

# MERCHANDISING WEEK

EDITED FOR THE APPLIANCE, CONSUMER ELECTRONICS, AND HOUSEWARES INDUSTRIES

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It's not enough any longer to offer a key employee a watch and a "thank you" as a retirement program. Retailers find it is good business to have pension and profit sharing plans. To see how plans work, what they can mean to both management and employees, and how to set them up, see .....p.13

## AT PRESSTIME

**Cartridges from Japan:** Two cassette-type cartridge tape player-recorders will be introduced under the Sony label at the New York Hi-Fi Show this week. One is a battery-powered portable unit, at \$119.50, and the other is an AC-DC unit with a built-in battery charger, at \$89.50. A number of other Japanese manufacturers will soon get into the tape cartridge act with Philips units (MW, 16 May, p.3).

Sanyo has announced that it will introduce 4- and 8-track cartridge tape players to both the U.S. and Japanese markets by the end of the year. This is the first time a leading Japanese home electronics manufacturer has entered the auto cartridge player market, according to McGraw-Hill World News in Tokyo.

Lear Jet Corp. is negotiating with a Japanese manufacturer to make Lear-type units. Arvin and Nippon Columbia developed a special compatible player (to accommodate both 4- and 8-track cartridges); the unit is now being produced by Nippon Columbia.

**Appliance-tv profits** for the big conglomerate companies—such as GE, RCA, General Motors (Frigidaire), Ford (Philco), and other big diversified

*continued on p.3*



**even one  
bug on the line  
bugs us!**

One thing we can't stand is bugs. At some plants it may take a V.P. and authorization in quadruplicate to stop production dead to get some bugs out. But not here at Whirlpool. We've got over 1788 quality control checks on refrigerators. 1700 on freezers. 2000 on washers. Even 40 on a range clock control. And so on. But . . . when a Whirlpool line supervisor does spot a problem, he waits for no man. He bangs that red STOP button and starts corrective action fast. And we at Whirlpool sleep like babies because we're shipping our RCA WHIRLPOOL distributors and dealers the very best

appliances men and machines can build. They benefit and their customers benefit. So, if you're as hot about bugs as we are, give one of our distributors a call. No obligation. It'd be a sort of mutual admiration society meeting.



Trademarks  and RCA used by authority of trademark owner, Radio Corporation of America

companies in the business—must now be reported. The Securities & Exchange Commission (SEC) has decided on a policy requiring these large companies to report earnings as well as sales on a divisional basis.

□□□□ **Sylvania upped prices** on a majority of its 21- and 25-inch color tv sets by an average of 2.1% at retail. Prices on 19-inch color sets were not affected. Sylvania says the move will mean increases of \$10 to \$25 at retail. However, two top-of-the-line home entertainment centers are up \$55. Prices of b&w tv and stereo phonos were not adjusted at this time. Sylvania, like the other companies that have hiked prices this month, blames the increases on higher costs of materials. (For other price moves, see p.7.)

□□□□ **Fedders will make side-by-sides:** The company will produce the combination refrigerator-freezers at its new Edison, N.J. plant. Fedders' 1967 room air conditioner line consists of more than 40 models ranging in capacity from 5,000Btu to 33,000Btu. Suggested list prices will range from \$99.95 to \$499.95. Walnut-finish panels are featured on 16 models. A new portable series—ranging from 5,000Btu to 8,000Btu—measures 20 inches wide and 12 inches high.

□□□□ **Price lists that deceive consumers** is the charge of the Federal Trade Commission against the Jos. M. Zamoiski Co., the Zenith distributor covering Maryland, District of Columbia, northern Virginia, and parts of West Virginia. The FTC says the company has listed inflated "suggested retail prices" and "dealer costs" on color tv price schedules it gives to retailers. The complaint further alleges that these lists have enabled retailers to deceive consumers by making them believe "they are buying the sets at a low markup or profit margin." The FTC charges that the "suggested retail prices" supplied by Zamoiski are from \$60 to \$145 higher than the suggested retail prices supplied by Zenith Sales Corp. Dealer costs on Zamoiski's price list are for stocking (S) dealers and non-stocking (N-S) dealers, but dealers actually pay less, says the FTC. Zamoiski, with 30 days to reply, had no comment. Some models and prices listed by the FTC:

Model number	Zamoiski sug. list	Zenith sug. list	N-S Dealer cost	S Dealer cost	Reported cost
9351-H	\$995.00	\$850.00	\$800.00	\$775.00	\$750.00
9310-W	799.95	725.00	655.00	630.00	533.74
6521-W	795.00	699.95	660.00	635.00	620.00
8326-H	750.00	675.00	600.00	575.00	550.00
4519-W	675.00	579.95	550.00	525.00	510.00
5320-W	559.95	499.95	460.00	440.00	386.90
5318-W	529.95	469.95	445.00	425.00	400.00

## Spartans devours Korvette; and, guess what, Ferkauf talks

Eugene Ferkauf, who dodged the press for 18 years while parlaying a hole-in-the-wall loft selling luggage into the nation's biggest discount chain, pulled the unexpected last week.

The shy, crew-cut, 46-year-old founder and head of E. J. Korvette gabbed with reporters for about 15 minutes, outlining his hopes and ambitions for the 42-store chain, which has been beset with some serious problems during the past few years.

This unexpected development followed a special meeting of Korvette shareholders, who approved the merger of the chain into Spartans Industries. Spartans stockholders—who met on the same day—also approved the marriage. Spartans winds up as the surviving corporation, but the well-established Korvette name will be retained on all stores.

Thus, the mouse swallowed the cat, with Spartans, a \$322 million retailing and manufacturing complex, taking over control of the \$800 million Korvette operation.

Brooklyn-born Ferkauf was a bubbling optimist. He told newsmen that food was no longer giving Korvette financial heartburn. "It's profitable," he said . . . "a big asset today." Regarding the company's headaches with its furniture and carpet operations, Ferkauf noted that the "hemorrhage that has been stemmed. It's no longer a problem."

Richard M. Dicke, Korvette's outside lawyer, who sat through the press gathering with Ferkauf, observed that "a great deal of work has to be done to tighten merchandise controls." "What's important," said Ferkauf, "is to take this company and do a hell of a job." When Dicke made the comment that "We've



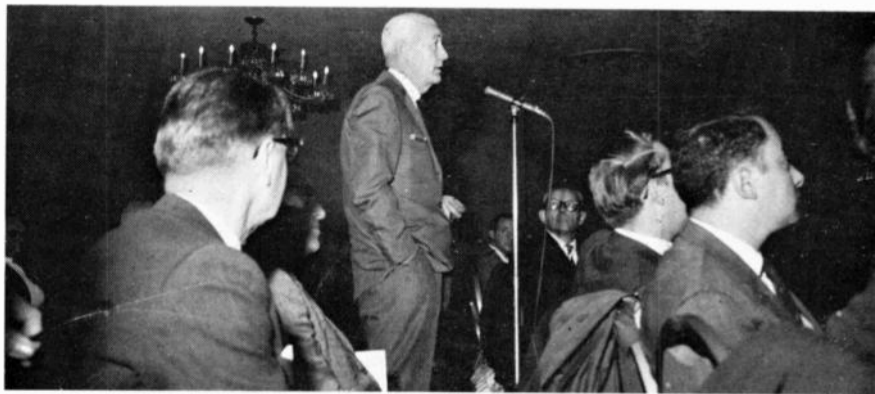
**What Bassine said at Spartans' meeting**

*"We are confident that Korvette will achieve a dramatic turnabout. It's a sound company whose chief problems have been food, furniture, and management. Food is now profitable. And while the furniture operation isn't making any money, it isn't losing any—which is a hell of a plus."*

**The scene at the Hilton on Korvette's day of decision**



*Reluctant Ferkauf bid Korvette stockholders "Good morning."*



got to get this house in order," Ferkauf quickly injected the thought: "Let me put it this way. We need to get the potential out of the company that is there."

A relaxed, smiling Ferkauf wound up with the press and told an associate, "Well, I took it like a man."

At the Spartans meeting, Charles Bassine, the chief executive officer of the combined corporation, predicted a "dramatic turnabout" for Korvette. As for the Federal Trade Commission edict ordering divestiture of Spartans' 93-store, \$200-million chain, Bassine said: "The ink of the order is hardly dry. We're not rushing into it."

He noted that there are several areas open as far as the divestiture of Korvette's 43% ownership in Alexander's is concerned, including a public offering of the stock or sale of the holdings to another company. "We're loose as a goose on the disposal of this stock," he said.

Bassine said that the new corporation had just signed an 80 million revolving credit agreement with five banks, with a stipulation that no new Korvette stores be opened for two years. This excludes the three new Korvette units slated to open by the end of 1967. Later, Bassine said he thought the two-year ban could be shortened. The Spartans stockholder meeting was rather mild—but the Korvette session was marked by frequent outbursts from irate shareholders. Several castigated management for failure to divulge Alexander's sales and profit figures. One called on other stockholders to stand up and "vote against this sellout." His remark drew much applause.

—Dan D. Dorfman

# RCA Victor advertising

Where are most buying decisions made for home-entertainment products? At home, of course. Where these products will be installed. And enjoyed. And where they provide an important element of décor.

So RCA Victor sends its advertising messages "home"—in a tremendous assortment of top-circulation publications, plus the most penetrating schedule of TV program sponsorships and participations ever put behind its products!

Strategically planned for you! The RCA Victor advertising campaign is geared to peak at your major selling periods—to give you powerful sales momentum when it will do the most good. With strong continuous support, week after week! Another reason why it pays to stock RCA Victor!



The Most Trusted Name in Electronics

Tmk(s)®



HIS MASTER'S VOICE



# “hits ’em where they live” — at home!



**NBC TELEVISION—**  
Walt Disney's "Wonderful World of Color"  
AFL Football every week for 21 weeks  
Plus commercials in other prime time programs

**NBC-RADIO'S weekend "Monitor"**

□□□□ **Mass buying of ranges, refrigerators, exhaust fans, and other kitchen items** is being pushed by the House Appropriations Committee. The Congressmen, in giving the Defense Department \$1 billion for military construction, slapped the wrists of the Pentagon purchasing men for allowing individual contractors to choose the appliances they want and then buy them locally. The committee is moving the military toward a system in which requests for all appliances needed for all military housing will be consolidated and handed over to the General Services Administration.

The House Appropriations Committee is trying to spur private house building, too, by urging the Pentagon to rely less on its own units for married servicemen and more on private rental homes put up by private contractors.

Another proposed change that could boost the number of customers for major appliances: ending the requirement that bachelor officers must live on base. If that stipulation were rescinded, there could result a significant increase in the demand for private apartments and homes in towns near military installations.

□□□□ **The television networks** are due to be on the grill next month, when Senator Philip Hart (D-Mich.) reopens his hearings into alleged discrimination against smaller companies. One of the proposals currently being kicked around by Hart's staffers is some kind of "equal time" law for advertising, which would assure all firms that they could have the same access to the best time slots as the big food, cigarette, and cosmetic outfits. The "equal time" proposal, if adopted, would cause a revolution in television programming.

□□□□ **Cheaper foreign goods and components** flooding a market may become less of an issue in the future. The U.S. thinks chances are good that negotiators in the tariff-cutting Kennedy round talks in Geneva can come up with an international code which would define "dumping" in the same way for all major trading nations. One current international problem is that the kind of cut-rate deals which are legal in one market may be considered dumping in another.

The Trade Information Committee, which is responsible for advising Geneva negotiators as to how U.S. business feels about any agreement, last week held hearings to tap industry views. Most witnesses were wary of endorsing any international arrangement until the details are clearly spelled out; but most were inclined to accept the concept of establishing guidelines to specify what a fair price is in international trading.

# Phonola Magnecord is very big in tape recorders.

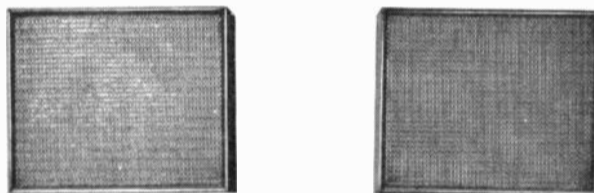
## Are you?

If you're not very big in tape recorders—or even if you are—Phonola Magnecord's imaginative, precision-engineered new line offers great opportunities.

Why? Because as you know, your customers are becoming more and more sophisticated in tape equipment. The Phonola Magnecord line puts you in the happy position of having exactly what they want in a wide price range to suit every pocketbook. It doesn't cost a small fortune... yet it still satisfies the desire for near-professional quality with sumptuous good looks.

You get an exceptionally good profit margin, to boot. Want to hear more? Just contact us.

**PLEASE CALL OR WRITE FOR INFORMATION TODAY!**



MODEL #9003



MODEL #9005



MODEL #9002



MODEL #9001



MODEL #9004

VERY BIG IN SOUND

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

## Share of market statistics: the consensus from Census

A just-off-the-press U.S. Census Bureau report bears out what many in the industry have long suspected: Fewer manufacturers are grabbing a larger share of a larger market. The following table—abstracted from the Bureau's report—was prepared for the Subcommittee on Antitrust and Monopoly; its figures are derived from the 1963 Census of Manu-

facturers. General indications are that more and more power is being concentrated in fewer and fewer hands. One example: In 1958, the four largest refrigerator and freezer manufacturers held 65% of the pie; by 1963, they held 73%. (A total of 31 companies were manufacturing refrigerators and freezers during 1963.)

### WHOLESALE VALUE OF SHIPMENTS

Product category and year	Total (add 000)	Percent accounted for by			
		4 lgst. co.'s	8 lgst. co.'s	20 lgst. co.'s	50 lgst. co.'s
<b>Ranges, ovens, surface units</b>					
1963	\$ 536,748	45%	62%	81%	96%
1958	433,123	42%	56%	75%	95%
<b>Home refrigerators &amp; freezers</b>					
1963	831,821	73%	89%	99%	100%
1958	729,170	65%	85%	99%	100%
<b>Home laundry equipment</b>					
1963	766,068	71%	90%	99%	100%
1958	719,574	67%	87%	97%	99%
<b>Radio &amp; tv sets</b>					
1963	2,070,838	43%	63%	82%	93%
1958	1,481,575	...	...	...	...
<b>Recorders, amps, phonos, tuners, speakers, etc.</b>					
1963	431,102	16%	28%	53%	80%
1958	409,445	...	...	...	...
<b>Phono records, blanks, &amp; prerecorded tapes</b>					
1963	178,699	68%	74%	83%	93%
1958	136,165	74%	81%	88%	97%
<b>Electric housewares &amp; fans</b>					
1963	809,950	35%	49%	70%	87%
1958	543,790	39%	53%	71%	87%

## Infant tape cartridge industry feels its first growing pains

The tape cartridge industry shows signs of being a young giant whose appetite may prove too voracious for manufacturers to feed during its early stages of development.

