make and market the 12-transistor, all-solid-state recorder and hopes to have a color camera ready by the time the recording unit hits the market. The color camera would probably be priced between \$100 and \$200.

□□□□ **Intentions to buy a color tv set** have increased among consumers by 63% as compared with last year, according to a survey made by the Television Bureau of Advertising in association with Bruskin Assoc. At the end of 1965, a similar survey showed that 18.3% of all adults intended to buy color tv sets; a year-end survey in 1964 showed 11.2% of adults expressing a likelihood of buying a color tv set within the next 12 months.

□□□□ **Caloric is talking its way to range sales** with a new recorded point-of-purchase sales message that begins when the range's oven door is opened. The message, which is recorded in a tape cartridge, features a humorous sales pitch.

□□□□ **More copper magnet wire** to feed the growing demand for copper in the appliance and consumer electronics industries (MW, 31 Jan., p.12) will be available when Phelps-Dodge completes construction of a new plant in Hopkinsville, Ky. The new 200,000-sq.-ft. plant is scheduled to begin production of magnet wire by October.

□□□□ **General Electric will give away \$1 million in prizes during its Home for All Seasons Sweepstakes.** A \$25,000 home—equipped, cooled, and heated by GE—is the top prize. Lucky Number entry coupons can be turned in to GE central air conditioning dealers, who will receive matching prizes, excepting the home; the dealer who registers the winner of the home will get a 1966 automobile. The sweepstakes is expected to give strong national support to four seasonal sales promotions. The central air conditioning promotions will be run by local GE dealers. GE will back the promotion with consumer and shelter magazine ads scheduled for March through June and for September through November.

□□□□ **The Japanese are cracking down on piracy of Japanese trademarks and product designs by foreign manufacturers.** It is a mark of Japan's growing prestige that its manufacturers—who in the past sometimes exported products carrying "Made in USA" labels—now find it necessary to protect their own products and designs from piracy. Officials of the Ministry of International Trade and Industry (MITI), members of the Foreign Office, and patent attorneys and designers will study piracy practices to determine ways of discouraging them. Since 1960, MITI has heard 41 complaints concerning copying of Japanese trademarks and trade names, 21 complaints of copying mechanical and exterior designs of Japanese products, 11 complaints of imitation of packaging designs, and nine complaints of unauthorized use of Japanese patents.

□□□□ **Olympic's first 21-inch b&w tv set has been introduced.** Called The Durham (model 5T100), the set is designed with a slim-line wooden cabinet that is available in either a mahogany or walnut finish. An optional roll-about stand with brass finish and wood trim is equipped with a cart handle and a magazine rack. The set carries an open list price.

□□□□ **Western Auto has ordered 30,000 tv sets from Mitsubishi Electric Corp. of Japan.** Mitsubishi is set to sign a contract with Trans-America Corp. for shipment of 30,000 12-inch b&w sets to the U.S. over a 3-month period beginning in April. These receivers will be supplied to Western Auto Supply Co. for distribution in markets on the West Coast and southern U.S.

□□□□ **Zenith is experimenting with new types of picture display devices, according to the company's 1965 annual report.** One of the experimental approaches demonstrated in Zenith laboratories uses a laser beam, instead of a tube, to display tv pictures. In reviewing Zenith's research in integrated circuits, the report states that "when integrated circuitry can offer specific benefits in radio and tv sets. Zenith will be ready to utilize them as it has done so successfully in hearing aids."

□□□□ **NEMA has added 59 air conditioner models to its 1966 Directory of Certified Room Air Conditioner models with the publication of Supplement 1.** The Supplement will be effective until May 15 when the National Electrical Manufacturers Assn. will publish the second full 1966 directory.

All-solid-state products coming on strong—and soon

Semiconductor devices—ranging in size from those as large as a housefly to those as small as a speck of dust—are invading the housewares, home electronics, and major appliance markets in every kind of product, ranging from floor polishers to tv sets to automatic washers.

What they are

Four kinds of devices have been making news lately: transistors, diodes, silicon-controlled rectifiers, and integrated circuits. To clear the semiconductor smoke, here is a brief explanation of these four devices.

1. **A transistor** amplifies electronic signals much as a megaphone amplifies the voice. A transistor is used to build a signal's strength until that signal is strong enough to do some type of work.

2. **A diode** is an on-off device that operates like a light switch.

3. **A silicon-controlled rectifier** (or SCR) is the waterfaucet of electronics. An SCR has three leads; the middle one (called a gate) acts like the handle of the faucet to control the amount of "water" (electric current) that flows from water line to spigot (i.e., through the SCR).

4. **An integrated circuit** (or IC) is a collection of transistors and diodes and other components—but with a difference. The materials of these separate components are literally sprinkled (or deposited) on glue-covered paper (substrate) to make "sandpaper" (in this case, the integrated circuit). The atoms of the different materials are so closely bound—or integrated—with one another that without a microscope you cannot tell where one starts and another ends. ICs do the same work as circuits made with big-brother transistors and diodes.

Why they are used

Any of the above semiconductors do the same work as mechanical links or switches and as electro-mechanical devices such as relays—but they do the work quicker and without mechanical wear. And they now cost about the same as the devices they replace. Another advantage is that one semiconductor can do the work of many mechanical devices, and one integrated circuit can do the work of many separate semiconductors. Each replacement means fewer manufacturing steps to produce a product.

Where they will go. Manufacturers of tv sets and radios will grab the lion's share, but makers of toasters, sewing machines, washers, dryers, ranges, toys, and home lighting controls are ordering all they can lay their hands on.

Whirlpool attempted to market a washing machine with SCR control, but dropped it due to technical deficiencies. But the picture has since changed. Whirlpool engineers have solved the problem, and have gone everybody one step further. The firm's 1967 line will feature washers and dryers with electronic controls, using ICs instead of transistorized circuits.

The market potential of SCRs

These applications of semiconductor devices have spurred semiconductor producers to bank big money on big markets. More than \$100 million in new plants and equipment will go into operation by the end of this year. The markets are worth many times this amount.

Plastic-encased transistors and diodes are expected to double next year (mainly due to their use by tv industry, see p.17 feature). The market for SCRs alone, it has been estimated, will hit "\$500 million by 1970," according to C. D. Burnett, vice president of RCA's Industrial Tube and Semiconductor Div.

This is one reason why RCA announced its Triac (MW, 21 Mar., p.3). But the Triac (an acronym for triode, alternating current) is mainly being scoffed at by consumer company engineers. A Triac, in effect, is two SCRs connected together. One SCR operates on half the power. This type of operation has advantages and disadvantages.

The actual noise that you can hear will increase, according to L. Vincent York, senior research and development engineer at the engineering development center of Controls Co. of America, outside of Chicago. But the Triac will allow more precise speed control, although York questions the necessity for this.

York also points out another factor. All appliances using SCRs in the control circuitry do the job with only one unit—RCA's claim that the Triac replaces two units seems a bit superficial. To York's knowledge, no one yet uses two SCRs in any control circuit.

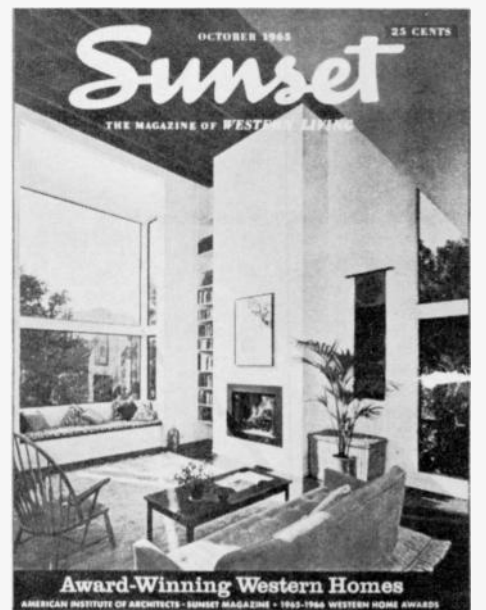
This might not be a hindrance, though; the Triac is scheduled to sell for about 98¢ in the fourth quarter of this year—as opposed to a single SCR now priced at between 90¢ and \$1. In effect, the Triac gives two for the price of one, and there might well be a trend to more precise speed and power control for just this reason.

The step beyond SCRs

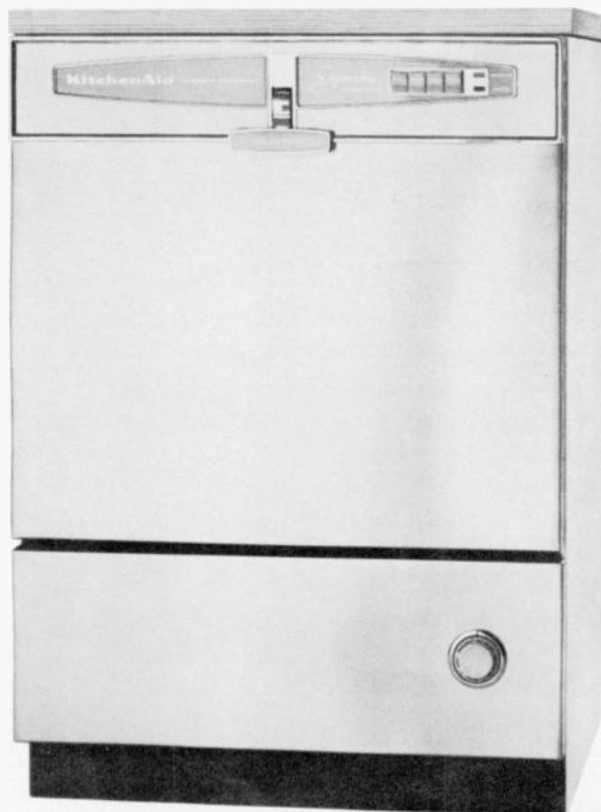
The next step, of course, is integrated circuits that can handle 300w to 600w of power. No engineer foresees this happening for the next three or four years, however. So IC producers are concentrating on the low-power applications and are making news almost daily. Fairchild Semiconductor recently let on (MW, 14 Mar., p.15) that it had an IC that could serve a triple use in tv sets and also in FM radios. On Mar. 18, RCA announced it was offering four different circuits at the lower announced prices on the market.

All of the IC producers, with Fairchild in the lead, are going after a consumer market estimated to hit 33 million circuits worth \$135 million this year. But RCA's "economy line," as John B. Farese, vice president-electronic components and devices, termed it, is without doubt the low bidder at \$1.25 for a wideband amplifier and \$3.15 for a wideband amplifier-discriminator.

Here's what we're doing for you:



Here's what you can do for yourself:



You can cash in on the booming dishwasher market. It's up more than 20% over last year. And the hottest dishwasher is KitchenAid. Our sales have surpassed industry increases for months. Working for you is the great KitchenAid reputation for quality and dependability, extensive line with prices to suit every budget and the biggest program of national and local advertising, display and selling helps in KitchenAid history. These are just a few good reasons for handling KitchenAid dishwashers.

There are many more. Get all the details on the profitable KitchenAid line of built-in, dishwasher-sinks, convertible-portable and portable dishwashers. And remember, every KitchenAid you sell helps you sell another.

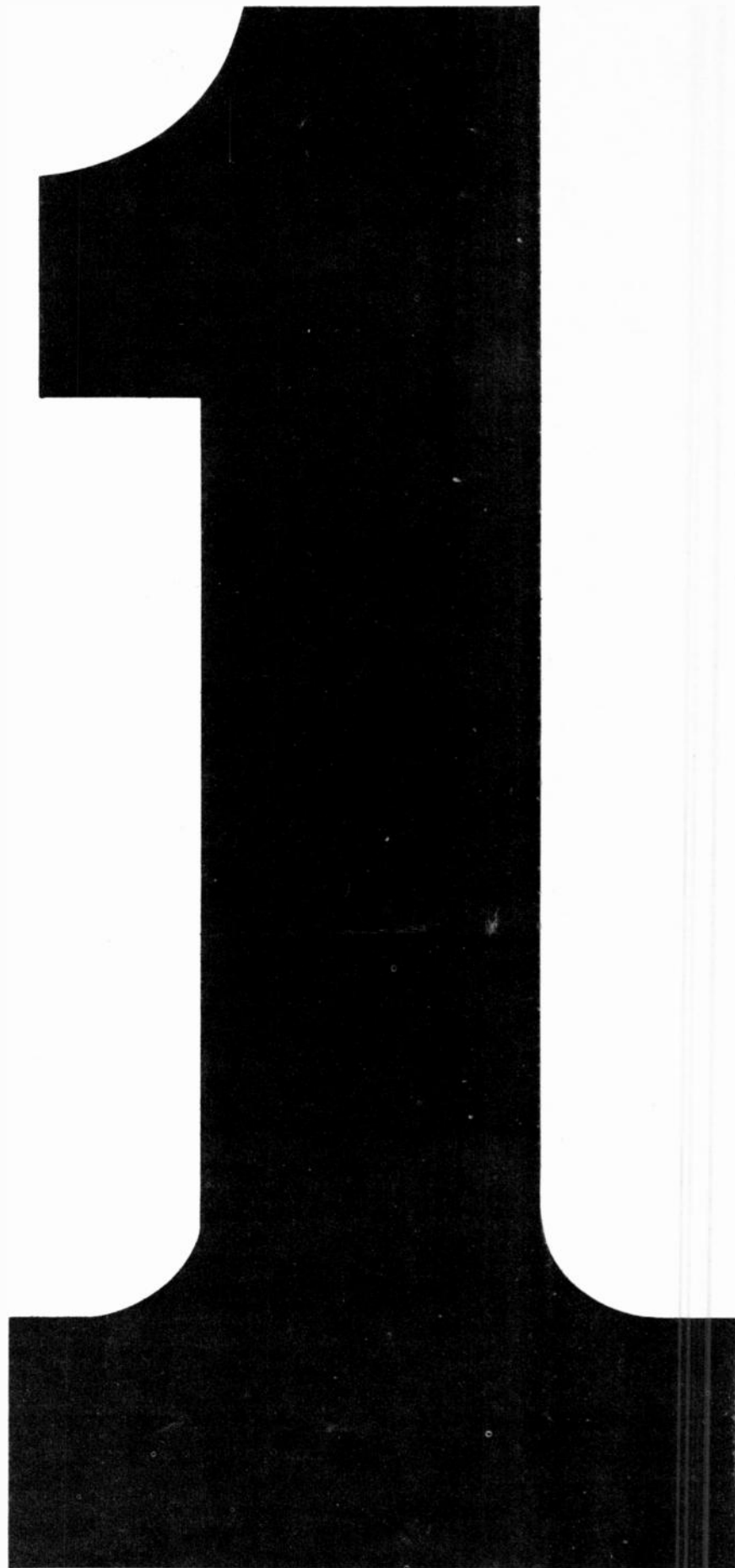
KitchenAid®
Dishwashers

Home Dishwasher Division
Dept. 6DP-3
The Hobart Manufacturing Company
Troy, Ohio 45373

Name _____
Company _____
Street _____ City _____ Zip _____

KitchenAid dishwashers are products of The Hobart Manufacturing Company.

**merchandising week
is the new leader
in department store
mass merchandiser
paid circulation***



JULY
T
JULY

| | | |
|-----|------|-----------|
| SGC | RL | HICB |
| THI | C | IFRC Y |
| CAI | IN | DAY Y |
| HN | AMAK | R N ; / T |
| C | N P | SCO |
| S | TO | JAV I C |
| CPS | NC | ARR |
| AP | / | KU I 4 |
| A | OC | ARNE |
| AR | | V |
| O | O | JO S I I |
| | | D N C |
| | | J R |

*largest department store / mass merchandiser paid circulation in the appliance-radio / tv-housewares field . . . December 31, 1965 Publishers' ABC Statements

MERCHANDISING WEEK

VOL. 98 NO. 13

A MCGRAW-HILL MARKET-DIRECTED® PUBLICATION



EDITOR Walter R. Browder
MANAGING EDITOR Donald S. Rubin

PRESENTATION & PRODUCTION EDITOR:
B. H. Schellenbach

Associates: Joan Bacchus
Dorothy Miller (Chicago)
Ronald D. Wind

Assistants: Judy Kunzelman
Louis C. Keiler (Chicago)

Consultant: Jan V. White

ASSOCIATE EDITORS:

Ed Dubbs
Mary Merris (Chicago)
Martin R. Miller
Wallis E. Wood

Assistants: Bruce Pfau
Lawrence Locke
Robert Rowe
Amei Wallach

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

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

DIRECTOR OF RESEARCH:

Murray M. Benson

Associate: Alicia Donovan

Assistants: Joan Lyons
Barbara Silvagnoli

ADVERTISING SALES MANAGER

Philip G. Weatherby

PROMOTION DIRECTOR Robert P. Green

BUSINESS MANAGER Marie R. Gombert

Assistant: John Amberg

DISTRICT MANAGERS

NEW YORK: George Neuner, Roland De Silva, 500 Fifth Avenue, N. Y., N. Y. 10036 Phone: 212-971-3586.

PHILADELPHIA: John V. Byrne, 6 Penn Plaza, Philadelphia, Pa. 19103 Phone: 215-LO. 8-6161.

PITTSBURGH: Edward H. Hall, 4 Gateway Center, Pittsburgh, Pa. 15222 Phone: 412-391-1314.

ATLANTA: Peter Morris Peck, 1375 Peachtree St., N. E., Atlanta, Ga. 30309 Phone: 404-875-0523.

CHICAGO: Edward J. Brennan, John J. Cherry, 645 N. Michigan Ave., Chicago, Ill. 60611 Phone: 312-MO. 4-5800.

DALLAS: James Anderson, 1800 Republic National Bank Tower, Dallas, Tex. 75201 Phone: 214-RI. 7-9721.

DETROIT: Sherman Davis, 856 Penobscot Bldg., Detroit, Mich. 48226 Phone: 313-WO. 2-1793.

HOUSTON: Stan Kail, 2270 Humble Bldg., Houston, Tex. 77002 Phone: 713-CA. 4-8381.

LOS ANGELES: Noel Humphrey, 1125 West Sixth, Los Angeles, Calif. 90017 Phone: 213-HU. 2-5450.

SAN FRANCISCO: Thomas H. Carmody, 255 California St., San Francisco, Calif. 94111 Phone: 415-DO. 2-4600.

PORTLAND: Mohawk Bldg., 222 S.W. Morrison St., Portland, Ore. 97204 Phone: 503-223-5118.

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

PUBLISHER Dale Bauer

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

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

below. Publisher reserves the right to refuse non-qualified subscriptions.

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

Printed in Chicago, Ill. 60607. Second class postage paid at Chicago, Ill. Title reg. ® in U.S. Patent Office. Copyright © 1966 by McGraw-Hill, Inc. All Rights Reserved. The contents of this publication may not be reproduced either in whole or in part without consent of copyright owner.

OFFICERS OF MCGRAW-HILL PUBLICATIONS: Joseph H. Allen, President; Vice Presidents: George H. Reppert, Jr., Operations; John R. Callahan, Editorial; Ervin E. DeGraff, Circulation; Donald C. McGraw, Jr., Advertising Sales; Angelo R. Venezian, Marketing.

CORPORATION OFFICERS: Donald C. McGraw, Chairman of the Board; Shelton Fisher, President; L. Keith Goodrich, Hugh J. Kelly, Robert E. Slaughter, Executive Vice Presidents; John J. Cooke, Vice President and Secretary; John L. McGraw, Treasurer.

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

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

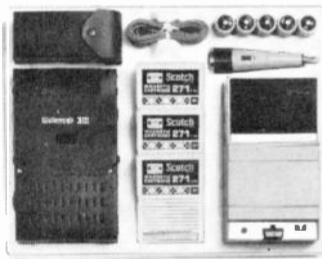
POSTMASTER: Please send Form 3579 to Fulfillment Manager, P.O. Box 430, Hightstown, N.J. 08520.



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

WHAT YOU WANT IS A WOLLENSAK!

The new Wollensak 4100 Cordless Cartridge Tape Recorder comes to you in an attractive, self-merchandising package. It features solid-state reliability, constant speed capstan drive, VU meter, 2 track operation and more! Sensitive dynamic microphone with remote control to start or stop recorder. Deluxe vinyl carrying case with both hand and shoulder straps for carrying convenience. Three SCOTCH® Brand Magnetic Tape cartridges in "Living Letter" mailers. Five standard "C" batteries for complete portability. Patch cord for external recording/playback. And it's backed with a promotion program to introduce the new 4100 to the nation. Get full details from your Wollensak salesman.



This is probably the best battery-powered tape recorder today. This is the new Wollensak 4100!





Get sets to go-go



FOR THE BIGGEST RCA VICTOR PICK OF THE PORTABLES PROMOTION EVER

Portable stereo • Portable radios
Black and white portable TV
Tape recorders that go-go wherever the fun is

And you've got plenty going for you during RCA Victor's "Pick of the Portables" promotion. RCA Victor's exciting line-up of portables offers something for everyone—personal portable TV with the circuits of tomorrow...compact, big screen portables...all-new transistor radios. All with RCA Solid Copper Circuit dependability and the portable features people want most.

And RCA Victor is backing its portable line with the biggest promotion ever: newspapers, full-page ads in Life and Look, plus

others in Sports Illustrated, Time, the New Yorker and Playboy. All this plus TV and extra promotional support that's sure to build traffic, boost sales. So get set with the sets that go-go!

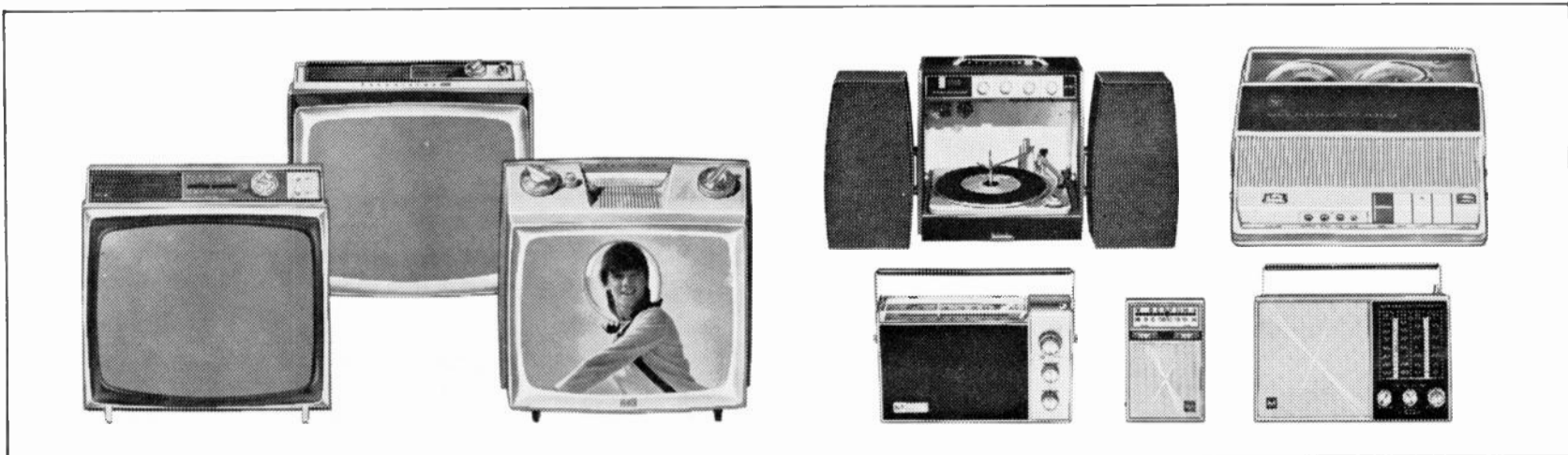
Be sure to attend your distributor's meeting that will feature the only personal portable TV ever built with a Solid Integrated Circuit—the new 12" Minikin!