**A many-pronged promotional effort** by manufacturers, auto makers, and retailers to introduce tape cartridges and players to the consumer this fall may soon create a demand that outstrips production capabilities of the fledgling industry. There are already rumblings and rumors of possible shortages. One West Coast retailer says there "is not enough of the product available now," and an East Coast cartridge retailer maintains there is not enough high-gear production to satisfy demand "if things really take off."

Ethan Caston, vice president of Wallichs Music City, in Los Angeles, says he anticipates a 50% increase in the tape cartridge business. "There could be a shortage," he says. "We will be ordering heavier this fall." Wallichs is now doing about \$500,000 in cartridge business a month and says it is selling all the compatible units (players that accommodate both 4- and 8-track cartridges) available.

"**We have zero inventory,**" reports Lear Jet Corp., which manufactures both cartridges and players. "As soon as the parts are popped out," says Kenneth Miller, vice president of Lear's stereo division, "they are sent to the various duplicating facilities. We ship everything we make every day and our backlog of orders is still piling up." According to Miller, the company is now turning out more than a million cartridges a month and is manufacturing "in excess of 1,000 8-track cartridge players a day."

A spokesman for Motorola echoes Miller's complaint: "We have so many contracts," he says, "that it is becoming difficult to produce enough to meet the demand." Motorola, which claims to be the largest manufacturer of 8-track players, estimates the industry will produce about 200,000 8-track players in the first half of 1967 and 300,000 in the second. Motorola supplies players to RCA and decks to companies such as GE and Packard Bell, besides supplying automobile units to Ford, American Motors, Volkswagen, and the truck division of International Harvester.

□□□□ **A bigger hard goods splash** is slated at J. C. Penney Co. William Batten, chairman of the 1,700-store chain, told a meeting of the New York Society of Security Analysts that Penney's merchandise mix is changing: Hard goods are scheduled for 25% to 30% of the selling space in all new stores and for one third of the space in Penney's catalog. He expressed delight at the "strong consumer acceptance" of the company's private-label (Penncrest) hard lines. Regarding the tight money trend, Batten said some delays in store openings—from late 1967 to 1968—were a possibility should funds for financing become more expensive or difficult to secure.

□□□□ **Norge is launching an advertising "blitz"** in October. The \$1.1 million, 30-day campaign is "the most intensive in Norge's 40-year history," says John S. Wolfe, Norge vice president of sales. Newspaper ads featuring the Norge VHQ automatic washer and the Norge Scot water-rationing washer will run in more than 150 markets. A minimum of 20 color television spots will run every week during the month to hit 75 markets. Magazine advertising includes a 4-color spread to the "Show House" October issue of *House Beautiful*, and pages in *Good Housekeeping*, *American Home*, and *Ladies' Home Journal*.

□□□□ **Admiral and Philco boosted prices last week:** Admiral, which had already hiked prices on 32 color tv models (MW, 12 Sep., p.3), moved into its large-screen b&w line and also re-priced almost all the previously untouched models in its color line. The new prices, which affected only those models not already re-priced, averaged out as a 2.9% increase, ranging from \$5 to \$15 at retail. All b&w sets below the 23-inch category were not affected, nor were prices changed on the 23- and 25-inch color leader models. Philco, while not announcing specifics on its increases, says the wholesale prices on "selected models" of its color tv, b&w console, and stereo hi-fi lines were upped an average of 2.7%.

□□□□ **Maytag is introducing Avocado** as a new color in its appliance line this month. The new color—called Spanish Avocado by the company—ties in with Maytag's Fiesta of Color promotion during September. For the promotion, Maytag dealers are offered a six-unit color display and a Spanish guitar to be used as a premium.

□□□□ **Motorola has expanded its AM-FM radio line** with the introduction of six new models. Representing the lowest-priced, solid-state AM-FM radio yet built by the company, table model TT18C lists at \$49.95. An AM-FM table model with walnut veneers and hardwood solids, model TT20CW is priced at \$64.95. An Early American version is \$74.95. In the AM-FM clock-radio category, Motorola offers model TC11C, a solid-state unit with "sleep switch," to sell at \$59.95. The same unit, with cabinet in walnut veneer and hardwood solids, is \$74.95. An Early American version of the clock-radio is \$84.95.

According to Motorola radio products manager, C. J. Gentry, the industry will sell a total of 4 million FM radios this year.

□□□□ **Toshiba will double its color tv production capacity** to a level of 30,000 sets a month by next spring, reports McGraw-Hill World News from Tokyo. Toshiba will also expand its color picture tube production to 60,000 units a month by the end of the year. Presently, the company is producing 45,000 picture tubes monthly. One of Toshiba's customers for color tubes, Nippon Columbia, is also feeling increased demand for Japanese color tv sets, and is considering entering the color picture tube production next year, reports World News. Nippon Columbia is presently assembling 4,000 color sets a month.

Toshiba, meanwhile, has named a new distributor for the Mid-Atlantic states in the U.S. The Art Gaines Co., of Wheaton, Md., will handle all of Toshiba's new line in Delaware, Maryland, Virginia, eastern Pennsylvania, southern New Jersey, and the District of Columbia.

□□□□ **Kelvinator will hire 200 more employees** in readiness for beginning production in the new \$5 million addition to its Grand Rapids (Mich.) plant. About 500 have already been added to the 2,800 who worked at the Grand Rapids facility a year ago.

□□□□ **FM home radio sales are up 42%** through the first seven months of this year compared to the same period last year, reports the Electronic Industries Assn. (EIA). The comparable 7-month figures—1,893,564 units in 1966 vs. 1,333,916 units in 1965—show that FM sales have increased by better than a half-million units. On the other hand, the EIA figures show that total home radio sales were up only 10.3% for seven months—indicating that FM sales are leading the pack. Other 7-month EIA figures: b&w tv sales were down 22.8% in July, down 2.7% for the period; color tv sales were up 31.3% in July, up 18.5% for the period. Total tv sales in July decreased 9.1%, but climbed 18.5% for the 7-month period.

□□□□ **Tappan will not close its Murray (Ky.) plant.** Workers on strike since June 21 agreed to a three-year contract. Tappan had threatened to close the plant if the union did not end its strike (MW, 12 Sep., p.3).

□□□□ **Whirlpool has set up new marketing areas** by dividing the corporation's southeastern branch sales operation into two marketing areas. The Miami and Tampa sales branches, formerly part of the southeastern region, will become a separate regional operation under Alfred (Elly) Bloom. James C. Johnson will continue as regional branch manager for Charlotte, Birmingham, and New Orleans.

□□□□ **Andrea has a new look in color tv sets:** Its new Theater-in-the-Round is a combo—color tv, phono, and AM-FM tuner with a circular "drum" look and may be turned in a complete circle on a swivel base. List price is \$2,500. (For details see p.10)

□□□□ **Setchell Carlson's new color tv plant** at St. Paul (Minn.) will turn out 300 sets a day. The new facility has a total area of 46,000 sq.ft. Half the plant area will be used for manufacturing cabinets, half for final assembly.

## Playing color tv numbers again: September sales have taken off

A full 70% of the color tv sales calendar year is gone (in terms of Electronic Industries Assn. [EIA] distributor-to-dealer sales figures). The figures for the week of Sept. 9—the 36th week of the year—are in. Statistically, they tell quite a story: The fall sales take-off is under way and the 5-million-unit year can be hit.

**Follow the numbers,** figure the ratios, and it appears that it could be a 4,986,727 year—even without the sudden extra spurt in sales late this month and during the fourth quarter that many industry pulse-takers are predicting. If that boom does materialize—now that the 100% color programming season is under way—the magical 5 million mark will be met easily.

**Calculate this way:** At the 36-week point last year, 54% of the year's sales had been made; 46% of color tv sales in 1965 were closed in the last 16 weeks of the year. If this same ratio—this same sales pattern—holds in 1966, and if this year's 36-week figure of 2,692,833 is projected as 54% of the year's sales—then, the year's total sales will be better than 4.9 million.

But are these "ifs" valid? Yes. The sales figures for the first two quarters of 1966 are now firmly established. Compared with the first two quarters of last year, it does appear that the sales pattern set in 1965—the Year of Color Tv—is holding up remarkably well.

In the first three months of 1965, 18% of the color tv sales for the year were made; during the first quarter of this year, 19% of the year's color sales (based on the 4.9 million projected sales figure) were made.

During the second quarter, 13% of total 1965 sales were made; in 1966, second-quarter sales accounted for 18% of the projected total. Following these figures to their logical conclusion by continuing to compare 1965 and 1966 sales ratios, 26% of this year's sales should be made during the third quarter, and 35% during the final quarter.

Even assuming that these figures are nothing more than mathematical gymnastics—since no one can accurately predict what the unpredictable consumer is going to do nor what shortages might appear later this year—it is still patently clear that sales records are being set.

**A record was set** during the week of Aug. 26, when more color tv sets were sold—105,788 units—than in any other week in the industry's history. During the week of Sept. 2, 105,098 color sets moved between distributor and dealer; for the week of Sept. 9, the total stood at 101,527 units. That is, three consecutive weeks with sales figures over 100,000 units. And the latest figures from EIA show color tv sales as of Sept. 9 are now more than 82% ahead of the comparable period in 1965.

## Westinghouse shows a new line that features side-by-sides

New narrow, side-by-side refrigerator-freezers, a longer air conditioners line, and a lower-priced range with automatic stirrer are the highlights of a Westinghouse 1967 line that is being shown around the country this week.

The side-by-sides have a new size—19-cu.-ft. capacity, 32-in. width—and a new feature—automatic icemakers. There are still two 22-cu.-ft. models (36-in. wide) and two smaller units (11.1-cu.-ft. refrigerators, 8.1-cu.-ft. freezers). The icemaker is available on one model in each size. Retail prices will range from \$520 to \$590.

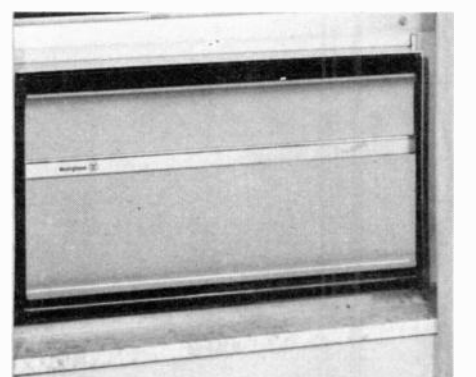
The room air conditioner line contains 29 basic models. (One of the new entries is a 5,000 Btu compact unit with a quick-mount kit.) The middle of the line features 11 models that can operate at either 230v or 208v—"thereby," according to Westinghouse, "eliminating the duplication of products in dealer inventory." The company shows models with woodgrain fronts and with lacquered panels in avocado and antique white. Sizes range from 5,000 Btu to 26,000 Btu; prices from \$100 to \$390.

Six new upright freezers run from 9-cu.-ft. to 19-cu.-ft. Prices, says Westinghouse, will remain relatively stable.

The new electric range, with Westinghouse's automatic stirring feature, will retail around \$230.



A new 32-in. wide side-by-side



Air conditioner with Avocado panel



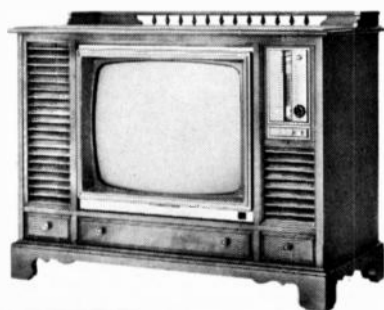
## EXTRA CARE makes the quality difference at Zenith



### We even check the water

Nothing is left to chance in crafting Zenith quality cabinets. Our inspectors start at the very beginning of production. They examine raw lumber for the absence of blemishes and warping. They carefully check every step of construction. They even verify, with ingenious instruments, that the finished, hand-rubbed wood contains

6% to 8% water. Correct moisture content acts as a safeguard against the wood's checking or buckling in the customer's home. Zenith's cabinet production standards are, we firmly believe, the highest in the industry. But so are the results. Extra care like this makes the quality difference at Zenith.



**ZENITH** The quality goes in before the name goes on®



□ □ Home electronics high fashion: Andrea introduces two Contemporary-styled color television consoles. The Andrea Theater in the Round (left) is a drum-shaped console finished in oiled walnut and teak, which revolves upon a swivel base. The unit features an AM-FM tuner and amplifier, a phonograph with a Garrard turntable, and a 25-inch color television chassis. The Theater in the Round carries a suggested retail price of \$2,500. The Andrea Chroma (right) is a 25-inch color set mounted on a chrome base with large chrome casters. The cabinet is enamel with a woodtone finish. It retails for \$799. *The Andrea Radio Corp., 27-01 Bridge Plaza North, Long Island City, N.Y.*



□ □ Marketdyne's Refrigerator Dolly makes it a simple task to move such heavy appliances as refrigerators, freezers, and ranges. The unit has 40 mar-proof wheels and is easy to install. Suggested retail price for the refrigerator dolly is \$9.95. *Marketdyne, Refrigerator Dolly, 1800 North Highland Ave., Los Angeles, Calif. 90028*

□ □ An extra-strong recording tape, which triples playing time without affecting quality, has been introduced by Reeves. It is a 1/2-mil tensilized Mylar-base recording tape that is stretch resistant and can be interspliced or programmed with standard tape without causing differences in playback level. The tape is available in three series: TP-6T in lengths of 600 ft. on a 3 1/4-inch reel, at \$2.72; TP-18T in lengths of 1,800 ft. on a 5-inch reel, at \$6.80; and TP-36T in lengths of 3,600 ft. on a 7-inch reel, at \$11.75. *Reeves Soundcraft, Division of Reeves Industries Inc., Great Pasture Rd., Danbury, Conn.*



“Flame Powered”  
Automatic  
Meat  
Programming

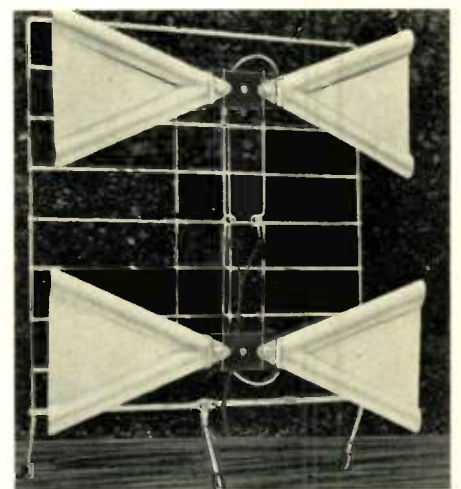
IT'S THE FINEST  
CONVENIENCE IN COOKING!