*Tube overall diagonal/74 sq. in. picture



The Most Trusted Name
in Electronics

Trmk(s)®



The all-steel refrigerator from U.S. Steel: new strategy in a running battle to meet a growing challenge

Who said steel doesn't bend?

In the ever-changing appliance business—where product revolutions boom forth from research laboratories—an intense and significant battle is raging. The steel industry and producers of other materials, primarily plastics, are locked in hand-to-hand combat. The prize: the appliance manufacturer's dollar. And the repercussions are being felt back on the retail floor.

There is fierce competition in the appliance industry, so manufacturers have been seeking to maintain profits by lowering costs; to do this, they have used a myriad of new materials in a variety of applications.

The necessary search by appliance makers has nurtured the growth of the plastics industry (see chart). For example, a leading full-line major appliance producer estimates that it now uses the following amounts of plastic in its products: room air conditioner, 7 lbs.; dishwasher, 9 lbs.; range, 1.4 lbs.; refrigerator, 17.9 lbs.; washer, 12 lbs. And at least two manufacturers have developed small, all-plastic refrigerators in their labs.

How has this affected steel? For the most part, the steel industry—prime supplier to the appliance industry—has ignored the inroads made by the plastic industry. But now, one of the biggest brothers in the steel fraternity is doing something about the problem.

About four years ago, U.S. Steel began its Consumer Marketing Appliance Development Program. The first project was an all-steel refrigerator-freezer. This unit, in all its variations, has now been shown to U.S. Steel's many customers.

"We are interested in the use of design systems to accomplish our purpose. Instead of looking just at the liner (like the plastic industry did), we look at the entire door," says George C. Shenk, consumer industry marketing manager at U.S. Steel. Project Manager John H. Alexander sums up succinctly, "We are interested in maintaining our share of market and reversing the inroads made by competitive materials."

The U.S. Steel viewpoint: U.S. Steel claims that if its appliance-producing customers adopt some of the design ideas in the all-steel unit, they

will be able to cut costs. Work on refrigerator-freezers has already led to other cooperative, hush-hush research projects.

Some of the new developments in the all-steel unit: shelving using vertical standards that are located behind the food compartment liner, shelving made of lower cost stainless steel, a new one-piece steel food liner. U.S. Steel has also been showing a steel fin-type evaporator—the type used in no-frost units.

The new food liner—which can be produced in six steps instead of the customary 21—allows easy cleaning when used together with the new shelving system, according to U.S. Steel, because there are no projections from the side walls (see photo on p.15). Thus, manufacturers can save costs by lowering the steel gauge needed to make a refrigerator line. U.S. Steel is looking to the future with this food liner. The company estimates that 98% of all food liners are steel, but the 2% figure for plastic liners will probably swell.

The decorator possibilities for refrigerators using the system are intriguing, especially since design in major appliances is front and center. "It gives a designer a chance to put fashion on the inside," says Shenk. "We are trying to make the inside of a refrigerator not look like the inside of a bathtub," says Project Assistant Barry E. Anderson. Steel's "inherent capabilities" make it possible to apply designs and patterns, structurally or with paint, says U.S. Steel (see photos).

Here is what would happen if U.S. Steel could merchandise the major components (door liner, shelves, food compartment liner) in its all-steel refrigerator, based on anticipated 1966 unit shipments.

(1) By eliminating all plastic refrigerator door liners, the steel industry could gain sales of about 28,000 tons of steel.

(2) Universal acceptance of the new steel shelving would supplant the use of aluminum, add 6,600 tons to the appliance industry's steel requirements, and prevent a sales loss of 12,200 tons to aluminum.

(3) By "thwarting the acceptance" of plastic for food compartment liners, the steel industry would be able to retain sales of about 75,000 tons.

—Martin R. Miller

Growth rates: compared to

| Year | Major Appliance mfr. sales (in units) | Growth % (over previous year) | Steel to ind. (in units) |
|-----------------------|---------------------------------------|-------------------------------|--------------------------|
| 1965 | 26,456,090 | + 6.38 | 1,7 |
| 1964 | 24,869,500 | +11.49 | 1,7 |
| 1963 | 22,307,000 | + 5.85 | 1,6 |
| 1962 | 21,073,200 | + 8.53 | 1,4 |
| 1961 | 19,416,400 | + 2.43 | 1,4 |
| 5-Year Growth: | | +39.57% | 5-Y |

Source: Merchandising Week's Annual Statistical Report.



An outside view of the countertop version of U.S. Steel's all-steel prototype. At the right is U.S. Steel's George C. Shenk.

**Major appliance sales
steel vs. plastics used**

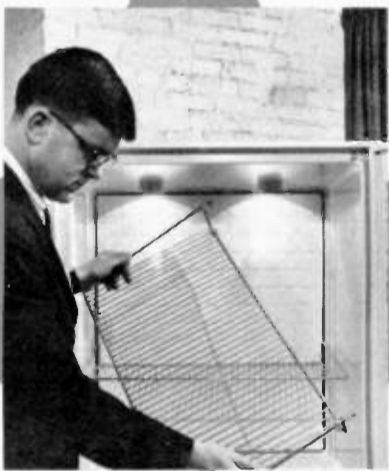
| Steel Sales to maj. app. industry (in tons) | Growth % (over previous year) | Plastics Sales to maj. app. industry (in lbs.) | Growth % (over previous year) |
|--|--|---|--|
| 81,346 | + 2.33 | 145,720,000 | + 39.31 |
| 40,833 | + 6.63 | 104,600,000 | + 51.16 |
| 32,513 | +10.00 | 69,200,000 | — |
| 84,127 | + 5.67 | 3-Year Growth: +110.58% | |
| 104,474 | + 0.96 | | |
| Year Growth: +28.05% | | | |

Note: includes ranges, space heaters, refrigerators, room conditioners, laundry equipment, and dishwashers.
Source: American Iron & Steel Institute.

Note: polyvinyl chloride not included in 1964, 1963; cellulose not included in 1963. All years exclude plastics used for insulation.
Source: Society of Plastics Industry Inc. and Modern Plastics, a McGraw-Hill Publication.



Inside design possibilities of the all-steel unit are shown by John H. Alexander, project mgr of the Consumer Marketing Appliance Development Program at U.S. Steel



A closer look at the new shelving inside the unit. Barry E. Anderson, project assistant, holds the stainless-steel component.

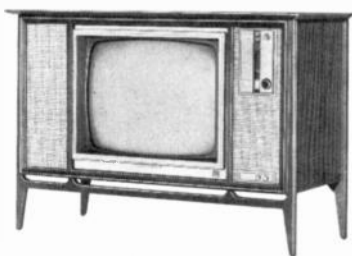
EXTRA CARE makes the quality difference at Zenith



We scrub shoes...to make better TV

In manufacturing Zenith Color TV picture tubes we take great pains to avoid impurities. A speck of dust in a picture tube could work havoc upon the tube's performance. So all employees coming through one of the doors into an area of critical

manufacturing operations first pass over an automatic shoe-scrubber, then walk through a shower of filtered air. Finally, every employee must wear a hospital-type smock. Extra care like this makes the quality difference in Zenith Handcrafted Color TV.



ZENITH[®]

The quality goes in before the name goes on[®]

CHANGES AHEAD FOR BLACK-AND-WHITE TELEVISION: GET READY FOR A NEW MARKET

Black-and-white television, buffeted by the swift growth of color, is on the brink of some amazing changes in marketing and engineering design. And not even Batman can help those unprepared for these changes.

This is what is about to happen:

. . . Every major manufacturer will unveil transistorized b&w sets this year, many battery operated.

. . . Next year, transistorized tv will outsell all-tube sets.

. . . B&w will switch from a primary to a second-set market—from home-owners to the Young America group, the bedroom-backyard-beach market.

. . . Small screens will account for nearly half of all b&w sales.

. . . B&w sales could drop anywhere from a quarter-of-a-million to over one million sets below last year's 7.9 million total—unless the Young America market catches fire.

By 1970, present predictions indicate, over 90% of all b&w sold will be small-screen, transistorized sets (with liberal use of integrated circuitry). But, despite innovation, total b&w sales are estimated to fall another million or more, equaling or slipping below 1961's level.

The case for change

When color television boomed last year it signaled the end of black-and-white's dominance.

"The first set a customer buys today, his livingroom tv, is a color set," says Harris Wood, Philco's engineering director for consumer products. "His second choice is a b&w for the bedroom, backyard, or beach."

And when the consumer does go second-choice hunting:

. . . "He's looking for \$80-\$100 b&w," according to B. S. Durant, president of RCA Sales Corp.

. . . "He wants nothing larger than 19 inches," adds Fred Melius, Setchell-Carlson's chief engineer.

. . . "He doesn't buy transistorized b&w," states Zenith's J. E. Brown, vice president for research and engineering. "We've found transistorized tv doesn't move anywhere near the way all-tube sets do."

So black-and-white becomes the compact of tv—and the automobile people can tell you that "compacts are a limited-volume item."

"O.K., I see why marketing and sales will change," comes the next question, "but why change designs if no one wants them?"

"Because transistors, though expensive now, are the production-

component of the future," answers Philco's Wood.

Prices on the new frontier

The industry is caught between two extremes.

1. The marketplace demands low-priced b&w.

2. Transistorization means high-priced receivers.

Attempting a compromise has so far proven a sobering experience.

Seven set producers marketed U.S. manufactured transistorized tv last year: General Electric, Magnavox, RCA Victor, Sylvania, Warwick, Westinghouse, and Zenith. Among them, they divided up sales estimated at 350,000 sets. (The innovative designs cost the consumer \$30 to \$133 more than all-tube sets.)

"Transistorized designs are inordinately expensive," remarks Zenith's Brown.

Most manufacturers point out, off the record, that their transistorized sets are priced too high. But one executive bitterly complains, "We were too low—we lost the image of innovative quality. The consumer summarily dismissed us with, 'There must be something wrong, it's too cheap.'"

His competitors wish they had his problem. Right now, they say, they are faced with designing a set that works and does not sell for more than a 25% premium. The high price of semiconductors is not helping.

Have kit, will travel

To break into the consumer tv market, semiconductor producers offer what they call "kits." According to publicity releases, these kits have everything the tv engineers want, at a reasonable price. (A kit supposedly contains all the transistors and diodes required to build a set.)

"A complete kit doesn't exist," according to Muntz TV's chief engineer Thomas Duvall. "No one producer can supply all the devices."

"On top of that," adds Admiral's head of monochrome-tv engineering, John Landeck, "semiconductor kits cost about \$12, twice as much as tube kits."

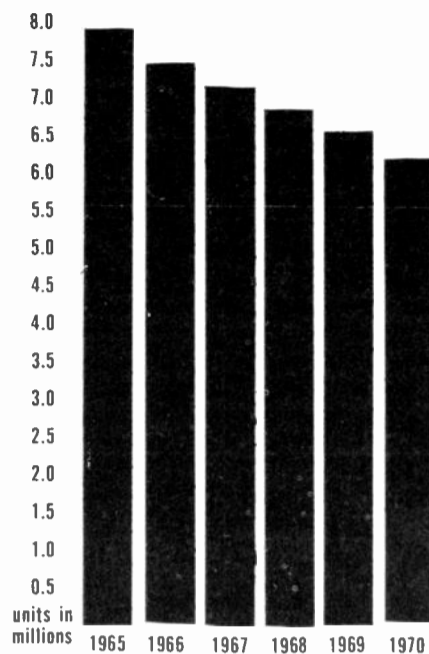
"And," comments John Schumacher, Warwick's chief of electrical design engineering, "if you put your own kit together, from various suppliers, you find that \$6 of that \$12 goes for power or deflection circuit transistors."