It's the latest "Flame Powered" control from Robertshaw . . . designed to help you sell more gas ranges. Automatic Meat Programming gives perfect roasting results everytime. Roasts beef, lamb, pork and poultry to just the right degree of doneness desired. Robertshaw's new Automatic Meat Programming measures the temperature of the meat . . . adjusts the cooking temperature as required . . . and "holds" the meat at serving temperature, without further cooking, if meals are delayed. Sell the conveniences and advantages of automatic, "Flame Powered" cooking and build your gas range sales.

**Robertshaw**  
New Stanton Division  
Youngwood, Pennsylvania



□ □ A new Uher portable recorder is being shown by Martel. The tape recorder, model 4000-L, is imported from West Germany. It features a high-frequency motor, a built-in digital counter, and solid-state design, and is equipped for both AC and battery-powered operation. The complete unit weighs less than 7 lbs. The suggested retail price of the 4000-L—including microphone, power supply, dryfit battery, and all-metal carrying case—is \$440. *Martel Electronics, 2339 S. Cotner Ave., Los Angeles, Calif.*



□ □ Snyder's UHF indoor antenna has a goldtone finish and a 3-legged base with no-slide tips. The new antenna, model UHF-1, is for both b&w and color television receivers. Suggested retail price is \$3.95. *Snyder Manufacturing Co., Westmoreland & Stockley Sts., Philadelphia, Pa. 19140*



□ □ SJB's tape cartridge/FM combo is an all-chrome, compatible unit (plays 4- and 8-track cartridges) that can be used in both home and auto. The portable unit, called the Portamount 603M/48 (shown), fits over the drive-shaft hump on a car floor and plugs into any auto electrical system through the cigarette lighter. Suggested retail price is \$169.95. An AC converter, which allows the Portamount to be used at home, lists at \$19.50. A similar tape cartridge player, model ST308/403, comes without the FM radio. It lists at \$129.95. S.J.B., Automotive Division of Martel Electronics, 2339 S. Cotner Ave., Los Angeles, Calif.



□ □ Hardwick's built-in double oven gives double service: Its owner can bake in one of the two 18-inch-wide ovens while broiling in the other, or bake or broil in both at the same time at different temperatures. The unit has an aluminum-trimmed lighted control panel with a clock, a timer, and automatic controls for the upper oven. All the elements are self-cleaning. Oven lights, windows, and a chrome-lined, lift-off upper door are optional. The double oven, model series E-700-61A, is available in brushed chrome and porcelain white, turquoise, yellow, and antique copper. Hardwick Stove Co., Cleveland, Tenn. 37312



□ □ Six new portable stereo phonos are being shown by Sparton. The line will range from \$29.95 for the "Junior Miss," a single-play model with a 3-speed BSR turntable, to \$149.95 for model TR-0464 (shown), with a flip-down Garrard 3000 studio 4-speed automatic changer. The top-of-the-line model features solid-state, dual-channel amplifiers and four stereo speakers in detachable enclousures. It is finished in black leatherette and trimmed with brushed chrome. Sparton of Canada Ltd., London, Ontario, Canada.

ures. It is finished in black leatherette and trimmed with brushed chrome. Sparton of Canada Ltd., London, Ontario, Canada.

□ □ D-L-M's new stereo console shows a cocktail bar with an interior light and a front louver grille. Electronics features include an FM-AM-SW-FM stereo multiplex ready, a self-contained phonograph with a 4-speed automatic BSR changer, push-button switches, and six speakers. The unit, model 45CBF, is available in high-gloss mahogany, walnut, and oiled walnut. The console carries a suggested list price of \$269.95. D-L-M Distributors Inc., 333 North Broadway, Jericho, N.Y. 11753



□ □ Benjamin's phonograph deck with an automatic 4-speed changer is shown. The Miracord PW-50H features finger-tip cueing, an all-metal tone arm lock, positive anti-skating control, square push-button speed controls, an illuminated 4-speed indicator, and a direct-read tracking dial. Suggested retail price is \$149.50. Benjamin Electronic Sound Corp. 40 Smith St., Farmingdale, N.Y. 11736

□ □ Ashworth has a coneless speaker that produces sound from furniture in a room—or from the room itself—when connected with a master sound system. For example, when the coneless speaker—also called a sound reproducer—is fastened to a wall, the wall's entire surface radiates sound and can be used as an auxiliary speaker in a stereo hookup. The unit was demonstrated at The Second International Inventors and New Products Exhibition in New York City earlier this month. The sound reproducer is roughly 2 inches by 2 inches by 2 inches in size and carries a suggested retail price of \$9.95. Ashworth Research & Development Laboratory, Highway 78 East., New Albany, Miss.

**AM/FM  
10 Transistor  
Portable  
Top-Grain Cowhide  
Switchable AFC  
2-Position Tone Control  
AC Power Adapter Jack  
Telescoping FM Antenna  
...another Arvin Best Seller**



(and here are 7 more reasons why you should be selling it)

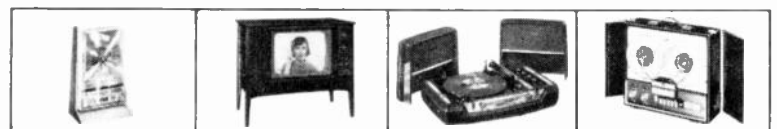
**Arvin AM/FM 10-Transistor Portable**  
Model 66R78. Walnut Leather  
Sugg. retail \$44.95

We know there's more than one reason for selling this Arvin portable radio leader. The kind of reasons that make sense when you're selling to your customers. Important things like the 3-stage audio amplifier for dramatic signal power, smooth indirect tuning for pin-point station selection, big 3" Velvet Voice speaker, earphone jack for private listening, built-in ferrite rod antenna and prestige quality transistors. Arvin adds these features for a reason, the same reason you want in each of the radios you stock: customer satisfaction. Need another reason for calling your local Arvin distributor? Try the fact that he has the longest line of clock, table and portable radios priced from \$6.95 to \$139.95.



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1282-C

RADIOS

TELEVISION

PHONOGRAPHS

TAPE RECORDERS

## WESTINGHOUSE INVITES DEALERS TO "RIDE-A-WINNER"

1967 Room Air Conditioner line  
presented nationally.

Westinghouse distributors are inviting thousands of dealers to view the new line of room air conditioners. The "Ride-A-Winner" presentation, named for three straight years of sales records, will reveal a 28 basic model line.

The broadened line features dramatically new styling and feature innovation. New compact models and Panelaire units are among the pace setters. Also featured are Super Heavy Duty models of 12,000 to 26,000 BTU for large area cooling. New sliding window models which fit horizontal sliding windows and casements, a Westinghouse exclusive, are also to be introduced.

Recalling the industry shortages of this past summer, Westinghouse is urging dealers to take advantage of special "Buy Now" incentives in the 1967 "Ride-A-Winner" program. These include outstanding trips, promotional support and selling ideas.

Four new side-by-side refrigerators, eight new freezers and a special promotional range with an automatic stirrer are also being introduced at the presentation.

*You are cordially invited  
to a special Dealer Presentation  
and a private showing  
of the 1967 line of Westinghouse  
Room Air Conditioners  
Your Westinghouse Distributor  
R.S.V.P.*

You can be sure if it's Westinghouse



# PENSIONS & PROFIT SHARING

## Why retailers are showing a new interest

—“I lost two key employees—a salesman and a serviceman—to Montgomery Ward because Ward's offered them security.”

—“I wanted something for myself, and these plans give you a real tax break.”

—“We have to compete for labor, just as we have to compete for customers. We have to offer at least what everyone else offers.”

—“I didn't think it was right to let a faithful employee go at 65 or 70 with nothing but a cheap watch and a pat on the back.”

Four retailers in four cities giving four different reasons why they began to investigate pension and profit sharing plans.

There are probably as many reasons as there are retailers for devising a pension or a profit sharing plan, but, as Harry Price Jr., Price's, Norfolk, Va., has been preaching for years: “If you don't have one, you'd better get one.”

Perhaps it is because appliance-tv retailers are enjoying greater profits than usual, perhaps it is because they are feeling the pinch for qualified help, but, in any case, there seems to be new interest in pension and profit sharing plans. For instance, at the first session of NARDA's Institute of Management for the advanced group last month, retailers who did not have plans

closely questioned those who had recently installed them.

Like any management tool—and both pension plans and profit sharing plans are management tools—they can either help build a stronger business or, if improperly designed or used, can weaken a business. Where one company needs a pension plan, another will need a profit-sharing plan; where one can best use cash profit sharing, another should have a deferred plan, and still another should have a combination of cash and deferred.

There is no one magic plan for every business—indeed, one of the beauties of these plans is their tremendous flexibility. A plan can be tailored to fit a business better than a hand-made suit can be made to fit the owner. But one of the first questions management must ask itself is: “Do we need pensions or profit sharing at all?”

Yes! bankers, insurance executives, and certain enthusiastic managers will say. “The day has passed when an employer could turn a faithful employee out into the cold at 65. Society won't let him do it. His other employees don't let him do it,” says one insurance executive.

“The most expensive plan,” says another company, “is no plan at all.” Instead of firing the elderly employee to let him live the best he can

on Social Security, the company without a retirement plan keeps him on the payroll where he blocks promotions and, as he grows older, drags down the organization's efficiency.

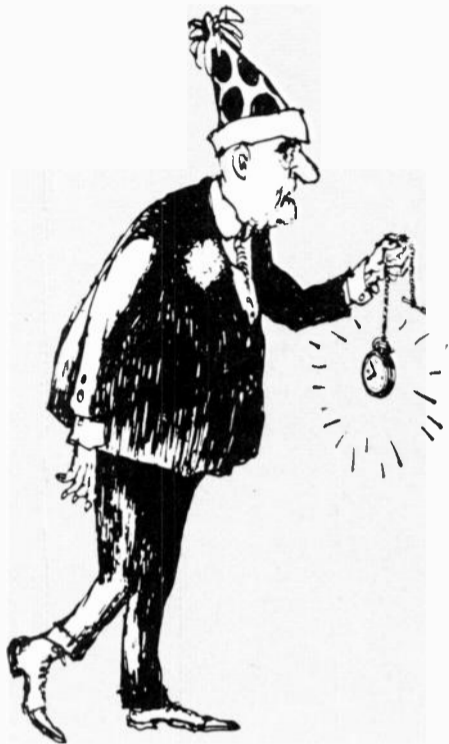
This is not to say that every employee should be retired at 65. It is to say that a business should be able to retire an employee when it is in the best interests of both.

Some retailers will say, however, “I don't need a retirement plan. I'm going to sell the business in ten or fifteen years.”

“In ten or fifteen years,” counters Carl F. Aichele, assistant vice president, Lincoln National Life Insurance Co., “buyers are going to be smart enough to look at the ages of the employees. If there are older people on the payroll who will have to be retired, the cost of retiring them will come out of the selling price.”

On the other hand, not every retail organization can afford a pension or a profit sharing plan. And, as the experts caution, no one should stumble into a plan.

The next four pages outline the principles of pension plans and profit sharing plans to keep retailers from stumbling. Before looking into the plans, however, management should have some idea of what it wants: pensions, profit sharing, or both.



By Wallis E. Wood

## The two key words: ‘incentive’ and ‘security’

“Profit sharing is an incentive system and a productivity booster,” says the Council of Profit Sharing Industries, a trade association. Companies who have profit sharing plans hope to improve employee morale. “The key to growing, healthy profits, our members believe, is a bond between the employee's thinking and his company's,” says the Council.

“A pension plan provides an orderly flow of payments, usually monthly, to a retired person,” says the U.S. Chamber of Commerce. The

payments are determined in advance by the plan's formula and usually last as long as the pensioner.

A profit sharing plan may also be a retirement plan—that is, when an employee retires, the plan may give him monthly payments—but the employee has no way of knowing what the payments may be. The two key words, therefore, are *incentive* and *security*: profit sharing or pensions.

If most employees are younger people, say under 45, who are not particularly concerned with retire-

ment security, management should probably look first at profit sharing plans.

If most of the employees are older, they probably would be more interested in a pension plan.

Here are some of the other differences between a typical profit sharing plan and a typical pension plan. Not all the contrasts are as sharp as they may seem because of the multitude of variations that are possible. But as a guide, the table below is helpful.

### DIFFERENCES between profit sharing and pension plans

	Typical profit sharing plan	Typical pension plan
<b>Purpose</b>	To encourage employee incentive	To provide fixed retirement income
<b>Contributions</b>	Dependent upon profits	Fixed on actuarial basis
<b>Benefits</b>	Indefinite	Definitely determinable
<b>Allocation of earnings and contributions</b>	Must be allocated to accounts of each employee	No allocation required
<b>Forfeitures</b>	Allocated to accounts of the remaining employees	Must be used to reduce the employer's cost of maintaining the plan
<b>Risk of loss during working career</b>	Employee bears entire risk; his benefits depend on employer's capital gains or losses	Employer bears entire risk; gains or losses do not change benefits, merely raise or lower employer's costs
<b>Vesting</b>	Usually after a reasonable time	No specific requirements
<b>Ownership</b>	Employee owns his specific portion of the trust's assets	Employee has right only to pension payments, no right to trust assets
<b>Method of benefit payments</b>	Usually lump sum	Annuity
<b>Employer's title to assets upon termination of plan</b>	None; assets belong to employees	Entitled to all assets in excess of those required to pay plan's benefits
<b>Maximum deduction basis</b>	Based on compensation	Based on cost of pensions
<b>Benefits before retirement</b>	Yes	No, except for incidental benefits

Source: The Council of Profit Sharing Industries

# PENSION PLANS

## Why retail management will find the

The concept is simple. The employer sets aside some money each year. It is invested. It grows. And when an employee retires there is enough money to give him something each month for the rest of his life.