To get around this high cost, some

by Louis S. Gomolak
Chicago News Bureau

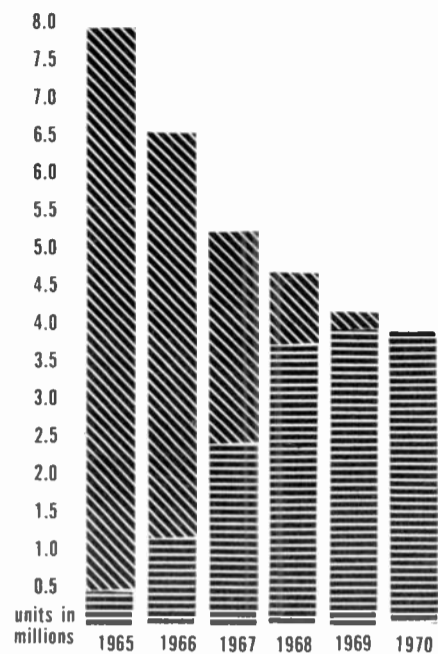
THE OUTLOOK FOR BLACK-AND-WHITE

1. Electronic Industries Association Forecast



Total Sales, All Types

2. A Vacuum-Tube Maker's Forecast



All-Tube Sets
Solid-State Sets

tv producers have designs that eliminate power transistors—they stay with tubes in the deflection circuits.

"Right now," says Setchell-Carlson's Melius, "we think hybridization, a mix of tubes and transistors in the design, is the best approach."

There is some doubt, though. "If we do build a transistorized set," says Fred Hayden, tv-engineering manager for Packard Bell, "it'll probably be a hybrid, though there is some question of how much marketing advantage such a set has."

In large-screen sets, RCA Victor goes everybody one step better. "TRIbridization," says Buz Durant, "is the answer. A mix of tubes, semiconductors, and integrated circuits gives the customer the best product for his money."

David Sillman, engineering manager for Westinghouse tv and radio, dismisses both approaches by saying, complete transistorization is the way to go. He does, however, sound caution: "Kit prices can fool you. The only way to compare transistor apples and tube apples is to compare functions."

He means, for example, does sound amplification cost more when transistorized than with tubes?

"It turns out," Sillman adds, "that for equivalent performance, transistorized functions cost more than using vacuum tubes. You need more diodes, capacitors and resistors, and of a higher quality."

Peter Humeniuk, General Electric's engineering manager for tv receivers, holds out a hope, however: "Even though you do use 35 to 50 more components, their cost should be offset when transistor prices equal tube prices next year, and then drop below the tube tag."

The coming breakthrough

The kits from such semiconductor producers as Fairchild, GE, Motorola, RCA and Texas Instruments are now priced too high for set makers. (Motorola's goes for between \$13.50-\$17; TI's ranges from \$10 to \$12—compared to \$6 for a kit of vacuum tubes for the same job.)

For the larger sets (up to 23 inches) the cost of special power transistors for the deflection circuits means an additional \$9 (list price).

Delco Radio, a division of General Motors, held a monopoly on these devices last year. Now GE, RCA and Motorola have jumped in for their share of a market estimated by Delco's national sales accounts manager

Thomas Hayes "worth a conservative \$12-\$15 million." (A comparison is due: TI estimates the rest of the semiconductor market at about \$6 million.)

But the high cost of transistorizing tv may be changed by a recent Fairchild breakthrough.

According to Bernard Marren, Fairchild's consumer department manager, "We expect to have a complete kit, including deflection transistors, selling for under five dollars this year."

But there are other headaches, besides price, waiting off-stage.

Fighting rising costs

Even though transistor prices drop, tags for other components may be marked up.

"Vietnam has already affected copper wire supplies and tightened the situation in inductive coils and picture-tube deflection yokes," says Curt Hammond, vice president and engineering director of Hoffman Products Inc. Fred Hayden, of Packard Bell, adds, "Deliveries, normally 3 to 4 weeks for coils and transformers, are now three months to a year."

"Not only are walnut veneer prices up," according to RCA's Durant, "but manufacturing costs also are up. The heavy emphasis on color production could be another factor—by forcing b&w prices down. Facilities are going full blast in all areas."

"Other parts of the design also affect transistorized set prices," interjects William Schuster, engineering manager of Sylvania's entertainment products division. "In a transistor set, you have to use a voltage-dropping transformer to get the low voltages that transistors operate on. The low-priced all-tube tv operates directly off wall-socket power."

All of the preceding developments explain why each of the 16 tv producers planning to unveil transistorized tv this year will make them as attractive as possible.

A new marketing story

The industry will ballyhoo fantastic reliability, skin-tight packaging and big power (electric bill) savings. But engineers responsible for designing b&w are a sober lot.

Fifteen out of the sixteen were loath to give specific reliability figures.

But Robert Sanders, Magnavox's director of engineering for consumer products, boldly states: "We guar-

antee our solid-state components for five years."

Magnavox took a b&w design-approach opposite from anybody else—an approach that the color industry is following this year. Sanders puts it this way: "Transistorize your largest, most expensive sets first. The additional cost, percentage-wise, isn't much: \$30 on a \$100 set is a sore thumb—but hardly worth noticing on a \$230 set. And you put out a guarantee that will interest people."

Magnavox's guarantee is based on accelerated life tests, at the company's labs, of more than 1,000 hours. "We proved transistors are 10 times as reliable as tubes, and all other components last longer," says Sanders.

Dorman Israel, executive vice president of Emerson Radio, confirms the above. "We put out a high-priced 11-inch transistorized b&w. Our five-year-guarantee costs were negligible." (Though it was reliable, the set cost too much and was dropped from the line.)

Just how much will a transistorized set cut the average electric bill?

"About \$2 a year," according to Admiral's John Landeck. He holds that the average b&w tv costs \$4 a year to operate, based on six viewing hours daily, 365 days a year, at two cents per kilowatt-hour.

"Not bad," says David Sillman of

Westinghouse, "if the cost difference for a transistorized set is \$10. Within its own lifetime it'll pay for the differential." "And," adds Philco's Harris Wood, "that differential could be zero to \$10 next year."

New dimensions in style

How compactly packaged will the new receivers be?

"All-tube sets will be hard to beat," says Westinghouse's Sillman. "In 1948, a 10-inch set cost \$400 and was bulky, measuring from 17 to 20 inches in depth. Today, a 12-inch set sells for \$100 and is about 10 inches deep."

"Our present 12-incher," adds Sylvania's Schuster, "is 16.5 inches high, 24 wide, and 12.5 deep. To do with tubes what we've done with transistors would require an additional 25% cabinet space."

The cabinet designs of the next year or so should not be too differently packaged from last year's version. The size is dependent now on the picture tube, the tuner, and the loudspeaker. But breakthroughs in these areas are imminent.

Zenith's J. E. Brown gives an additional example. "Our 12-inch solid-state set is the same size as our all-tube 12-incher for one reason: we didn't know how to power a 110-degree picture tube off of the battery



RCA's B. S. Durant (left), Sales Corp. president, and Clyde Hoyt, engineer



Muntz TV's Thomas E. Duvall, the company's chief engineer



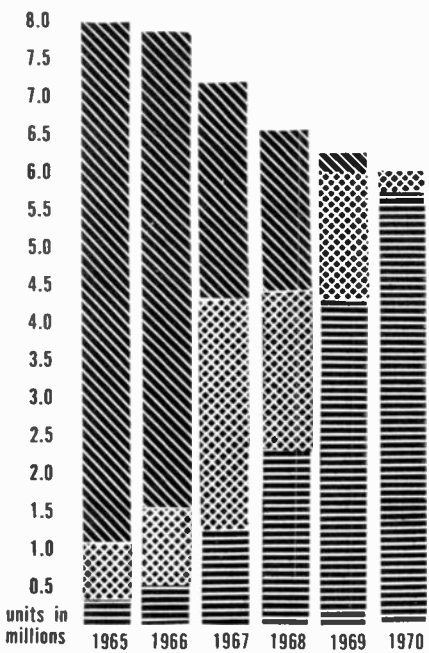
Zenith's J. E. Brown, vice president for research and engineering



Warwick's John Schumacher, head of electrical design engineering

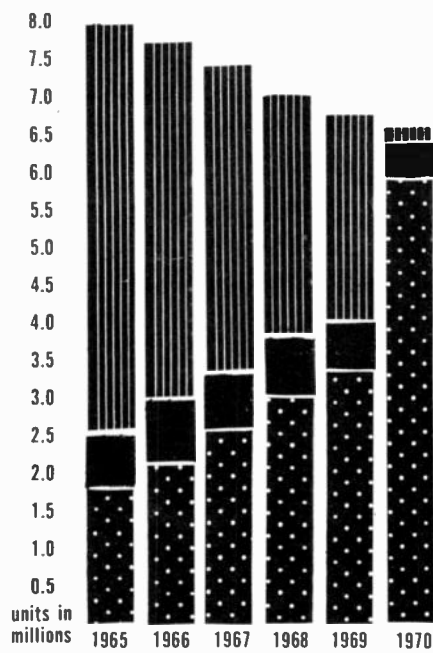
TELEVISION: FOUR DIFFERENT VIEWS




3. A Semiconductor Maker's Forecast



All-Tube Sets 
Solid-State Sets 
Hybrid Sets 

4. A Picture-Tube Maker's Forecast



Screen Sizes
12-Inch & Under 
14-to-17 Inch 
19-Inch & Over 

we decided on for the slimmer cabinet. We stuck with a larger 90-degree tube that used less power in the old cabinet. It left us with plenty of room to play with."

This is the black-and-white picture today. But, by all indicators, this picture will be shattered this year.

What to look for next

The big news this year will be price: American-made, small-screen, completely transistorized tv for under \$100.

Also worth noting: everybody will use transistors; two manufacturers will use integrated circuits; 11 lines will feature battery-powered sets.

Completely transistorized 19-inch sets will be offered by Hoffman, Muntz, Olympic, and Philco.

RCA Victor has already announced its integrated-circuit-and-transistorized 12-incher (MW, 14 Mar., p.15). Other 12-inch unveilings will come from Admiral, General Electric, possibly Magnavox, and certainly a much lower priced, redesigned set from Zenith.

Motorola, according to reliable sources, will uncover transistorized 12-inch and possibly 15-inch sets, and has completed designs for 19- 23- and 25-inchers.

Warwick and Westinghouse will, say industry sources, market usual

sizes, the former offering 12s, 21s, and 23s, and Westinghouse planning 9-, 12-, and 21-inch sets.

Sylvania has the big ace up its transistorized sleeve. Besides a 23-incher, it is reportedly planning to announce a 9-inch solid-state selling for under \$100 at the July Music Show.

One of the best kept secrets, though, concerns battery-powered sets. Most of the companies MERCHANDISING WEEK talked with skated over the subject. Expect battery-powered sets from GE, Hoffman, Magnavox, Motorola, Olympic, Philco, RCA Victor, Sylvania, Warwick, and Westinghouse.

When one of the major battery suppliers was queried on this—the Electric Storage Battery Co. of Chicago—all Robert Ratchford, sales engineer in the industrial marketing division, would say was, "The trend to batteries is up. We estimate a 1966 market of 475,000 units. In 1970 we expect the ratio to be one out of every three sets on the market."

The sales picture

Exactly which way sales will go is the predominant issue in b&w. If the new sets catch fire, there could be a new boom. No one will say anything, but three confidential marketing reports make interesting reading when

compared against the Electronic Industries Association's five-year forecast.

The second graph at the top of these pages is from Sylvania's electronic components marketing group; the third from a major manufacturer of semiconductors; the last from an important picture-tube manufacturer.

Sylvania's is the most startling because it, along with GE and RCA, is one of the major vacuum-tube producers.

Sylvania predicts that total b&w set sales will drop by 1.4 million this year and by another 1.3 million next year, and that transistorized sets will account for almost 50% of the b&w market in 1967.