The concept is simple, but between concept and a functioning pension plan are dozens of decisions, esoteric language (like "contingent annuitant," "deposit administration," "group permanent"), and enough complexities to boggle the mind.

Luckily, the decisions are the kind most managers make all the time; the language can be translated (see the glossary at left); and most complexities can be left to specialists.

**Why brave the complexities?** One specialist, Jean M. Lindberg, a senior vice president of the Chase Manhattan Bank in New York City, has said that among the reasons why management will take the trouble to devise a pension plan are these:

- It reduces employee turnover.
- It improves employee morale by reducing worries of future income.
- It is accepted by employees as a reward for long service, rather than as a form of charity.

—It is a graceful way to remove superannuated employees from the payroll.

—It permits the employer who must retrench to remove high-cost, low-producing, elderly employees from the payroll.

—It opens up a promotion avenue on which younger employees can travel.

—It helps attract new employees.

"A further advantage to the employer, often overlooked, is that maintaining a sound, funded, and qualified plan is actually good accounting practice," said Lindberg. "It charges to the current productivity of the employees the cost of their future retirement payments. Therefore, it does not saddle future management, future stockholders, and future employees with costs for past performance and productivity."

**The tax treatment** is another big advantage. Uncle Sam gives a qualified plan—qualified, that is, in the eyes of the Internal Revenue Service—these benefits.

—The plan's cost is a deductible business expense. As the Connecticut General Life Insurance Co. points

## Advantages and disadvantages of the

Money an employer contributes to a pension plan may go into insurance, a bank trust fund, or into a combination of the two. Since there is friendly rivalry—sometimes called open competition—between insurance agents and bankers, the prudent businessman will discuss his ideas with both his banker and several insurance agents.

**An insurance contract** offers security. Insurance companies talk of guarantees: a guaranteed minimum interest, a guaranteed protection against capital loss through investment, a guaranteed lifetime income. But to get this security, a fund usually loses something; bankers will argue that it loses growth. But for those who want the security, here are two common insurance arrangements:

1. The employer buys an annuity policy each year for each employee the plan covers. The insurance com-

pany guarantees that it will pay the annuity when the employee retires. The annuity, of course, is very small, but as the years go by the annuities add up, so that the amount the employee receives each month becomes significant.

2. The employer contributes to a retirement fund administered by an insurance company which guarantees an interest rate. When an employee retires, the employer buys an annuity policy from money in the fund. The insurance company guarantees monthly payments for the pensioner's life.

One caution: insurance agents, who, after all, earn a living from the commissions on what they sell, have been known to oversell insured pensions plan, to recommend one bigger than a particular business warrants.

**A bank trust fund** is not as sure a thing, but a banker will argue that,

## The questions a retail manager must

To set up a plan, management must find expert advice and make some decisions about the business. Management must ask itself a series of questions to which there are no right or wrong answers, but only choices that are better or worse for a given business. Questions like:

—Who will be covered? All employees? Salaried employees? Those who have five years with the com-

pany? Those who have reached a certain age? Some combination of these?

—How will the employer's contribution be figured? Some percentage of the covered employees' annual wage? The cost of an annuity? Some other criteria?

—When does an employee receive his benefit? When he retires? When he is disabled? Should his beneficiary

## GLOSSARY

### the language of pensions and profit sharing

**Annuity:** a fixed sum, payable monthly, guaranteed for the participant's life.

**Contingent annuitant:** an option whereby the employee, by electing a lesser annuity than that to which he is normally entitled, can assure continued lifetime annuity payments to a specified person (generally his wife) if she survives him.

**Deposit administration:** a plan under which contributions are accumulated in a fund until an employee retires, at which time a lifetime annuity is bought with money from the fund.

**Excess plan:** the retirement benefit is based on earnings in excess of a specified amount—generally those not covered by Social Security.

**Final earnings:** those used to determine a retirement income—generally averaged over the five years prior to retirement or over the five highest paid years during the last 10 years of employment.

**Fixed benefit:** retirement annuity formula where the benefit is based on a fixed percentage of each year's earning multiplied by total years of service. For example: 1% of each year's earnings for each year of service.

**Flat benefit:** retirement annuity formula where the benefit is based on a flat amount—such as \$2 per month—times years of service.

**Funding (Financing):** the method of accumulating the money needed to pay benefits to retired employees.

**Future service:** service performed by an employee after he becomes eligible for participation in a plan.

**Graded retirement:** the practice of extending the normal retirement age for older original participants; i.e., those who, on the effective date of the contract are near or beyond the normal retirement age.

**Group annuity:** a plan under which the annuity accruing to the participant is purchased annually and guaranteed. The yearly amount payable at retirement equals the sum of the annual purchases.

**Group permanent:** a plan that provides both insurance and retirement benefits. Permanent life insurance is provided until retirement, at which time it is cancelled and the cash value of the insurance is used to buy the lifetime annuity.

**Guarantees:** the safeguards under an insured plan: minimum interest on funds, protection against capital loss through investment, period of protection against rising annuity rates, lifetime income to participants.

**Maturity funding:** a group annuity contract under which there is no advance funding. Benefits are bought when the employee retires.

**Money purchase:** a plan under which the annual premium is a fixed percentage of the employee's total earnings, and the retirement annuity is that amount which can be purchased by the premium each year.

**Option:** that provision which gives a participant an alternate method of receiving retirement income.

**Participant:** an employee covered under a plan.

**Separate account:** arrangement between an insurance company and a client through which a part of the money paid for a pension, retirement, or profit sharing plan is allocated separately for investments.

**Split at Social Security:** a fixed benefit formula that provides for a certain percentage benefit on earnings taxable under Social Security laws, and an increased percentage benefit on earnings above that amount.

**Split funding:** jointly funding a single plan's retirement benefits by an insured contract and a trustee (uninsured) plan.

**Vesting:** a provision that gives an employee who leaves the company the right to all or a portion of his accrued retirement income (or portion of his profit shares), provided certain age or service requirements have been satisfied.

**Widow's benefit:** income for a participant's widow if he dies before retiring.

Adapted from a Connecticut General Life Insurance Company brochure.

## pension concept worth the trouble it takes to implement a plan

out, "The employer, in effect, invests much less than a dollar to buy a full dollar's worth of pension."

—Interest and profits that build up in the money set aside (in the trust fund) are tax free until they are taken out of the fund.

—Even though the employee's benefit is being set aside for him, he does not have to pay tax on it until he actually receives it. By that time he is likely to be in a lower tax bracket and not have to pay much tax on what he does get.

—If the employee contributes to the plan, his contribution is taxed as part of his income, but the profit his contribution makes in the fund is not taxed, until he receives it.

—If the entire benefit is paid in one lump sum, the employee may report as a long-term capital gain the amount over his contributions. That is, the most this money will be taxed is 25%.

Because of this tax treatment, "executives in a high personal income tax bracket benefit greatly through the deferred compensation feature of a pension plan"—to use Connecticut General's words.

At the same time, a plan cannot be a tax shelter for stockholders, executives, or highly paid employees. If it appears as though a plan might be, the IRS is going to cast a cold eye on it.

**The general rules are these:**

—Employees must be treated as a group. The plan need not cover every employee, but if the plan says that employees must be 30 years old and work five years for the company to participate, then everyone who meets these criteria must be covered.

—Contributions or benefits may not discriminate in favor of officers, highly paid employees, or stockholders. However, since benefits can be based on salary and length of service (and who is likely to have the highest salary and longest service?) executives can receive their share of the benefits.

—The contributions or the benefits must be determined actuarially, all reasonable expenses considered, and the effects of mortality and interest calculated.

—The plan must be in writing, and as such is often a trust agreement.

**What will a plan cost?** The most honest answer is: "That depends." It depends on who the plan will cover, what the benefits will be, the amount of turnover, how fast the trust fund grows, what the business can afford, and other factors unique to each business.

Enthusiastic insurance agents and bank trust officers have been known to say that any business can afford a pension plan, but this is not quite true. Jewel Maness and Dick Runyard of Whirlpool's Educational Center have analyzed scores of appliance-tv businesses and they feel that if a retailer does not have 10% to 20% of his annual sales available as working capital, he should not take on a pension or profit sharing plan. That is, if the store's annual sales are \$500,000, management should have \$50,000 to \$100,000 in assets that can be quickly converted to cash.

If a retailer does have sufficient working capital, he should figure on paying into the plan at least 7% or 8% of the total annual salary of those employees the plan covers. (If he does not have sufficient working

capital, he has a big problem and should work on it, not on a pension plan.) For example, a store has nine employees, five of whom will be eligible for the pension plan. These five (including the owner) earn \$45,700 a year. This retailer should have at least \$3,200 a year available for the pension plan.

Two last points about cost: the cost of a pension plan, while it can be made somewhat flexible, goes on pretty much the same year after year. With a profit sharing plan, however, management does not have to contribute anything to the plan in a bad year when there are no profits.

On the other hand, if a business is cash rich, a pension plan may be the best way to keep the money. The IRS limits contributions to a profit sharing plan to 15% of total annual salary of the participating employees. To use the same case as above, the most this retailer could put into the fund would be \$6,835. Depending on the plan and its benefits, he could put more than this into a pension trust. But he would still have to do it every year.

## three different types of pension plans available

over the long pull, such a fund will have a faster growth than an insurance fund.

One banker has said that in the 10-year period 1951-1960, representative pension trust accounts "indicated a 5.64% yield after including realized gains and losses. In addition, there was unrealized appreciation of 13½%."

As a fund's trustee, a bank will safekeep securities; collect income; watch for called bonds, conversion privileges, and the like; advise investments; executive purchase and sale orders; receive and deliver securities; furnish statements; render a full accounting every year; pay pensions; discuss plan provisions, funding methods, and other problems.

**A combination plan** offers more security than a trust fund alone, more growth than insurance alone. Some money goes into insurance, some in-

to a trust fund. One point to consider: in a bad year when the business cannot afford the contribution, management can take money from the trust fund to pay the insurance premium. Do this too many years in a row, of course, and there will not be any trust fund left.

The National Appliance & Radio-Tv Dealers Assn. offers a combination plan to its members. Here, as an example of how a combination plan works, is the way the NARDA plan is set up:

Assume a dealer, age 47, invests \$150 a month in the plan. Half this money goes into a group annuity, half into a mutual fund. The group annuity has these provisions:

—If he retires at 65, he can receive a lifetime income of \$111.04 a month, plus accumulated dividends; or 20-year income payments totaling \$20,680.63 plus dividends; or a lump sum cash settlement of \$16,-

350.30 plus accumulated dividends.

—If he is permanently disabled before his 60th birthday, he would receive \$319.57 for 36 months as a disability payment, plus any cash dividends which may have accumulated.

—If he dies before retirement, his beneficiary would receive the death benefit or the guaranteed cash value, whichever is greater. Any dividends would be extra.

His total guaranteed cash value at 65 is \$16,350.30, exclusive of dividends. If he takes it over a 20-year period, he or his beneficiary is guaranteed \$20,680.63.

Dividends, which for this example are based on past experience and *not* guaranteed, would amount to about 18% of investments, or \$2,704.49 at the dealer's retirement. If he takes them over a 20-year period, he would receive about \$3,672.99.

Therefore, if the dealer takes 20

years of annuity payments, he would receive \$20,680.63 (guaranteed) plus \$3,672.99 (more or less) or \$24,353.62. For this he would pay \$16,200 (\$75 a month for 18 years). He would also have his mutual fund investment.

Mutual fund salesmen become quite cagey when someone asks exactly what will happen to their money. There is no way to know what will happen to \$75 invested every month for 18 years. One hopes it will grow.

In an attempt to show what *can* happen, one fund—not the one NARDA uses—gives this example: if a dealer invested \$200 in 1946, added \$100 a month for 20 years, reinvested all dividends and capital gains, he would have put \$24,200 into the fund. His shares, 20 years later, would now be worth \$75,000—a tidy nest egg to start one's retirement.

## ask in order to choose the best plan for his particular business

receive it if he dies before retirement?

—When should an employee retire? Age 65? 70? Some other age?

—How should an employee receive his benefit? In a lump sum? Installments over a period of years? As a lifetime annuity? His choice?

—Should employees contribute?

—What sort of vesting should an employee have? Should he get some

part of his benefit if he quits before retirement? What?

Once management has weighed all the factors and decided on the basic provisions of the plan, the plan is drafted by an attorney. The attorney prepares a trust agreement, the employer adopts the plan, and the employer and trustee—bank, insurance company, mutual fund, or whoever—sign the trust agreement. The em-

ployer and the trustee tell the employees about the plan and advise them of their rights and benefits. The employer submits the plan to the IRS for a "determination letter" and deposits money in the trust.

One recommendation from the experts: start with a conservative plan. If the business prospers, a plan can always be amended to liberalize the benefits. While a plan can also be

amended to restrict the benefits, to do so will—as one gentleman understates it—"probably result in employee dissatisfaction."

Management should review the plan at least every five years to be sure it still fits the business.

Of course, if management decides a pension plan is not the best thing for the business, it may want to look into profit sharing plans.

# PROFIT SHARING PLANS

## The benefits retailers could gain from an employee profit sharing plan

"It is amazing what a great variety of things profit sharing can be to different people. It is incentive. It is loyalty-building. It is a sense of responsibility. It is a device for communication or it is communication itself. It is a platform on which you can build your whole company story, attitudes and objectives. It is savings for your people. It is periodic rewards. It is a retirement pay plan. It is a termination pay plan. It is a vehicle for providing loans in distress.

"Profit sharing is the most versatile concept and tool available to business management for expressing its sense of responsibility to its people."

The enthusiastic executive who said this is Robert W. Galvin, president of Motorola. One reaction to such enthusiasm is to ask, "If profit sharing is so good, why don't more

retailers have plans for employees."

Stanley D. Noble, director of the Council of Profit Sharing Industries, will say, "More retailers should have plans." Noble feels that retailing can benefit from profit sharing because every employee has an effect on customers, and, if the effect is good, sales—and presumably profits—will improve.

Profit sharing has been around for a long time—Procter & Gamble has had a plan since 1887—but the real growth has come only recently. The Council says that, of the approximately 50,000 deferred profit sharing plans that now exist, half have been set up in the past five years.

And, while one of the Council's functions is to spread the profit sharing gospel, Noble will agree that profit sharing is not for every retailer. If profits fluctuate wildly from year to year, or if there are no

profits to share, management has problems profit sharing probably cannot solve. As the Council says in its literature, "Profit sharing is no substitute for good management."

A profit sharing plan can do many of the things a pension plan can do: reduce turnover, improve morale, attract good employees. It does not give an employee the same security because he has no way of knowing what exactly his benefit will be when he retires because he does not know what future profits will be. It does give management a little more freedom: no profits, no annual contribution (though perhaps heart-to-heart talks with the employees).

**The tax advantages** Uncle Sam gives to qualified (that word again) deferred profit sharing plans are these:

—Money contributed to the plan is a deductible business expense.

—Interest and income the trust fund earns are tax free until they are taken out of the fund.

—The employee pays no income tax on his share until he receives it.

—Employees' contributions are taxes as income, but the money their contributions earn are tax free as long as it stays in the fund.

—If the fund pays the employee a lump sum when he retires, it is taxed as a long-term capital gain, not as ordinary income.

—If the employee dies and the fund pays his beneficiary his share, this also is taxed as a long-term capital gain. It is not part of his estate, is not taxed as an inheritance.

**To qualify** for this special tax treatment, the IRS says:

—A plan must not discriminate in favor of officers, shareholders, supervisors, or highly paid employees.

—A plan must be for the exclu-

## Advantages and disadvantages of cash, deferred, and combination plans

The three forms of profit sharing are cash plans, deferred plans, and combination plans. And just as a retailer can tailor a pension plan to fit his own business, he can, within these three broad categories, make a profit sharing plan that will fit his business exactly.

**In a cash profit sharing plan,** management simply divides up a share of the profits among the employees. Management can hand out these goodies at the end of the month, quarter, or year. According to the Council such a plan has these advantages:

—There is an immediate incentive to improve productivity, cut costs.

—It is a tangible reward on a regular basis.

—All the employees like it; money talks.

—Women and younger employees tend to prefer cash plans.

—Employees can see the direct relationship between profits and the distribution.

—It is simple to administer, simple to explain.

All is not beer and skittles. Cash plans have their weaknesses:

—They do not require IRS approval because there are no tax advantages. The employee's share is taxed as regular income.

—There is no fund built up for retirement, separation, disability, financial emergencies, or death.

—These plans fail at a greater rate than deferred plans.

—Employees are apt to consider the cash as their due, and, in years when there is little or nothing to share, they may become surly.

**A deferred profit sharing plan** has the tax advantages that make it such an attractive way to take money out of the business. At the same time, the Council points out, it has this:

—The business builds a flexible fund which can provide for employee retirement, severance, disability or death, and financial emergencies.

—As the employee's share grows, it builds a long-term incentive.

—Few deferred plans are terminated; the Council says less than 2%. Deferred plans do not have the

same immediate incentive cash plans have, however. It may be difficult for a young employee to see how the profit a business contributes to his share makes much difference. One way around this problem is rapid vesting. That is, an employee becomes eligible for the plan after he has been with the company one year, six months, or even 90 days.

A common form of vesting is this: an employee has 10% vesting after the first year, 20% after the second, 30% after the third, 100% after the tenth. This means that, if he quits after working two years, he gets 20% of his share; if he quits after 10 years he gets his whole share. What happens to the other 80% of his share if he quits after two

## Decisions managers must make before setting up a particular program

How does a profit sharing plan work out in actual practice? What can a plan mean to the employees and a store owner? Here, using numbers from one company's brochure, is an example:

Assume the retailer's annual before-tax profit is \$50,000, and assume the corporation makes a \$15,750 contribution to the profit sharing trust. This is 15% of the annual payroll of \$105,000.

Without profit sharing, the company's taxable income is \$50,000 and the tax it would pay is \$20,500. This leaves \$29,500 available for dividends.

With profit sharing, the company's taxable income is \$34,250 (\$50,000 less \$15,750) and the tax would be \$12,310. This leaves \$21,940 for divi-

dends. In other words, the \$15,750 contribution cost \$7,560.

**What happens to the owner?** He has 100% of the stock, is paying himself \$40,000 a year. Without profit sharing he would have a before-tax income of \$69,500 (\$40,000 plus \$29,500 dividends). On this he would pay a tax of \$31,065 which would leave him with \$38,435.

With profit sharing, his income would only be \$61,940 (\$40,000 plus \$21,940 in dividends). On this he would pay a tax of \$26,281. His after-tax income therefore would be \$35,659—only \$2,776 less than he would have without profit sharing. He would, however, have his share in the profit sharing fund: 15% of \$40,000, or \$6,000. If he were 50,

contributed \$6,000 a year, and if it grew 4% a year, he would reach 65 with \$120,512.

The numbers are equally attractive to other employees. Assume the sales manager is 45, earns \$16,000 a year. If the company contributes a 15% a year (and because this is fiction there is no reason to imagine it won't), he would receive \$2,400 a year as a profit share. If this \$2,400 earns 4% a year—not an unreasonable assumption—by the time this man reaches 65, his share will be worth \$74,880.

**For the employee** who is earning \$7,000 a year, the figures work out something like this: assume he is 40 years old and the business is able to contribute 15% a year. His annual share therefore is \$1,050. Assume

it grows only 1% a year (and in real life it ought to do better than that). By the time he reaches 65 his share will be worth \$29,694.

All of these figures are variable. In the last case, if the man earns more, his share will be larger. If the company is not able to contribute 15% a year, his share will be smaller. If the fund earns more than 1% a year, his share will be larger. If he contributes something, his share will be larger.

**To set up a profit sharing plan,** management again must know what it wants to do and have some ideas of what is best for the company and the employees. The Council has prepared a worksheet that covers some of the points management should consider before establishing a plan.



sive benefit of employees, their beneficiaries, or estates. (But a business in which all of the stock is owned by one person can qualify.)

—It must have a formula for distributing benefits.

—It must have a formula for dividing the contribution the business makes among the employees. This formula can remain a secret between management and the IRS; management does not have to throw open the books to employees. Of course, if the employees believe management is holding out on them, the plan's purpose will be defeated.

—Management must tell the employees about the plan. More than that, say the experts, the plan must be sold to the employees.

**Funding the plan** is fairly simple: the business may contribute as much as 15% of the annual wages of the participating employees into the

fund. For example, a store has nine employees, seven of whom are eligible for benefits. These seven (including the owner) earned \$59,700 last year. The business can put as much as \$8,955 into the fund (15% of \$59,700). And instead of being taxed on profits of \$14,700, it would be taxed on profits of \$5,745. (This retailer's sales last year were \$500,000.)

While some retailers might chafe under the 15% limit, there are carryover provisions so that, if the business can not afford the limit one year, it can make it up the next.

**One caution:** there is no lower limit. A business could contribute 1% of the employees' annual salaries. But, the Council asks, how much incentive is 1% (and how much security does 1% buy?), and suggests that, to be meaningful, the contribution should be at least 5%.

years? It is divided among the people left in the fund.

Some retailers do not like this feature of profit sharing plans: "Why should I pay a man for ten years and then have him quit and set up a store with what I've put in the profit sharing fund?" One answer is, "If a man is going to quit after ten years, he will quit whether you have profit sharing or not." Another answer: set up the plan so that an employee cannot collect his share until he retires.

**A combination plan** is a way to have one's cake and eat it too. Part of the contribution goes into a trust fund, part into the employee's pocket. Such a plan can have this option: the employee can take the cash if

he wants or he can put it into the trust where he does not have to pay tax on it. The IRS must approve a combination plan to get the tax advantage.

**Other differences** between cash plans and deferred plans are:

—Deferred plans allow employee contributions.

—An employee may be able to borrow against his share. This feature can mean that, if an employee needs money to send a child to college, buy a house, or pay hospital bills, he will not quit to get his share.

—Administration of a deferred plan is more complicated than a cash plan. The plan usually is administered by a committee with some employee representation.

The worksheet, available from the Council, makes these points:

—First review other employee benefits, including compensation. Profit sharing will not take the place of a living wage.

—Find competent legal and technical advice to guide a plan through the tangle of state and federal laws, the Internal Revenue Code, and the Fair Labor Standards Act.

—List the problems the business has that profit sharing might help solve: high turnover, absenteeism, waste, poor cooperation. Design the plan to meet these problems.

—Review the profits for the past three years. Deduct the amount required for business needs: dividends, return on investment, capital improvements or general reserves.

Is there anything left? Is it enough to make a significant contribution to a profit sharing plan?

—Decide which employees will be eligible for the plan.

—Decide which plan is best. Cash? Deferred? Combination?

—Devise a formula that will allocate the profit sharing contribution among the participating employees. Should everyone get a percentage of their annual compensation? Should older employees get service credit?

—Decide on a vesting formula. Should an employee be fully vested after 10 years? 15 years? Longer?

—Decide how the employees' accounts will be closed out. Lump sum payment? Pay installments over a number of years? Buy an annuity contract? Some combination of these?

## 7 CAUTIONS

### comments, advice from men in the know

1. "Don't expect profit sharing to substitute for competent management," says the Council of Profit Sharing Industries. "It cannot produce profits, even in normal times, if management can't."

The same sort of thing can be said about pension plans: don't expect a pension plan to solve all the store's personnel problems. A well-designed plan can solve certain problems in certain stores.

2. "Don't just copy another firm's plan, even in your own industry," says the Council about profit sharing, a comment that is equally valid when applied to pension plans. "Your objectives, your size, your potential differ from other companies."

3. Don't go into profit sharing unless you are willing to accept the worker as your 'partner in business'—with whom you will share appropriate responsibility and information as well as profits," says the Council.

This caution has been misunderstood: "I didn't get into profit sharing any sooner," says Ezra Landres, Certified TV & Appliances, Norfolk, Va., "because it was my understanding that you pretty much have to open up your books to everyone who works for you." This is not true, and Landres and his partner have now established a profit sharing plan.

4. "Evaluate existing plans; obtain competent advice from professionals," says the Council. "I went to three different insurance agents in town," says Richard Donaldson, Puff's Appliance Center, Petoskey, Mich. "I told them what I was looking for and about how much money I wanted to put into it the first year. All three submitted proposals and they were fairly similar, but one agent specialized in this work and really knew his product. The other two fumbled around. I took the plan from the agent who knew his business."

5. "Don't expect profit sharing to work unless you contribute enough to motivate your employees," says the Council. At the same time, a business does not have to start with a wildly liberal plan. Like pensions, a profit sharing plan can always be liberalized later.

"An employee has to be with us for two years to participate in our profit sharing plan," says Harry Haga, Jr., Harry Haga Co. Inc., Lynchburg, Va. "I am going to cut this down to 90 days because I want to get the employees into the plan quickly."

6. "Don't go into profit sharing unless you are willing to expend time and energy communicating the philosophy of profit sharing to employees, stockholders and management at all levels," says the Council.

"Dear Fellow Worker: It has come to my attention that we have failed to keep you adequately informed about our profit sharing trust," begins a letter from Harry Price, Jr. to his employees. "From now on, we will send you an annual statement each July . . ." The letter goes on to describe the trust's progress and tells each employee his share.

7. "Don't let the program get rusty," says the Council, "Review it periodically to keep it in tune with the rest of your company objectives and other programs employed by progressive managements."

**For more information**, the Council of Profit Sharing Industries, 29 North Wacker Drive, Chicago, Ill., 60606, has brochures, worksheets, and advice.

The Profit Sharing Research Foundation, 1718 Sherman Avenue, Evanston, Ill., 60201, publishes *Profit Sharing In Perspective* (1966, \$8.50) by B. L. Metzger, which covers the subject in tremendous detail. The foundation also publishes brochures and articles.

The Pension Research Council of the Wharton School of Finance, University of Pennsylvania, has published *Fundamentals of Private Pensions* (1964) by Dan M. McGill, which covers pensions in detail.

For Rodrigues' comments, turn the page ➡

# rodriguez looks at

## pensions and profit sharing



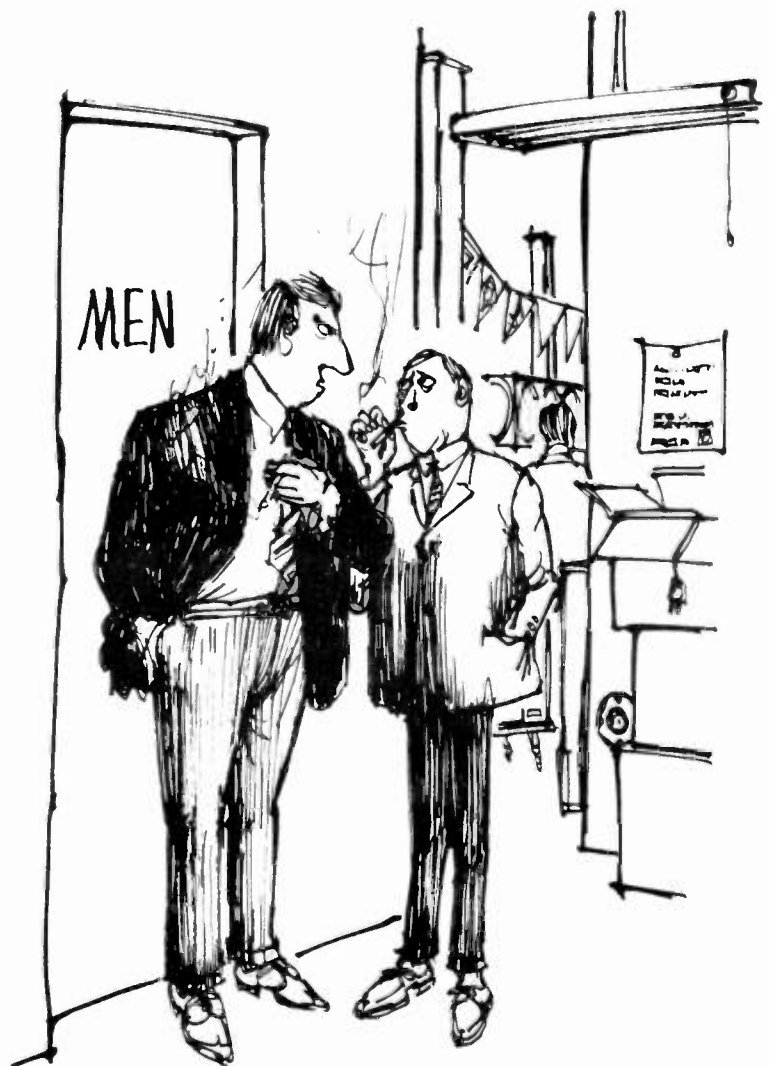
*"It's my money — why can't I invest pension funds in a shopping center branch?"*