All three graphs agree that transistorized b&w sets will dominate the market, but the last one forecasts sales of 12-inch-and-under sets moving up to equal sales of all other sizes combined in 1969.

The only thing in doubt in anyone's mind is what total sales will be. The only variable that is unmeasurable is customer taste, and not one of the interviewers would even venture a guess. If the bedroom-backyard-beach market likes what it sees, a b&w boom rivaling color will be on its way.

Young America: tv a-go-go

The manufacturers are aiming at the 18-25-year-old group, the one that skyrocketed records and pocket radio. This group thinks less of reliability and quality than it does of something described as "Fab" (the greatest) or "Boss" (the ultimate).

Past experience with the more sedate homeowner will have to give way to "think young" sales pitches, merchandising, promotion and display. The go-go guys and gals are more impressionable than any other potential sector, as the current batch of well-known disk jockeys has learned to their smiling satisfaction.

What does the Young America set think will sell them? An informal sample of young secretaries came up with the following: cabinets are the sales fulcrum; bright "Fab" colors on the order of OP art and Mondrian (the latter is blocks of eye-popping color outlined with thick black lines); polka-dot cabinet decor is another attractor.

One secretary suggested promoting the sets with matching colored bathing suits by Rosemarie Reed or Cole of California; the other girls

actually got excited at this. Another thought a discotheque-styled display area would attract the customers and dollars—something with a few sophisticated trappings, go-go background music, and possibly "Fab"-type dancing playing on the new tv sets (a video tape recorder would assure the "right" kind of programs). This idea got a few "That'd be boss!"

And another young thing thought of sponsoring some of the local shindigs with live entertainment that has caught on across the country. And why not large billboards (and easy to get to, and well-stocked shops) at Daytona Beach and Ft. Lauderdale during the annual spring migration? One secretary's reasoning: "They've got the money and want to spend it. And they can carry the tiny tv on their laps when they fly back."

A question of timing

Integrated circuits (IC), as RCA Victor has just shown, are the components of the future. But what do the engineers think about IC right now?

"You'll see a lot of IC in b&w tv by 1968," says GE's Peter Hume-niuk. "One big advantage: it could cut production costs by 25%."

"A gimmick right now," points out John Schumacher, of Warwick. "It doesn't improve performance, nor does it cut set size, or cost."

The fact that RCA made its move," says Fred Hayden, of Packard Bell, "will push the other manufacturers to do the same thing." (Zenith is expected to announce any day now.)

"Exorbitant prices," complains Admiral's John Landeck, "and the functions aren't close to what the industry needs."

Buz Durant, RCA Sales Corp. president, counters with, "We don't use IC unless there's a price or reliability or performance advantage. We get better performance in our new 12-incher; we're sure we'll get increased reliability; and no comment on price."

Clyde Hoyt, staff engineer for RCA Victor, says, "We get better sound sensitivity and find there is less sound interference in the picture because we use an IC as the sound intermediate-frequency and discriminator stages."

"IC has one major advantage over discrete components," said Durant, holding up a display board [see photo]. You make one component insertion where 26 were previously needed. With rising manufacturing costs, this is of major importance."

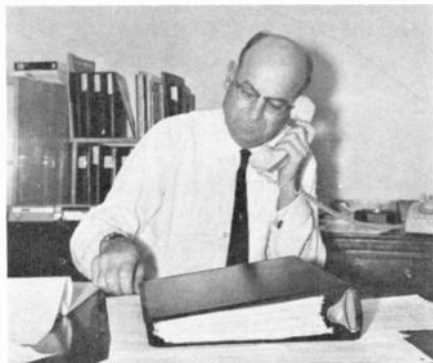
"By 1970," he added, "every set on the market will have some IC in it."

A vision of '76

"I see," surmises Durant, "a slim, rugged, glass picture tube, with the phosphors deposited like sand on the back, and integrated circuitry laid atom-by-atom atop the phosphor coating. Picture power will be transferred individually and directly to each phosphor dot from the integrated circuitry. And I expect this to happen before 10 years."



Magnavox's Robert Sanders, director of engineering for consumer products

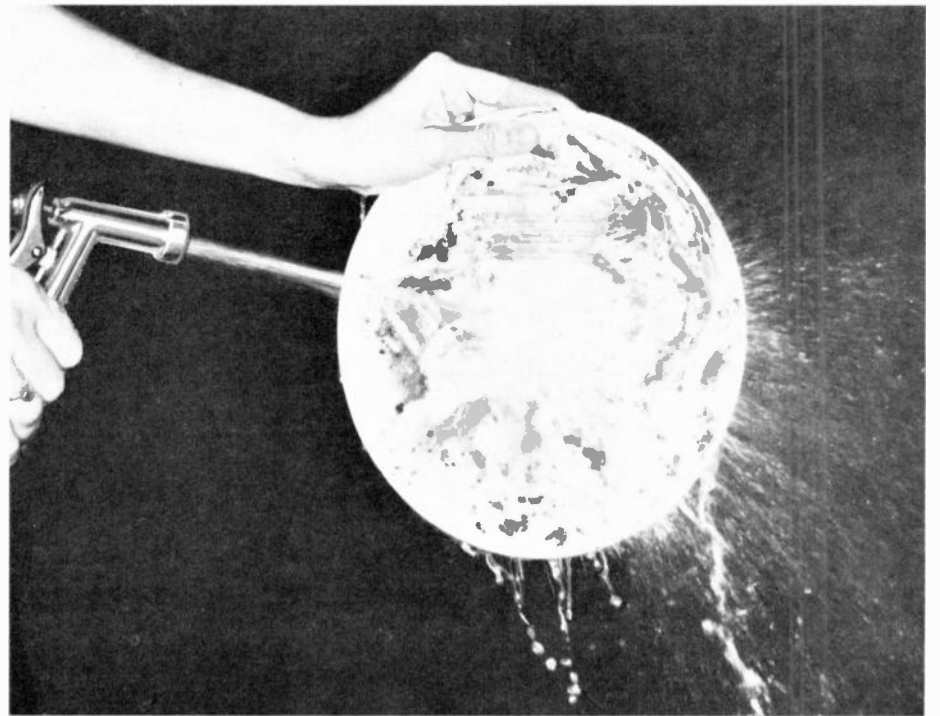
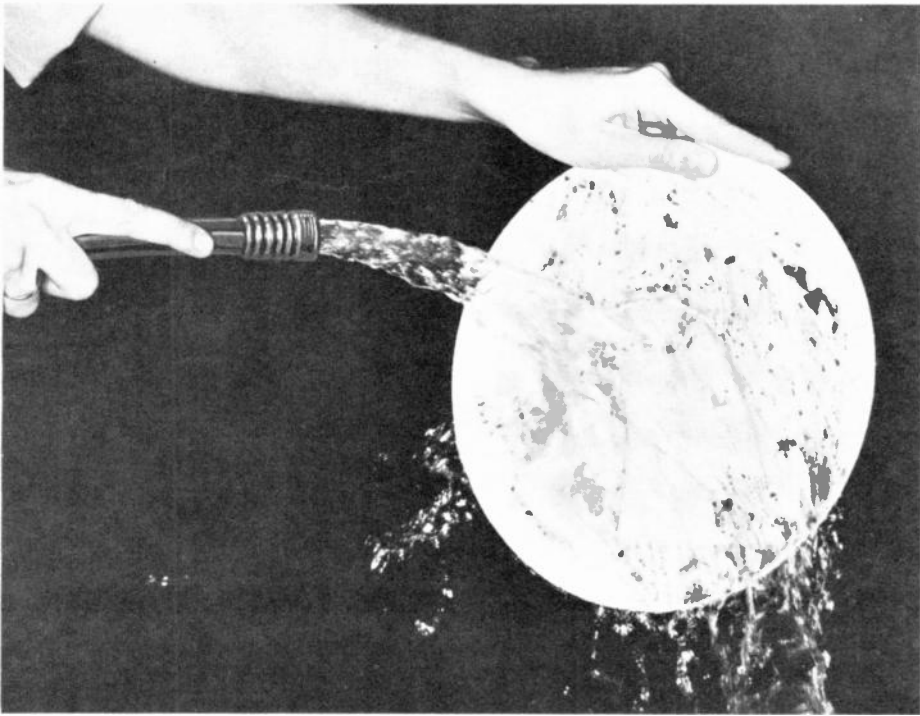


Hoffman Products' Curt Hammond, vp and engineering director

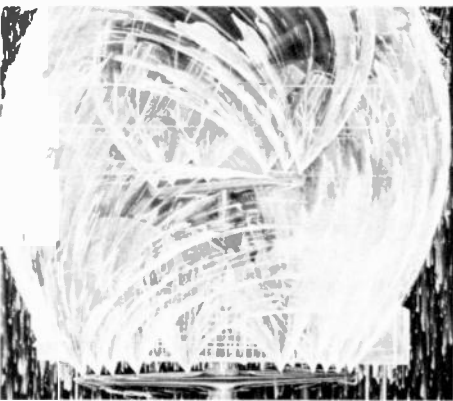


Admiral's John Landeck, chief of monochrome tv engineering

A sales closer only RCA WHIRLPOOL dealers can use:



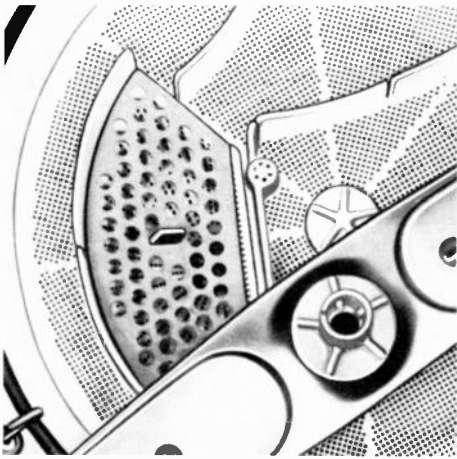
Which do you think will remove the dried-on egg?



High-pressure jet action does the work in an RCA WHIRLPOOL dishwasher. It's like washing dishes with a powerful jet stream from the nozzle of a hose instead of sloshing them around in lazy water. Water rushes through jet nozzles in the two full-size revolving spray arms . . . they're actually scientifically aimed nozzles . . . under pressure so great it could shoot a stream 13 feet high! Instead it's controlled to create that high-pressure jet action washing we're talking about . . . and make the

RCA WHIRLPOOL an even better dishwasher than you are.

But there's more to it than that. Those two full-size revolving spray arms send scouring jets of water sweeping every corner of the tub. There are no water-starved areas in an RCA WHIRLPOOL dishwasher. No place where dishes can escape that scrubbing, scouring action.

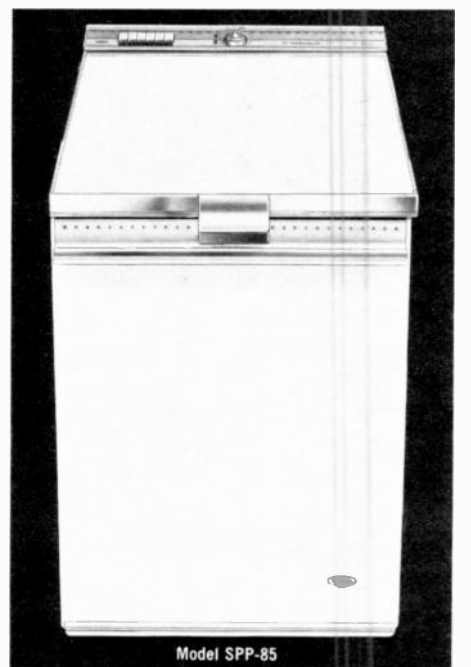


Then there's the full-time, self-cleaning filter that works during

washing and rinsing, collecting food particles and flushing them away after each cycle, so there's no messy filter cleaning. And every drop of water that touches your dishes is filtered. Filter never allows food particles to be recirculated.

This same fine dishwashing is yours whether you choose an undercounter, front-loading portable or top-loading portable. There are ten models in all . . . nine decorator colors.