*"PENSION PLAN? Do you guys realize that you can live like a king in Spain on Social Security?"*



*"... and off the record, gentlemen — might I mention that an investment trust pension fund will show a greater yield under Republican fiscal philosophies ..."*



*"Stop dreaming! Why would the old man institute profit sharing when for eight years he's refused to put paper towels in the men's room?"*

# MERCHANDISING WEEK

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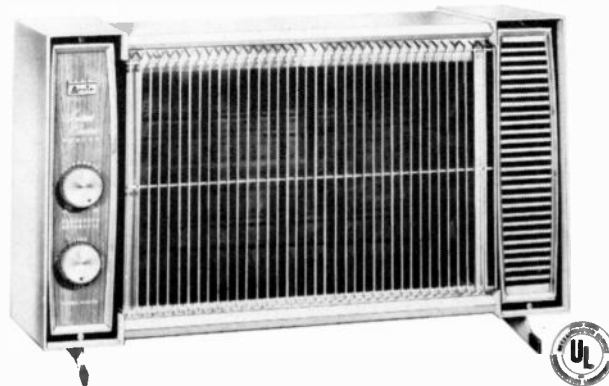
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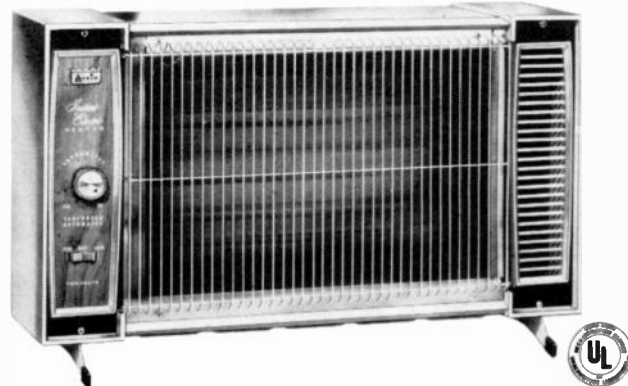
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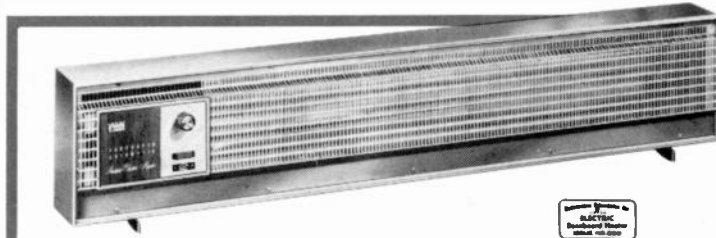
Model 34H13 Sugg. retail \$31.95



## Arvin DELUXE TWO HEAT AUTOMATIC

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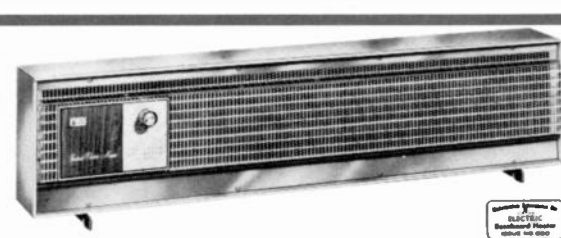
Model 34H12 Sugg. retail \$29.95



## Arvin TWO HEAT PERIMETER HEATER

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Model 44H35 Sugg. retail \$29.95



## Arvin COMPACT PERIMETER HEATER

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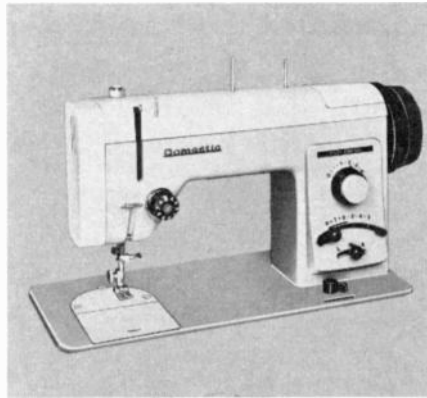
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□□ A cosmetic storage center, called a Vanity Carousel, has been introduced as Rubbermaid's first beauty accessory. Designed as a vanity table and organizer for hair rollers, lipsticks, makeup, and nail polish, the unit revolves on a turntable that holds three removable drawers. The Vanity Carousel, 11¼ inches in diameter and 13½ inches high, features a tray that is divided into compartments, holders to keep lipsticks upright, and an adjustable mirror that can be removed. The unit comes in ivory plastic with a satin finish rimmed in antique gold. The Vanity Carousel carries a suggested retail price of \$9.95. *Rubbermaid Inc., 1205 East Bowman St., Wooster, Ohio 44692*



□□ Three zigzag sewing machines have been added to the Domestic line. The lightweight model, Sweet Sixteen (shown), weighs 16 lbs. and features three needle positions for

machine embroidery. The unit is finished in gray and silver-white enamel.

The Cover Girl model, also styled in gray and silver-white, offers a built-in buttonholer, blind-hemmer, and "elastic" stitch. The third new model, Designer, features three needle positions and built-in buttonholer, and is finished in blue-gray and white enamel. Retail prices for the three models begin at about \$180. *Domestic Sewing Machines, White Consolidated Industries Inc., 11770 Berea Rd., Cleveland, Ohio 44111*

# THERE'S A SELLABLE DIFFERENCE IN CROWNCORDERS !

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level control; ac bias; built-in radios (am and am/fm); even a super deluxe unit with wireless mike. The big plus is the unique full year parts and labor guarantee available through local Service Centers! To capture your share of sales and profits in the booming tape recorder market, call or write today!



□□ A light bulb merchandiser from Westinghouse (MW, 19 Sept., p.29) is a display bin that can be obtained free with an order for 25 cases of 24-pack light bulbs. The merchandiser offers customers either of two premiums. The display, which is 82 inches high, 44 inches wide, and 26 inches deep, is one of seven merchandisers offered in Westinghouse's year-long program, Operation Showmanship. *Westinghouse, Lamp Division, Bloomfield, N. J.*



□□ Smith-Corona's new Coronet electric portable typewriter is one of four new additions to the company's line. The Coronet offers five keys with automatic repeat actions, an 88-character keyboard, and electric shift keys. It retails at \$149.50.

Other models—the Poweriter Custom, Electra 120, and Electra 110—offer such features as a full bar tabulator, personal touch selector, and wear-resistant jeweled main bearing. Retail prices range from \$150 to \$200. *Smith-Corona Corp., 410 Park Ave., New York, N. Y. 10022*

□□ Heavy-duty builders saws that are double-insulated are available from Millers Falls. The saws, in 6½-inch, 7¼-inch, and 8¼-inch sizes, feature two prong plugs, exclusive unbreakable telescoping guard, and free-swing safety guard. *Millers Falls Co., Greenfield, Mass.*



Crown-corder CTR 3000. 3-1/4", 100-7500 cps. Built to last and last. List: \$44.95. With built-in AC, \$54.95



CTR 5000. 5", 2 speed. Push button controls. 100 to 10,000 cps, automatic level control, AC bias. Retail: \$79.95. With built-in AC (model CTR 5050), \$94.95



CRC 5800. 5", 2 speeds, with built-in AM radio! Push buttons, AC bias, auto level control, record from radio. List: \$99.95. With built-in AC, \$114.95



CTW 5950. 5" reels, wireless mike with 100' range, FM radio, 100-10,000 cps, battery and built-in AC power. List, \$169.95



CRC 2500F. 2-1/2" tape recorder with built-in AM/FM radio, AC adaptor, record level meter. List, \$89.95

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## Fast-charging nickel cads: a speed-up for cordless items?

A small Japanese firm capitalized at \$8,000 is creating an international stir with its claim of having developed a nickel-cadmium dry cell that recharges in one or two hours. The first report on the new battery appeared here last month (MW, 29 Aug., p.33).

The new fast-charging battery, from World Battery Corp., in Tokyo, recharges in no more than one eighth the time required to recharge conventional nickel-cadmium batteries, which is normally 14 or 16 hours. The new cell, it is further claimed, can be overcharged by 10 times its rated capacity without explosion.

Although World Battery's claim has been met with skepticism both in Japan and elsewhere, Jiro Kosuga, president of the Japanese firm, told McGraw-Hill World News in Tokyo that he planned to spend most of October in the U.S. at the invitation of a leading American battery manufacturer. He declined to reveal the name of the U.S. firm.

Kosuga said the U.S. producer has invited him to conduct a series of experiments to demonstrate to engineers how the new type of cell works.

How the new battery works is Kosuga's secret. However, he explains that the fast-charging feature and high-rate charge are obtained when the unactivated portion of the cathode is removed, or the cathode is fully activated. He would not reveal how the cathode is produced in the fully activated state, pointing out that he has filed an application for a patent in Japan on the method, but that it has not yet been granted.

When asked if the cathode is fabricated in a vacuum state to keep oxide off after the cathode is pulled

out of the electrolyte bath, Kosuga said, "It would certainly work, but I would not do so because the vacuum equipment would raise production costs to prohibitively high levels."

Without any manufacturing facilities operated by World Battery Corp. itself, the firm is now converting conventional nickel-cadmium cells into the new-type cells at request from manufacturers of conventional batteries.

To convert conventional cells, a hole is made into the wall of the conventional cell and an additional amount of electrolyte is injected. After the injection, the cell is again sealed off with a bolt.

According to Kosuga, the new type cell is so designed that the oxygen gas absorption of the cathode may not be reduced even if a larger amount of electrolyte is used than usual. The injection of additional electrolyte is intended to increase the reactivity of the cathode to oxygen gas from the anode so that the charging may be performed more efficiently.

Earlier this year, Kosuga informed Japanese battery manufacturers' associations of development of the new type cell and offered technical assistance to Japanese producers for the manufacturers of the cell.

Japanese dry cell manufacturers however have not shown readiness to conclude definite arrangements with Kosuga for production of the new cell, because Kosuga would not reveal details of the process.

One well-known Japanese dry cell specialist says, "Japanese engineers are rather skeptical about what Kosuga claims."—*Toshio Yoshimura*

## Multi-hued Eternalum process may soon color cookware

Eternalum—the multi-colored anodizing finish that General Electric is using on two coffeemakers—may turn up next on top-of-range cookware.

George Gering, president of George Industries, of Los Angeles, which developed the aluminum-anodizing process, said he is currently talking with a major cookware producer who may adopt the finish. He declined to reveal the name of the firm.

GE became the first electric housewares manufacturer to use Eternalum when it introduced two coffeemakers in July: one in multi-shades of turquoise and the other in copper tones.

Eternalum is being used on a growing list of products. Ernest Sohn Creations, in the giftware field, offers ice buckets, chafing dishes, trays, and clocks with the Eternalum finish. Ajax Hardware has cabinet hardware, Lightolier has lighting fixtures, and Bell Electric has wall switchplates in Eternalum. Other products—from lighters to golf clubs to desk sets to pipes—also are incorporating the Eternalum process

into product design. Reaction to the GE percs was mixed when the company showed its multi-hued products at the July Housewares Show. Consumers will feel much the same way, one buyer pointed out: "Either they will love them or hate them."

However, the GE percs are different; and this factor alone reportedly is paying off for GE by picking up retail shelf exposure for the Eternalum units. And they stand out when displayed amid stainless steel or aluminum coffeemakers.

Eternalum offers the designer an unlimited array of color combinations in either a glossy or matte finish. Combinations range from deep, rich colors to soft pastels. The finish is reputed to have superior abrasion resistance.

George Industries is primarily in the optical frame business. It developed the Eternalum process about three years ago, and currently does the color anodizing at its West Coast plant. Gering said that his firm is planning to build an Eastern or Midwestern plant, if more housewares manufacturers pick up the process.

□□□□ The big housewares stake in premiums—a two-way deal more than ever before—will be underscored at the New York Premium Show that opens today at the Coliseum. Competition for the sales-winning premium business is growing keener and keener.

The housewares industry, traditionally a key supplier of premiums to trading stamp and food companies, has greatly stepped up its own use of premiums within the last several years. General Electric Co. has been a leader in using premiums, particularly scoring with its Freedom Documents and its follow-up Freedom Paintings. Westinghouse also has been a major premium user, although one of its favorite tactics has been the cash-refund offer, rather than merchandise. Dominion and others also have jumped aboard the premium bandwagon.

□□□□ Books loom as a favorite housewares premium in the months ahead. There is a definite trend toward the educational-type premium. GE's Freedom Documents fall somewhat in this category. The success that blender manufacturers have had with cookbook premium offers is further encouraging the trend. Books on beauty tips and good grooming are being eyed by manufacturers to spur sales of personal care electrics. Books on travel are being considered for a growing number of housewares products designed for travel, including the automatic toothbrush. Education and travel are both status symbols for the New Consumer.

□□□□ Toshiba has set up a housewares export unit in Japan as part of a reorganization program. Creation of the new export department for housewares and major appliances is being interpreted in Tokyo as an indication that Toshiba will step up its exports of housewares, reports McGraw-Hill World News from Tokyo. At present, Toshiba is promoting an automatic steam food cooker (called a rice cooker in Japan) in the U.S. and Canadian markets. U.S.-based Toshiba officials are currently in Japan to discuss expansion of exports to the U.S. Although the talks will center primarily on consumer electronics, it is expected that more attention will be devoted to housewares and major appliances at this meeting than in past discussions.

□□□□ Hammacher promotes Custom Closet Service in its newly issued autumn catalog. The New York City housewares specialty store devotes a full page in the new catalog to its growing closet service, under which experts fill individual needs from "blueprint to finished cabinetwork." Hammacher-Schlemmer does about 30% of its business through its nationally distributed catalog. It also operates a wholesale subsidiary, Invento, which sells to other retailers.

□□□□ A new way of brewing coffee is promised by Vacuum Die Casting Corp., of Newark, N.J., in cooperation with the Pan American Coffee Bureau. Vacuum Die Casting has developed a BrewOlator process, which it is seeking to license to housewares manufacturers either for electric or top-of-range coffeemakers. The BrewOlator is a drip-type coffeemaker that automatically regulates the time it takes the water to pass through the coffee grounds for a "perfect cup of coffee every time." The prototype unit is made of glass.

# \*PROMOTION is the retail media

Housewares is a constant series of "happenings"—each loaded with consumer appeals and potential for imaginative retail promotion (MW, 12 Sep., p.21). This fall, retail promotions will concentrate on showing the consumer what is happening in housewares today—whether retailers communicate the action in terms of "happenings" (a very "in" approach right now)—or in terms of some similar contemporary theme: for example, Wanamaker's colorful Kaleidoscope. A shift in retail promotional strategy is one of the inside "happenings" going on in housewares today. More and more, retailers are concentrating their promotional efforts behind themes—often on a storewide basis—and less and less behind individual products. The result: consumer excitement. Shopping is becoming fun again for the consumer.

From the retailer's standpoint, the promotional emphasis on themes has a deeper significance, a different message: "Theme" advertising automatically puts price in the backseat, second to some other consumer appeal, whether it be fashion, status, or convenience. At the right, MERCHANDISING WEEK has singled out a half dozen housewares "happenings" ripe for promotional exploitation—beginning with the blender. In March, MERCHANDISING WEEK, first predicted the blender would outpace all other electric housewares in sales gains this year (MW, 21 Mar., p.20). The other approaches—that is, other "happenings"—shown here are: the convenience of cordless housewares, the Young American look in good grooming, solid state as representative of space-age technology, the high style treatment in the bath shop, and coloring the kitchen with cookware. These "happenings" and others—such as jet-age speed in meal preparation for the working wife and travel-along housewares for the hurrying husband—are ripe for retail picking through "theme" promotions: in newspaper ads and store displays.—Ed Dubbs

ILLUSTRATIONS BY RON WIND

# \*HOUSEWARES IS A HAPPENING

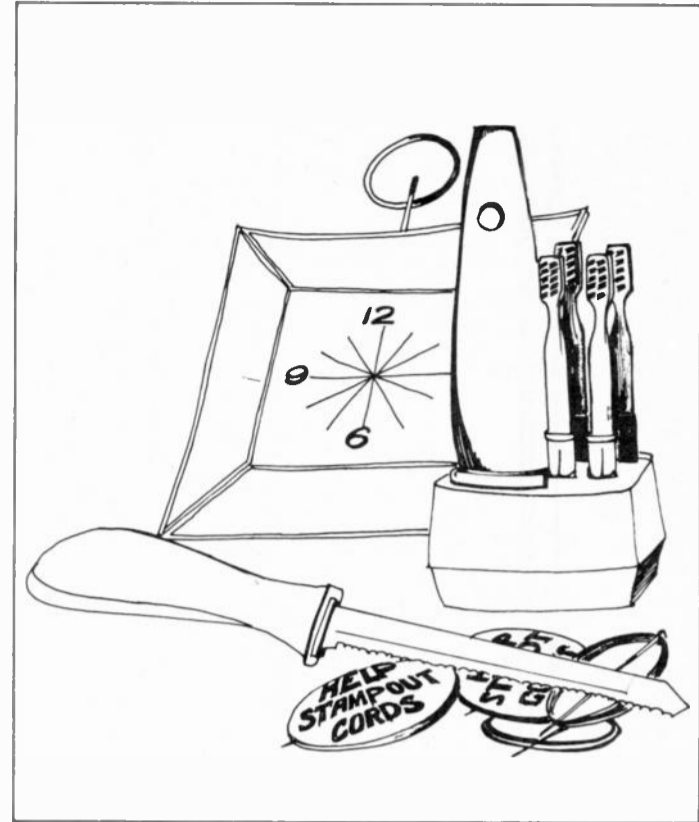


## THE BLENDER is a culinary happening

The sales "happening" for the blender is conveniently culinary. The blender, once a specialty item, shapes up as the industry's hot seller for this fall and Christmas.

The blender is a symbol of good taste, and that is part of America's "culinary happening." The New Consumer market opens gourmet cookery to everyone; the blender, with its culinary magic, is helping every homemaker fancy herself a gourmet chef.

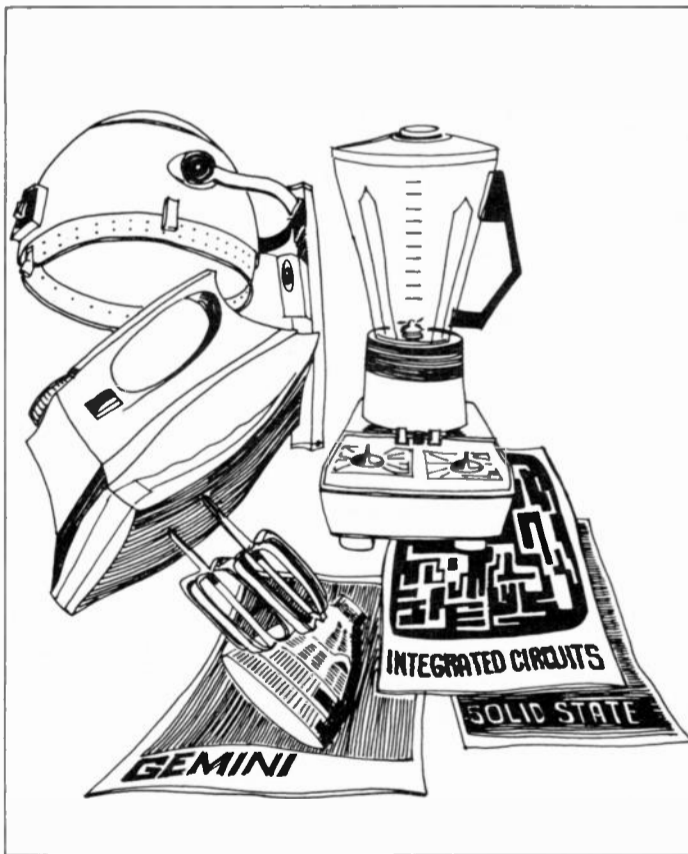
Retailers will be playing on culinary magic and the exotic in promoting blenders: the best-seller—by demonstration—in the business.



## CORDLESS is a convenience happening

Cordless convenience makes a promise to consumers that is winning increased retail support because it wins sales. More retailers will be climbing aboard the Cordless Corner bandwagon for the fall and Christmas selling season.

To start a strong consumer campaign rolling behind the growing number of cordless electric housewares, MERCHANDISING WEEK suggests tying into the button fad sweeping the country. It calls for a strong stand in favor of cordless convenience: for example, "Macy's hates cords." (You can substitute your store name.)



## SOLID STATE is a space-age happening

Space-age electronics have launched one of the most dramatic happenings in housewares. Solid state is opening up a new world of promotional opportunities for housewares and hardware retailers. Space-age technology will be moving increasingly into housewares-hardware products.

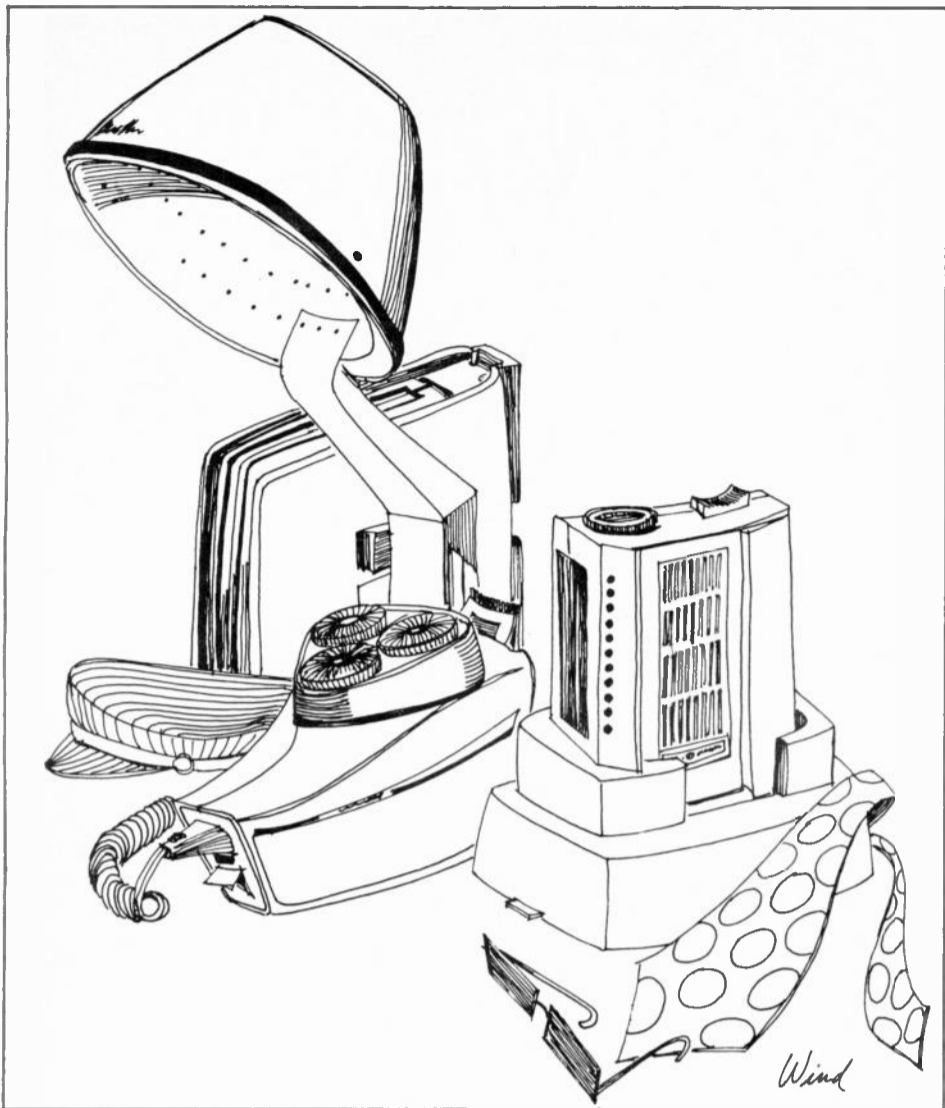
Power tools have seen the sales magic of solid-state speed controls. Now solid-state components and silicon rectifiers are moving into additional products: among them, hair dryers, blenders, mixers. For a dramatic display: Show a blender with a Gemini mockup.



## THE BATH is a fashion happening

The bath shop is turning to the world of haute couture for its fashion "happenings." The New Consumer wants more than color coordination, and the designers of Paris, Italy, and Seventh Avenue are providing the answer to that demand. The Wet Look and Pucci prints made a fashion splash at the July Housewares Show, and the "Mod" look is almost a sure bet for January.

The new styles bring with them new cross-merchandising opportunities for ready-to-wear and housewares: one possibility: Drape a mannequin in a Pucci-print shower curtain as part of a bath shop vignette.



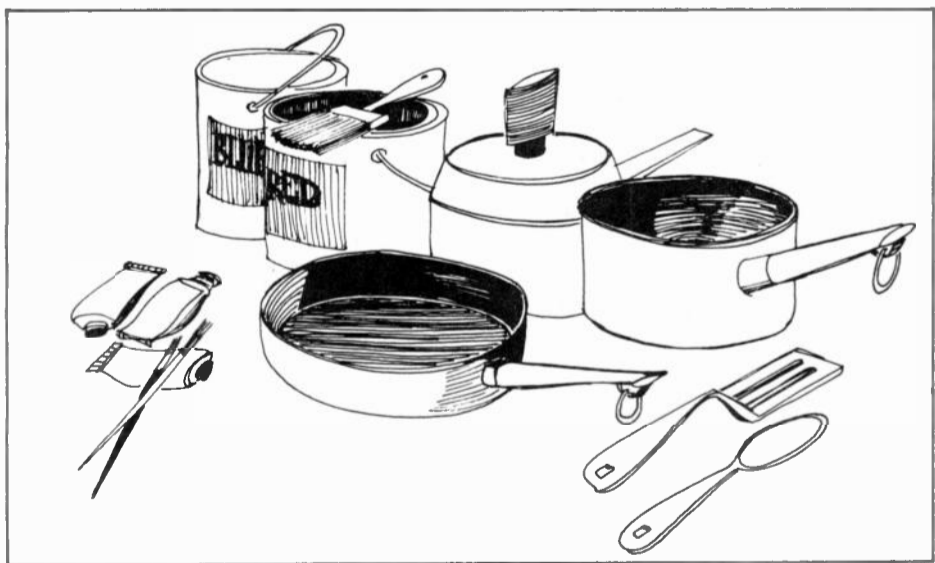
**GOOD GROOMING is a youthful happening**

Good grooming can make the Young America market "happen" in housewares.

Although good grooming knows no age limit, a youthful approach is quite appropriate, for it draws the young, and with them, the not-so-young. (Macy's youthful Pots & Pants promotion [MW, 14 Feb., p26] attracted many a curious customer who would never be caught wearing pedal-pushers.)

In July, MERCHANDISING WEEK suggested that the shop merchandising concept was the ideal media for attracting Young America (MW, 17 Jul., p.32), and that good grooming was the ideal promotional peg.

To dramatize the Young America market and its tie-in with good grooming, here is a display idea that brings the young look of "Mod" fashions into the good grooming shop. To add to the youthful appeal, a retailer might even install a rock 'n roll combo. And another idea: Stage a hair styling clinic—for boys as well as girls.



**COOKWARE is a colorful happening**

Building a cookware wardrobe is as easy for the consumer as building a ready-to-wear wardrobe. Color and styling—but especially color—have made cookware one of the brightest happenings in housewares.

Cookware has been personalized. All pots do not have to look alike. Table-top cooking is a fashionable reality.

Thanks largely to colorful Teflon coatings, anodized aluminum covers, and colorful enameled cookware, retailers can effectively merchandise the "Color Your Kitchen" approach.

Now cookware can be married to major appliances for a new, colorful approach to merchandising. Coppertone covers and brown Teflon coatings blend well with the coppertone shades on major appliances. And watch avocado come on strong in cookware.



**MODEL WH-1160:**  
11 TRANSISTOR  
4 BAND PORTABLE  
WITH DIRECTION FINDER  
SW/AM/LW and Marine Bands. Aid to navigation. 4" P.M. speaker. Telescopic and Ferrite core antennas. Operates on 4 "D" cell batteries. Batteries and earphone.