Dealers: Make sure your next dishwasher prospect hears the high-pressure jet action dishwashing story. It could close the sale on the spot. And make sure she sees all the new colors, too. If you don't have them, your RCA WHIRLPOOL distributor does. Call him.



It's easier to sell an RCA WHIRLPOOL than sell against it!

Price protection moves in to provide a balance of power

Several years ago, electric housewares buyers for department stores and other profit-minded retailers welcomed warmly any line that promised them a 26% markup. At that time, 26% was considered quite respectable. But times have changed, profits have improved, and 26% is being looked upon as somewhat meager.

Pressures for higher markups are so strong—and retailers have been so successful in playing the profit-pressure game—that even 30% is now being looked upon as less than satisfying. And on some name-brand lines, they are making more than that. Proctor Silex's Starflite program is now up to 32%; more price-protected lines are nearing the magical 40%.

Vista vs. Universal

Sunbeam won the hearts of retailers when it introduced its Vista program about five years ago; the Vista program offered a 26% markup on a name-brand line at a time when retailers were lucky to make a 10% markup on any of the top-selling brands—Sunbeam's regular line included. And consignment—the basis on which Sunbeam marketed the Vista program—was worth at least a few extra percentage points, since it did not tie up retailer capital.

Vista wins loyalty

Vista set the pace for a return to profits in electric housewares. Retailers started to push the line; a bit of loyalty had returned to the housewares business. Other housewares manufacturers were encouraged to follow suit, until only GE remained as the last major holdout refusing to offer some type of a price-protected line or program.

GE finally made its move last year. It was greeted with disinterest on the part of some retailers, and was welcomed warmly by others. But the over-all industry reaction to the Universal program was not as warm as that accorded the Vista line several years earlier—despite the fact that GE's Universal program provides a percentage point or two more than Vista, and the Universal and GE names together are more magical than Sunbeam and Vista.

Universal wins mixed reviews

Buyers who have taken on the Universal line generally have nothing but praise for the program, and they report good volume from the line. But there is a group of buyers, including some highly profit-minded buyers, who have shied away from Universal and are willing to take a few potshots at GE. They maintain that the retail pricing on the line need not be as high as it is, and that the line's styling could stand improvement. Some have shied away from adding the new Universal-by-GE line because there are still old Universal closeout goods in the distribution channels.

"Vista came along when we needed it," explained the housewares buyer for a high-end department store that

has not picked up the Universal line. "Now GE needs us and the markup is not that good. I've been doing fine with Vista and other lines." This buyer, incidentally, threw out the entire GE line five years ago—at the height of price footballing.

Citation vs. Starflite

Competition among price-protected lines is developing as a byproduct of retail pressures on manufacturers for higher markups. Not only is there strong and growing competition among manufacturers (e.g., between GE with Universal and Sunbeam with Vista), but at least one manufacturer is also finding there is competition between the two price-protected lines it offers.

Proctor-Silex, in developing a price-protection program, came up with two lines: Starflite, on a direct-sell basis to department stores, and Citation, marketed through distributors for smaller retailers. Citation carries no promotional or co-op money with it and offers a 30% markup. Starflite's department store program includes promotional funds and offers a 32% markup. Products in both lines are similar.

Citation, nevertheless, is moving into department stores—alongside of Starflite. Citation distributors have been successful in encouraging some of their key retailers to handle Citation, in a "game" played like this: The retailer buys enough of the Starflite line to get ad money, but relies on the distributor to back him up and service him with Citation goods. The retailer does not have to warehouse a lot of direct-buy merchandise, yet obtains service from the distributor, which means more and more these days.

Proctor-Silex, of course, could not care less since it makes the same profit on Citation as on Starflite. Privately, Proctor is undoubtedly pleased with the enterprise shown by its Citation distributors.

The balance of profits

The growth of price-protection among name-brands has had at most only a limited effect on retailer attitudes toward their private labels. However, there are indications that buyers are bragging less about the 30% markup provided by most private-label lines, especially when some name-brand lines provide as much or more markup and even more profit because of consignment and distributor servicing. The private label, on the other hand, ties up retailer capital and warehouse space.

Most retailers have put together a profitable merchandise mix in electric housewares. It consists of private labels and price-protected name brands for profits, as well as highly promotional best-sellers for retaining a price-competitive image.

A balance of power now exists in the industry. Of course, there remain limited price-cutting skirmishes and the present balance may fall short of a perfect solution; but, thanks to it, a major price-footballing war is being averted.—*Ed Dubbs*

□□□□ Power tool prices are edging upward, according to trade reports. Distributors indicate there is a general trend toward higher pricing, and at least one power tool producer, Portable Electric Tools, has confirmed reports of a price hike. Portable Electric has increased prices by 1.3% on its Shopmate line.

George Weatherby, vice president, explained that Portable Electric has not increased prices in five years, and during that period there were three wage hikes. The wage increases, coupled with rising costs of raw material, make the price adjustments necessary, Weatherby said.

□□□□ Comb 'N Go moves into supermarkets as Owen Franks seeks to broaden its electric comb distribution. Owen Franks, with headquarters in California and Detroit, tested the Comb 'N Go in supermarkets in Texas, reportedly moving 20,000 units at \$5.95 list in three weeks. Practically all of the product's distribution up to this point has been through department stores.

Franks, meanwhile, reportedly has three new products in the developing stage; all were obtained by purchasing patent rights from inventors. The Comb 'N Go was the first electric housewares product from the firm that also markets Lov-it oven cleaner. Franks is building a new plant in suburban Detroit, at Wyandotte, to produce the electric comb.

□□□□ A new low-voltage outdoor lamp line is being marketed by Cable Electric Products, of Providence, R.I. Cables' line includes a color lighting console unit with four bulbs, as well as a garden kit with six separate lights. The line is using a new Westinghouse miniature reflector lamp that measures only 2¼ inches in diameter and 3⅜ inches long.

□□□□ Toshiba is marketing a new flashlight, which it claims can extend its beam 980 feet at night, reports McGraw-Hill World News in Tokyo. The lightweight flashlight, powered by six 1.5v dry cells, is encased in polypropylene and is designed to float on water. It is selling at \$6.11 in Japan. Plans call for exports to the U.S.

□□□□ Key Moves . . . HAMILTON COSCO promotes Warren W. Pringle general sales mgr of household products, and Richard C. Ellsworth to director of product management. O. U. Mutz joins the company as vp of finance . . . E. R. WAGNER appoints Paul D. Crawford general sales mgr . . . HARDWARE AND INDUSTRIAL TOOL CO. names Mike Vosbikian to vp and general sales mgr . . . EATON YALE & TOWNE appoints George J. Hahn Jr. to the newly created position of staff assistant for marketing and advertising at the heater division . . . LENOX PLASTICS names Joseph Runza director of marketing services . . . EMERSON ELECTRIC appoints Frank R. L. Carlson national sales mgr, electric heat products, for the builder product division . . . NATIONAL UNION ELECTRIC names John Swan public relations director . . . MIRRO announces two new sales reps: Frank E. Alishio, Seattle, for the state of Washington; and Joseph E. Hartnett, Oakland, for the San Francisco area . . . NORELCO elects Richard Q. Kress as assistant vp of the North American Philips Co. Inc.

□□□□ **Solid-state is near for coffeemakers**, sending still another electric housewares product into the sales-magic state. Trade reports indicate that at least two manufacturers plan to market solid-state coffee-makers and may introduce them at the July Housewares Show in time for the fall selling season.

Solid-state controls will be used to automatically maintain coffee below the boiling level and will be promoted as a guard against rebrewing the coffee once it has been made. The solid-state devices will add less than \$2 to the manufacturing costs.

□□□□ **Light dimmers will top 1.5 million units in 1966**, according to trade estimates made last week at the convention and exhibition of the Institute of Electrical and Electronics Engineers (IEEE) in New York City. In 1965, sales were believed to have doubled the 1964 pace, largely on the basis of word-of-mouth consumer acceptance rather than heavy advertising and retail promotion.

Housewares operations are stepping up their promotional activity for electronic light dimmers, spurred, to some extent, by the success smaller retailers have had with the product. Wall-installed light dimmers have been selling well for about \$8 at electrical and electronic specialty stores and hardware dealers, as well as through mail-order firms.

□□□□ **GE is offering specials on five clocks**, plus a consumer refund of \$2 on timers, in its second-quarter program. Suggested retail pricing on the Novel-ette 7299K clock has been reduced \$1 to \$4.98; the Snooz-Alarm 7295K, cut \$2 to \$5.98; the Fan Fare 7313, \$2 to \$5.98; the Fan Fare 7313K, \$3 to \$6.98, and the Wall-Lite 2130K, \$2 to \$7.98. Between June 1 and July 30, consumers will receive a \$2 cash refund by mailing in a carton label from any GE timer. Also offered is a free timer for retail sales persons selling 12 or more GE timers between May 1 and July 30.

GE is introducing four new heating pads in the \$5.98 to \$8.98 suggested retail price range. Each features a push-button control with three heat selections.

□□□□ **Forni succeeds Masterpool at GE:** Anthony F. Forni has been named manager of advertising and sales promotion for GE's housewares division, succeeding Michael M. Masterpool. There have been trade reports for some time that Masterpool would move to the corporate headquarters in New York City; his new post will be manager of corporate public information. Allen G. Bradford has been named manager of merchandising, and Anthony J. Memoli will act as manager of visual art services under Forni.

□□□□ **New packaging for massagers** is being introduced by Oster, the Milwaukee-based subsidiary of Sunbeam Corp. Oster is using 4-color, point-of-display packaging on each of its three home-use models, the Scientific, the Scientific Jr., and the promotional Massagett. All three packages (one is shown) are constructed of chipboard with 4-color printed lines and 4-color display set-up cards. Each of the three models uses a different color scheme.



Vibrant packaging

Manufacturers and retailers cashing in on refund deals

Cash is becoming an increasingly popular consumer premium in the electric housewares industry—among manufacturers, retailers, and consumers.

Westinghouse innovated the idea of offering a cash refund, paid directly to the consumer after the purchase had been made at retail. Westinghouse has been using the promotional tactic several times a year for the past four years. General Electric Co. has picked up the idea of a cash refund promotion, and Sunbeam has offered a similar program on a more limited basis. And other manufacturers reportedly are considering use of this promotional technique.

Price cutting via refunds

Retailers like cash refunds for a number of reasons.

A cash refund offer permits the retailer to feature a low price in big type. The big-type price, however, includes the eventual factory-paid refund; it is not the actual retail selling price.

S. Klein, for example, recently advertised three Westinghouse electric items in New York City. For a promotional can opener, Klein's showed an "original" selling price of \$9.88 and Klein's new "discount" price of \$7.88. The biggest type in the ad was saved for the \$5.88 price—the actual consumer cost of the product after mailing in a coupon for a \$2 refund from the factory. Klein's, of course, collected \$7.88, but was able to advertise a \$4 price cut from its original low selling price.

The refund promotion also frees the retailer from paperwork, since the refund procedure bypasses him by placing all responsibility in the consumer-to-factory relationship. Some buyers also point out that in advertising, a cash refund offer provides more immediate drawing power than a manufacturer's premium merchandise offer.

Giving away more for less

Manufacturers favor the refund for several reasons.

A cash refund promotion does not change the manufacturer's normal pricing structure on a product, as does a limited-time reduced pricing promotion. The refund promotion also encourages the retailer to buy the merchandise solely on the basis of the manufacturer's limited-time refund promotion, rather than on the basis of loading up on the merchandise at lower dealer-cost pricing.

The cash refund also permits the manufacturer to appear to be giving away more than it actually is. One trade source said it can cost the manufacturer less to offer a \$2 refund than to offer \$1 off the normal retail selling price. This is because not all consumers buying an item featured in a refund promotion will remember or bother to send in for the refund. One manufacturer estimated that less than 60% of the consumers purchasing an item during a refund offer actually send in for the refund.

Rounding up the refund

Refund certificates are seldom packaged inside the product carton, chiefly because of the limited-time nature of the promotion. And the refund offer is not made as easily as it could be—for example, by tying it to the return of the guarantee card. The consumer is asked to return the guarantee card to the factory, but an outside marketing organization, with a different mailing address from the factory, actually processes the refund certificates.

GE's three-way insurance

General Electric's second-quarter marketing program covers the three major types of premium offers now popular in the housewares field: (1) cash refund promotions; (2) limited-time reduced pricing; and (3) merchandise premium offers. GE is giving a \$2 cash refund on any timer and a \$3 refund on any vacuum cleaner for limited-time periods. Reduced retail pricing is offered on GE clocks and on Universal items, while merchandise (Famous Freedom Paintings), is offered to consumers who buy any General Electric product during the promotional period.

Cash vs. merchandise

The refund promotions have been "quite effective" for GE's housewares division, points out a GE spokesman; he declined to comment on the percentage of customers actually mailing in for the refunds. GE's merchandise premiums also have been highly successful. The "Famous Freedom Paintings" premium is a follow-up on last year's "Famous Freedom Documents" premium offered by the company.

Sunbeam Corp. offered a variation on the refund premium last year by mailing certificates only to Sunbeam shaver customers, using returned guarantee cards to compile the mailing list. The certificate offered \$5 off the price of Sunbeam's model 777 shaver, which was just being introduced at the time. The results surprised even Sunbeam: 2½ times the expected number of 777s were sold, with most of the credit going to the refund coupon offer.

The Sunbeam twist

This summer, Sunbeam will mail certificates worth a free ladies' shaver (with every model 888 men's shaver purchased) to women who have purchased a Sunbeam hair dryer.

The company sees several pluses in its coupon-for-customers-only approach: it builds a loyal core of Sunbeam users, who feel they are getting a value that customers of other brands are not. And Sunbeam reports that the refunds are a "tremendous asset" in building good retailer relations. Since the coupons are good only if redeemed through a retailer, they serve as a strong traffic builder, yet cost the retailer nothing.

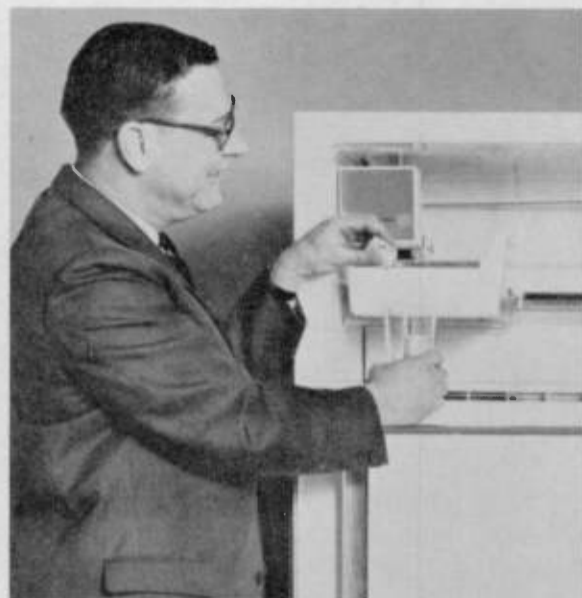
Westinghouse Refrigerators have appeal for both men and women, says Dick Sanford



"As Sales Manager for Westinghouse refrigerators it's my business to know what consumers will buy. With today's bigger shopping loads a woman thinks of capacity and convenience first. Westinghouse has a line of refrigerators that can satisfy both.



Only Westinghouse makes an 18 cubic foot top-mount model for '66. The RJG-89. It's one of 7 models with a 7-day Meat Keeper and adjustable half shelves.



And wait till the men see this automatic ice-maker! Always enough cubes for a party. Makes and stores 175 cubes.



Now take a look at a model that's a real traffic stopper. The 18 cu. ft. RDG-88. The only true French-Door refrigerator-freezer now on the market. Completely eliminates concern for left and right door swing.



Naturally, it's completely Frost-Free like 12 other Westinghouse models. These are the sort of convenience features that make families go for Westinghouse. And turn up the extra profit dollars for you too!



Talk about size, you've got to see this RSH-22. It's the side by side model that's in such high demand. 22.1 cubic feet of storage space in only 35 and 3/4 inches of floor space. No one else can give you more in so little space.



Westinghouse uses Slim-Wall foam insulation for more efficient use of space. And with adjustable shelves you can make this space stretch even further. That's the sort of economy everyone can appreciate.



It's an obvious fact that you make more per unit profit when you sell larger refrigerators. It's also a fact that people who buy larger refrigerators expect more convenient features. The most important fact is that Westinghouse has the models and features to satisfy this demand. Call your WASSCO distributor today and get them."

You can be sure if it's Westinghouse



**SAD . . . about
low margins
on Room Air
Conditioners?**



*Coolerator's beautiful
furniture that cools
lets you sell more . . .
without cutting price*

**HAPPINESS
. . . is a thing
called Coolerator**



In 1966 take advantage of Coolerator's styling breakthrough and selected dealer appointment program. A complete and service-free line lets you sell with confidence and still maintain a full profit margin.

- ✓ Profit Protection
- ✓ Direct Buying
- ✓ Features That Sell
- ✓ Uncompromising Quality
- ✓ The Complete Profit Line

Coolerator®

Manufacturers also of Thomas A. Edison Room Air Conditioners,
Central Air Conditioners, Dehumidifiers, Humidifiers

another
quality
product of



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

Planning to change your address?

Please use this form to indicate your address change. We can best serve you if you can notify us at least one month in advance of your change. Attach the address label from your most recent issue of Merchandising Week in the space provided.

attach present label here

(Please print your new address below)

name & position

company

type of business (if retail, please indicate type of store)

street

city

state

zip

COOKWARE NEWS

□□□□ **Wall shelves are for cookware display**—not just for do-it-yourself sales. Retailers who merchandise wall shelf components in their housewares operations are missing a good bet if they do not show some gourmet cookware pieces at the same time. Abraham & Straus placed gift housewares items on the wall shelves displayed on its housewares floor at the downtown Brooklyn (N.Y.) store (see photo below). The shelves are placed on a wall behind the dinette section, providing additional cross-merchandising by way of table-top displays.



A&S uses gift housewares to perk up its wall shelf display

□□□□ **More color ads are planned for cookware** as department stores seek to play up the fashion angle. Spring housewares catalogs are generally devoting more color pages to cookware—on inside pages as well as on covers. "Color and utility for the kitchen" is the theme used for both imported and domestic lines in the spring catalog of B. Altman & Co. of New York City. Major department stores also will be stepping up use of color ads in newspaper pages and in local Sunday supplements for the May-June gift season.

□□□□ **Premium users are eyeing cookware fashions** as a possible approach. A number of premium users—having successfully promoted Teflon-coated cookware—reportedly are moving toward colorful cookware, especially enamelware, for premium promotions. Teflon-coated cookware is still expected to retain its strong appeal at the National Premium Buyers Exposition, which opens today in Chicago's McCormick Place.

□□□□ **Omelet pans and egg poachers are gaining** in sales at retail. Buyers credit three factors: (1) the Lenten season; (2) increased promotional activity; (3) the appeal of DuPont Teflon. One buyer said he believes the egg poacher is the most practical application of non-stick coatings and singled out the Teflon coating, rather than the Lenten season, as the major spur to sales.

□□□□ **Corning has not ruled out non-stick cookware**, although it remains the only major producer to fail to cash in on the Teflon-coated sales bonanza. Corning officials explain they have been working to perfect a non-stick process—preferably not a coating process—that would be suitable for its glass-ceramic cookware and provide durability. Corning's non-stick efforts reportedly are still in the experimental stage.



“I hope my competitors think that Tappan only makes ranges.”

Ben Thurston, owner of Thurston's Appliance Sales in Sarasota, Florida, has been a full line Tappan dealer for two and a half years. "My customers trust Tappan," he says, "so I can get down to specific selling right away."

Ben Thurston sells the complete line of Tappan Time Machines. Gas and electric ranges. Reversa-Jet dishwashers. Disposers. Twin-Temp refrigerators. Vent hoods. And the incredible new Tappan Electronic Cooking Center.

Not long ago, Ben sold 27 Tappan appliances in one weekend.

"I don't have any special secret," says Ben. "I just think it's easier to sell a brand your customers have complete confidence in — like Tappan."

We told Ben there are still some dealers who don't know Tappan makes such a complete line. "I hope they don't find out," he said.



"My Tappan Time Machines are all hooked up, ready to demonstrate right on the floor. What woman can resist Tappan's Electronic Cooking Center after she sees me bake a potato in four minutes?"



"You hear a lot of claims about dishwashers. But Tappan is the only one with reversing spray arms. They wash first in one direction, then the other. Dishes get clean all over because sticky food can't find a place to hide."



"I can't understand why some dealers sell one brand of ranges, another of dishwashers, still another of refrigerators. It sure makes everything easier to carry the complete Tappan line. Say, you're not going to quote me, are you?"

TAPPAN
Time Machines

The Tappan Company, Mansfield, Ohio • Tappan-Gurney Ltd., Canada

KEY MOVES

Frigidaire—Robert W. Fincher is promoted to assistant general sales mgr of the southern U. S. Floyd N. Cocklin succeeds Fincher as Chicago zone mgr. Richard F. Zoellner is appointed Detroit zone mgr, and Frank F. Hickey is promoted to mgr of the Denver zone. H. J. Walker III is advanced to sales mgr in New York; S. W. Strother succeeds Walker as sales mgr in Pittsburgh; John B. Tritsch is promoted to sales mgr of the Philadelphia sales zone; Robert H. Leslie is moved to the Dayton zone as merchandising mgr; and C. P. Coogan is promoted to merchandising mgr in New York.

Maytag—Earl M. Mathews is promoted to a regional mgr with the

Dallas branch; Carl R. Moe is reassigned to southern Florida; Raymond Hamilton is named to a Kansas City branch territory in northeast Kansas; Michael D. Shay is named a field service assistant at the Chicago branch; Bill D. Newell is appointed regional mgr in St. Louis; James W. Hammon is promoted to a 44-county area in central Kentucky; Coy Page Jr. is named a regional mgr with the Jacksonville branch and will serve 13 counties in southern Florida; Edward L. Rapier is named regional mgr in Dallas county for the Dallas branch; Forrest D. Smith and Louis F. Smith are named field service assistants assigned to the Richmond and New Orleans branches, respectively; and Ronald L. Turley is pro-

moted to a regional mgr with the St. Louis branch.

Webcor—Four district salesmen and three district representatives are appointed: Joseph Basile, Chicago; Leo Kopit, Washington, D.C.; Arnold Abramson, New York City; Leonard Weisman, Philadelphia; and James Cooley & Assoc., Atlanta; Thomas Modrcin & Assoc., Kansas City, Mo., and Kennedy-Lee Sales Co., Denver and Salt Lake City.

Admiral—John R. Kochenbach is appointed to the newly created position of eastern sales mgr, premium division. Joseph J. Soltis is promoted to the position of assistant to C. S. Rossate, operations vp.

To satisfy her secret desire for TEFLON* Lottie Hauser bought a bakeware set.



Our distinguished matron is an example of the strong, silent emotion that loyalty to TEFLON coated cookware has become.

Housewives in 50% of American homes share Lottie's condition because they already own one item of TEFLON coated cookware. TEFLON, you see, has a special way of selling itself.

Our latest research shows that these one-item owners are perfect candidates for resale. They're already contributing to the growth of the market: while the total cookware market was expanding at a healthy 25% rate, TEFLON coated items shot up at a vigorous 170% rate.

Lottie is a symbol of your hot market for TEFLON finished sets, electrics and bakeware.

Remember, Lottie's a cool customer. She's looking for items carrying the Du Pont Quality Seal†. **A demand that can't help growing stronger through our daytime-prime time TV spots: the biggest Spring schedule yet.** Be sure your display of TEFLON coated ware carries our identification.

Because TEFLON enjoys loyalty that's emotional.

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

†Only this certification shows adherence to Du Pont-approved coating standards, assured through continuous surveillance.



Better Things for Better Living... through Chemistry



NEW!

ELECTRO transistorized INVERTERS



Suggested retail...
from \$39.95

Operate TV, radio,
PA systems,
lights, etc.,
from car, boat or
plane battery

YOUR OPPORTUNITY TO QUICK PROFITS

handling the new Electro Inverter line. A natural for campers, sportsmen, etc... everyone wants the convenience of home in their cars, trailers, boats, planes, trucks.

Sales Features

- Simple to operate—just plug in and turn on.
- 125 watt Model TI-100 series and 250-300 watt Model TI-250.
- More dependable performance, in heat or cold, assured by latest design techniques, time proven components.
- Automatic electronic overload protection.
- Charge indicator light gives low battery warning.
- Advanced styling. 3½" h. x 6¼" w. x 6¼" d.
- Full year's warranty.

FREE!

COLORFUL DISPLAY
TIMED FOR SUMMER PROMOTION.



Every camper, traveler and picnicker will want an *Electro Inverter*... It's your opportunity to cash in... Write for details today.

**ELECTRO PRODUCTS
LABORATORIES, INC.**

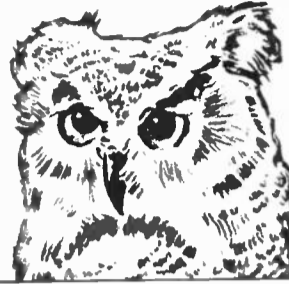
INDUSTRY TRENDS

An up-to-the-minute tabulation of estimated industry shipments of 18 key products. New figures this week in bold-face type.

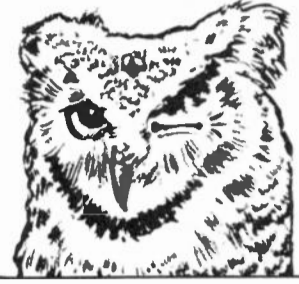
| | date | 1966-5 | 1965-4 | % change |
|-------------------------------------|-----------|------------|------------|----------|
| FLOOR CARE PRODUCTS | | | | |
| floor polishers | January | 83,134 | 90,914 | - 8.56 |
| vacuum cleaners | January | 434,498 | 360,072 | + 20.67 |
| HOME LAUNDRY | | | | |
| dryers, clothes, elec. | January | 125,465 | 92,194 | + 36.09 |
| dryers, clothes, gas | January | 61,924 | 51,981 | + 19.13 |
| washers, auto. & semi-auto. | January | 290,413 | 263,793 | + 10.09 |
| wringer & spinner | January | 28,947 | 41,971 | - 31.03 |
| OTHER MAJOR APPLIANCES | | | | |
| air conditioners, room | January | 264,900 | 232,200 | + 14.08 |
| dehumidifiers | January | 21,200 | 6,000 | +253.33 |
| dishwashers, portable | January | 29,400 | 26,100 | + 12.64 |
| dishwashers, under-counter, etc. | January | 67,500 | 51,900 | + 30.06 |
| disposers, food waste | January | 106,900 | 87,400 | + 22.31 |
| freezers, chest | January | 33,400 | 25,600 | + 30.47 |
| freezers, upright | January | 39,200 | 44,500 | - 11.91 |
| ranges, elec., free-standing | January | 117,000 | 97,800 | + 19.63 |
| ranges, elec., built-in | January | 59,800 | 53,400 | + 11.99 |
| ranges, gas, total | January | 165,000* | 150,700 | + 9.49 |
| refrigerators | January | 393,700 | 344,100 | + 14.41 |
| water heaters, elec. (storage) | January | 82,400 | 76,300 | + 7.99 |
| water heaters, gas (storage) | January | 221,110 | 212,340 | + 4.13 |
| CONSUMER ELECTRONICS | | | | |
| phonos, port.—table, distrib. sales | March 11 | 54,289 | 49,850 | + 8.90 |
| | 10 Weeks | 563,253 | 555,465 | + 1.40 |
| monthly distributor sales | December | 708,229 | 684,234 | + 3.51 |
| | 12 Months | 4,046,015 | 3,417,614 | + 18.39 |
| phonos, console, distrib. sales | March 11 | 40,445 | 30,476 | + 32.71 |
| | 10 Weeks | 410,229 | 288,033 | + 42.42 |
| monthly distributor sales | December | 266,873 | 251,339 | + 6.18 |
| | 12 Months | 1,708,666 | 1,738,675 | - 1.73 |
| radio (ex auto), distrib. sales | March 11 | 264,540 | 205,231 | + 28.90 |
| | 10 Weeks | 2,471,543 | 1,998,430 | + 23.67 |
| monthly distributor sales | December | 1,731,030 | 1,482,883 | + 16.73 |
| | 12 Months | 13,281,698 | 10,771,276 | + 23.31 |
| b&w television, distrib. sales | March 11 | 149,241 | 131,684 | + 13.39 |
| | 10 Weeks | 1,538,223 | 1,505,616 | + 2.17 |
| monthly distributor sales | December | 766,450 | 811,446 | - 5.55 |
| | 12 Months | 8,027,981 | 7,684,960 | + 4.46 |
| color television, distrib. sales | March 11 | 80,796 | 34,776 | +132.33 |
| | 10 Weeks | 694,132 | 382,311 | + 81.56 |

*January total includes 117,100 conventional free-standing ranges, 19,000 high-oven models, 16,400 built-ins, 12,500 set-ins. Sources: VCMA, AHLMA, NEMA, GAMA, EIA.

**SAD . . . about
low margins
on Room Air
Conditioners?**



**HAPPINESS
. . . is a thing
called Coolerator**



*Coolerator's beautiful
furniture that cools
lets you sell more . . .
without cutting price*



In 1966 take advantage of Coolerator's styling breakthrough and selected dealer appointment program. A complete and service-free line lets you sell with confidence and still maintain a full profit margin.

✓ Profit Protection ✓ Direct Buying ✓ Features That Sell
✓ Uncompromising Quality ✓ The Complete Profit Line

Coolerator®

Manufacturers also of Thomas A. Edison Room Air Conditioners,
Central Air Conditioners, Dehumidifiers, Humidifiers

another
quality
product of



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

COMING . . . JUNE 13TH ISSUE

AN EXCLUSIVE
MERCHANDISING WEEK
SPECIAL FEATURE ON
CONSUMER ELECTRONICS
MARKETING

Advertising closing date: June 3rd

COMING . . . APRIL 11TH ISSUE

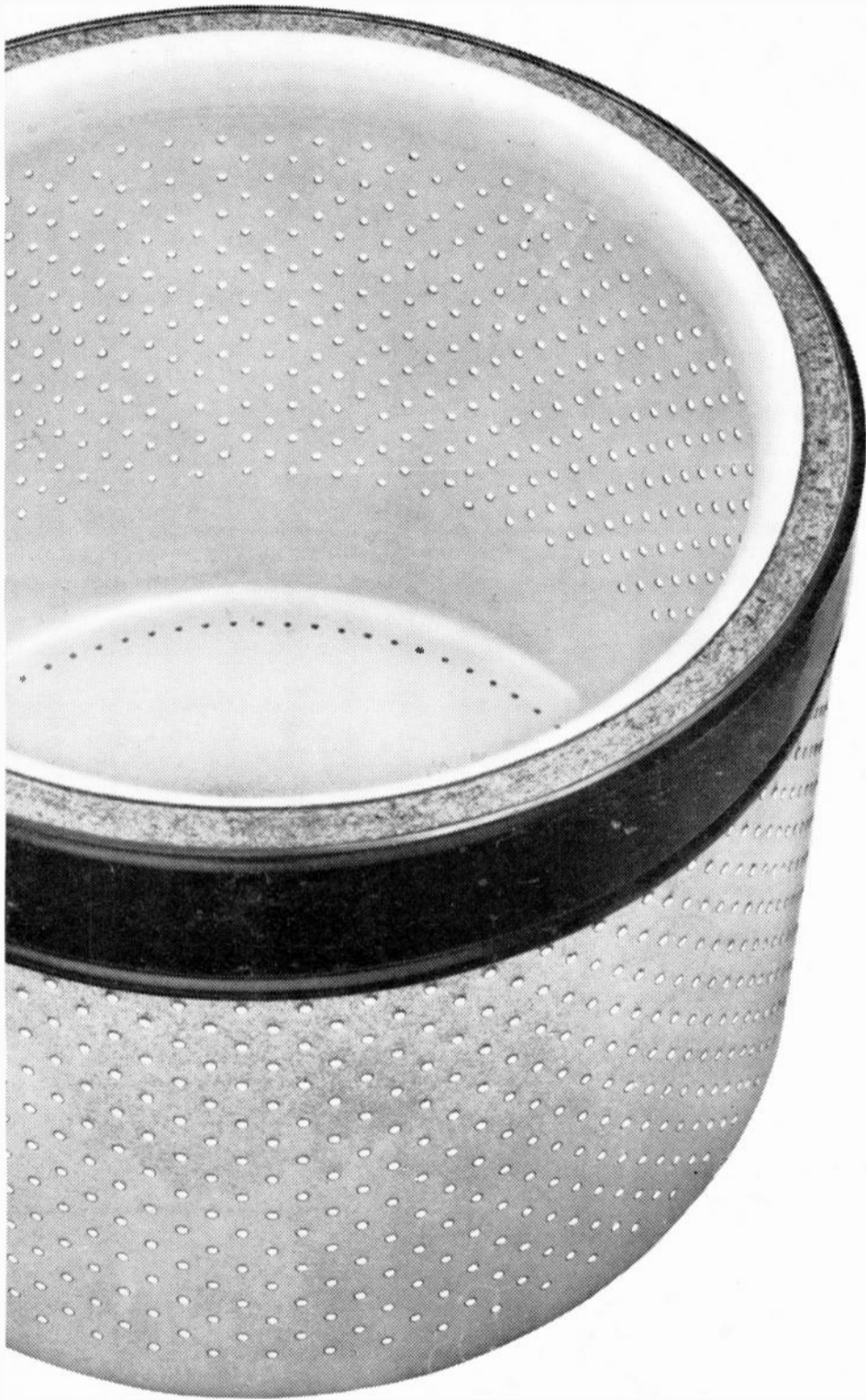
A MERCHANDISING WEEK
FEATURE ON
THE HOUSEWARES
GIFT MARKET

Advertising closing date: April 1st

Salespower from the New Generation Maytags:

Biggest Maytag tub yet...

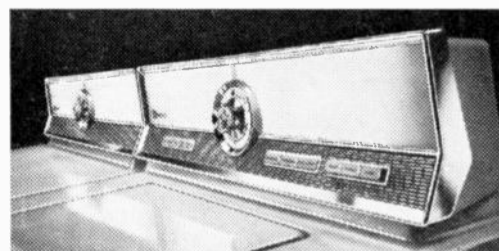
no washer holds more laundry.



No washer on the market today holds more laundry than the New Generation Maytags with the new, large washbasket. This massive-capacity tub teams up with the flexible Power-Fin Agitator to get giant loads really clean. Just by pressing a button your customers can call on the Maytag Washpower™ Automatics to get big washes out of the way quickly. Or punch the "Small" button for light loads, without using a lot of water, detergent or electricity.

All this extra power and capacity inside, and not an extra inch outside. Still the standard 36-inch height, and no more floor space.

Get the complete Maytag story in full color on prime-time NBC television this Spring; more than 36 million Maytag prospects will! (Write today for free record of the Maytag Living Song, featuring the "J's with Jamie.") *The Maytag Company, Newton, Iowa 50208.*



MAYTAG

***for the dealer with a lot of profits in mind ...
The New Generation of Dependable Maytags***