**HITACHI**

**accents quality with leather**

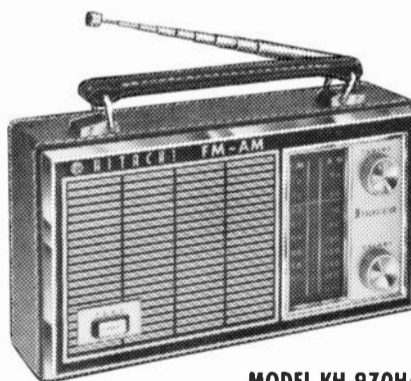


**Model KH-1010H**  
10 TRANSISTOR FM/AM  
POCKET PORTABLE

Compact, powerful, smart. Tunes in FM/AM full band reception. AFC drift-free circuitry. 2½" PM speaker. Telescopic and Ferrite core antennas. Operates on 4 "C" cell batteries. Complete with batteries and earphone.

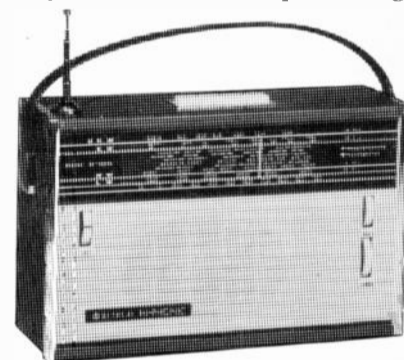
Hitachi also puts the accent on increased customer acceptance with these superlative saddle stitched leather transistor radios that are available in models for every performance and budget demand.

Each offer dealers an opportunity to step away from the price cutting competitive parade . . . each offers an opportunity to increase your unit of sale and profit margin.



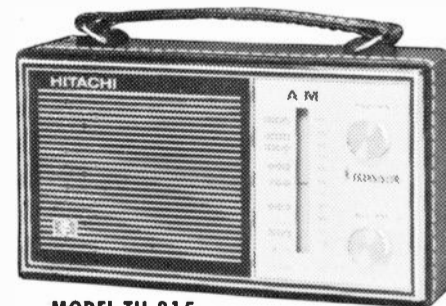
**MODEL KH-970H:**  
9 TRANSISTOR FM/AM PORTABLE

3½" PM speaker. Tone control. Telescopic and Ferrite core antennas. Operates on 4 Penlite batteries. Batteries and earphone. NOTE: Converts to AC with available adapter.



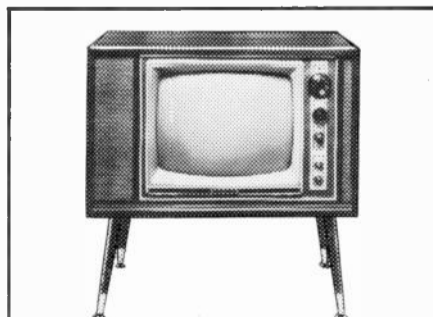
**MODEL KH-1021:**  
10 TRANSISTOR 4 BAND PORTABLE

FM/AM/SW, Marine Bands. Pushbutton band selector. AFC, 4" x 6" PM speaker. Tone control. Telescopic & Ferrite core antennas. Operates on 4 flashlight batteries. Simulated leather case. Batteries and earphone.



**MODEL TH-815:**  
8 TRANSISTOR AM PORTABLE

The value and performance leader in its price range. 3" PM speaker. Ferrite core antenna. Operates on 4 "C" cell batteries. Batteries and earphone.



**COLOR TV**

**MODEL CNA-1900T:**

Truest color fidelity. 19" rectangular deflection tube with rare-earth phosphors. Automatic degaussing system. Keyed AGC. Cabinet of luxurious Walnut.

Sole Importer and Distributor of HITACHI brand consumer products in U.S.A.  
**HITACHI**  
HITACHI SALES CORPORATION  
666 FIFTH AVE., NEW YORK CITY 10019  
Phone (212) 581-8844

# FREE!

4-piece, foam-backed place mat set in beautiful colors with purchase of a

## Dominion Coffee Maker or Toaster



When a shopper sees this terrific Dominion Holiday Gift Promotion in your store, she's ready to buy! Be sure you have this special Dominion offer for your customers. See your distributor right away! Dominion Electric Corporation, Mansfield, Ohio.

## It's Time You Started to Cash-In with MERCHANDISING WEEK

Plan for higher volume and bigger profits with the tested plans and practical ideas which appear exclusively in MERCHANDISING WEEK. This Monday-Morning publication helps you start each week off right . . . shows you how to sell more (and more top-of-the-line merchandise!) . . . helps you make your promotion and advertising dollars work harder.

Here are a few of the exclusive MERCHANDISING WEEK business aids . . .

\*Spec Sheets: Complete comparative facts on makes and models of products whose retail sales require extra technical knowledge, e.g., tape recorders, air conditioners. Also gives you important buying info.

\*Best Sales Methods: New customer approach techniques appear first in MERCHANDISING WEEK.

\*Management Helps: Looking for ideas on strategy, pricing, financing? MERCHANDISING WEEK brings you the answers.

\*New Promotion: Dozens of practical ways to build store traffic and draw qualified prospects.

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Name \_\_\_\_\_ Position \_\_\_\_\_

Address  home  business \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Company Name \_\_\_\_\_ Type of Business \_\_\_\_\_

## COOKWARE NEWS

A retail sales training program is planned by the Metal Cookware Manufacturers Assn. (MCMA) built around its newly published *Guide To Metal Cookware and Bakeware* (MW, 19 Sep., p.29). The new booklet will first go to home economics teachers and students, but the MCMA eventually plans to make it available to retail sales clerks as a guide in advising customers of the advantages of various types of cookware metals. A program whereby the MCMA's 23 manufacturer-members would distribute the booklet is under consideration by the association.

DuPont's new, harder Teflon coating remains in the research and development stage, the MCMA was told at its annual fall meeting last week. Paul E. Thomas, national sales manager for DuPont non-stick finishes, told members it was impossible to forecast when the new coating—which has been designed for increased durability—would be made available to cookware manufacturers. In addition to a greater resistance to scratching, the new DuPont coating reportedly will permit manufacturers to apply the coating at a lower temperature.

While awaiting DuPont's new coating, cookware manufacturers are going ahead with improved coating processes, particularly the Boeclad process, which permits a more durable coating using DuPont's current Teflon finishes.

A 9-pc. Teflon cookware set for \$6.99 is sure to warm up competition with S. Klein Stores in four Eastern states. Klein's, the New York City-based promotional department store, included the sharp pricing among its Anniversary Sale offerings. The \$6.99 price for an Eveready Teflon-coated aluminum cookware set was featured in a tabular listing of specials—without illustrations. Major emphasis in the ad was given to a Hamilton Beach 2-speed blender, which was illustrated, at \$14.88—\$4 below Klein's "regular low price."

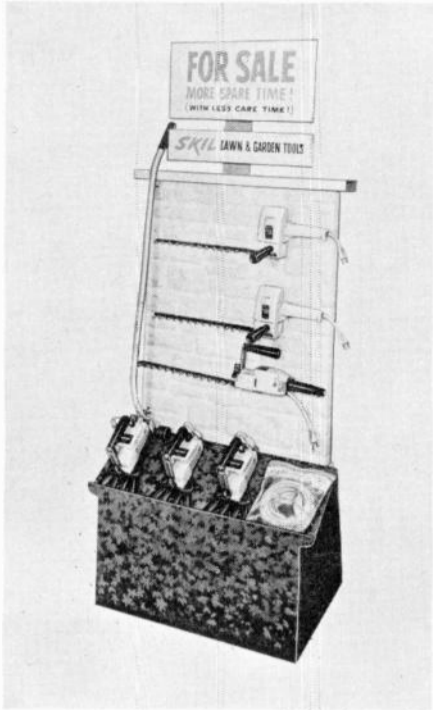
A sales revival for the pressure cooker is shaping up as the two leading manufacturers and key retailers see increased sales potential in the product. Teflon coatings have helped give the pressure cooker an additional sales spark, with Presto being first to use DuPont's coating on the item. Mirro now also offers Teflon coatings.

Manufacturers and retailers alike see new opportunities for the product, however, based largely on the appeal of speedy meal preparation for the growing number of working wives (about one third of all U.S. wives work). Manufacturers and retailers are trying to glamorize the product by showing it being used by young, modern housewives. Rightly or wrongly, the product always has had a down-on-the-farm, small-town image, even though it has been a steady seller in urban areas.

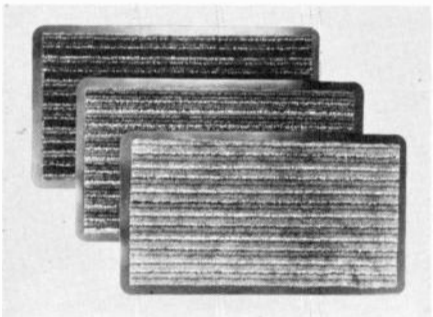
Mirro's new advertising campaign—in leading national magazines—will stress the product's "stunning young elegance."

The new taste in cookware is a happening—one of a series of housewares happenings ideal for retail promotion. For a report and a display idea on the "colorful cookware happening," see pp. 22-23.

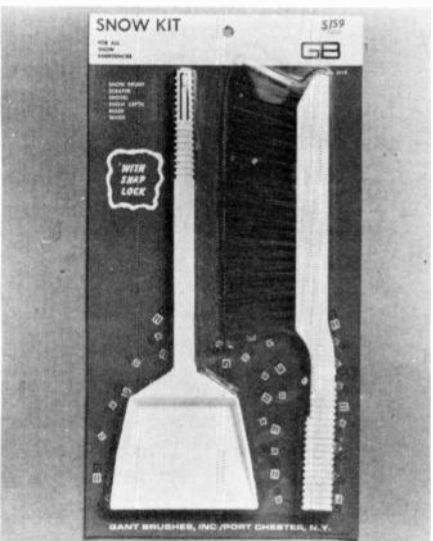




□□ Skil offers a free tool display with the purchase of two model 527 hedge trimmers, one model 513 hedge trimmer, one model 529 grass shear, and one model 26175 roller handle. The reinforced corrugated cardboard display is 72 inches high and 26 inches wide. Space for additional tools is provided in the display. Special savings can be obtained by retailers ordering before Jan. 31, 1967. Skil Corp., 5033 N. Elston Ave., Chicago, Ill. 60630



□□ Carpet-topped door mats with vinyl backing are available from Crown Rubber. Called DeLovely Mats, they come in Erin green, Windsor red, or Aberdeen beige, with alternating stripes of complimentary colors. The 17-inch by 29-inch mat carries a suggested retail price of \$2.98, the 20-inch by 35-inch mat retails at \$3.98, and the 29-inch by 38-inch mat at \$4.98. Crown Rubber Co., Fremont, Ohio 43420



□□ Gant is offering a Snow Kit with two parts that lock together. The 5-in-one tool offers a snow brush, scraper, shovel, snow-depth ruler, and whisk. The Kit carries a suggested retail price of \$1.59. Gant Brushes Inc., 351 N. Main St., Port Chester, N. Y.

□□ Snyder's new single pole shelf, for bathroom or bedroom, comes with brass or chrome finish and features three or four shelves and a medicine cabinet. Also new are a Duo Tote with an 8-oz. canvas hamper and a bathroom space saver His & Hers pole shelf with twin cabinets. Snyder Manufacturing Co., Westmoreland and Stokley Sts., Philadelphia, Pa.


□□ New clocks from Howard Miller feature ceramic faces and come with a battery or electric movement. The four Mediterranean-styled clocks carry retail prices of from \$25 to \$42.50. Howard Miller Clock Co., Zeeland, Mich.



□□ A warming pad for pets has been designed by Goodyear (MW, 19 Sep., p.30). The Pliotherm Pet Heater, which contains a built-in electric heating element, comes in two sizes: 18 inches by 24 inches and 24 inches by 33 inches. The unit, made of vinyl, cleans easily with soap and water.


Suggested retail price is \$16.95 for the smaller pad, \$18.95 for the larger. Goodyear Tire & Rubber Co., Box 200, Nevada, Ia.

□□ Lambert's new garden tractors feature automobile-type conveniences such as cigarette lighter, electric key starting, adjustable recessed sealed beam headlights, upholstered seats, control dashboard, and tool box. Model 700 has a 7hp motor, and model 1000 has a 10hp motor; suggested retail prices are \$775 and \$875, respectively. Mower attachments have dual blades with side discharge and caster wheels. Lambert Inc., 519 Hunter Ave., Dayton, Ohio 45404



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## A sale.



It's as close to a sure thing as you can get in selling — because Blackstone Gyro-Balance is the first real product exclusive in automatic washers to come along in years.

When you demonstrate Blackstone Gyro-Balance by spinning a 5-pound phone book in an empty tub, you're putting on the most dramatic sales demonstration your washer prospects have ever seen. No vibration, no thump, no walk, no premature shut-off. Just buyers' conviction that Blackstone is the washer they want.

And they'll buy it from you, because Blackstone protects your profits with a territory plan your representative will set up with you. He'll also give you a promotion plan that'll make you Blackstone headquarters in your neighborhood . . . on the full Blackstone line, from 3-cycle, single-speed models up through our 6-cycle, push-button model with stainless tub.

Get a phone book. Get some Blackstones. Start keeping your profits on washer sales.



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**APPLIANCE-TV**

**Panasonic technology:  
taking a look inside  
Touch 'n Tune radios**

Matsushita, the manufacturer of Panasonic products, has developed and patented a new type of capacitor diode—about one third the size of a paper clip—that has proved adequate for broadcast-band tuning. The company also says that the diode, called a capistor, may be used in “near-future” tv receivers for fine tuning. Panasonic now offers two radios incorporating the capistor—the Touch 'n Tune radio (MW, 27 Jun., p.28) and its “memory-tuning” AM portable (shown).



**INDUSTRY  
TRENDS**

**FLOOR CARE PRODUCTS**

Floor Polishers

Vacuum Cleaners

**HOME LAUNDRY**

Dryers, clothes, elec.

Dryers, clothes, gas

Washers, auto & semi-auto.

wringer & spinner

**OTHER MAJOR APPLIANCES**

Air Conditioners, room

Dehumidifiers

Dishwashers, portable

under-counter, etc.

Disposers, food waste

Freezers, chest

upright

Ranges, electric

Ranges, gas

Refrigerators

Water Heaters, elec. (storage)

Water Heaters, gas (storage)

**CONSUMER ELECTRONICS**

Phonos, port.-table, distrib. sales

monthly distributor sales

Phonos, console, distrib. sales

monthly distributor sales

Radio (ex auto), distrib. sales

monthly distributor sales

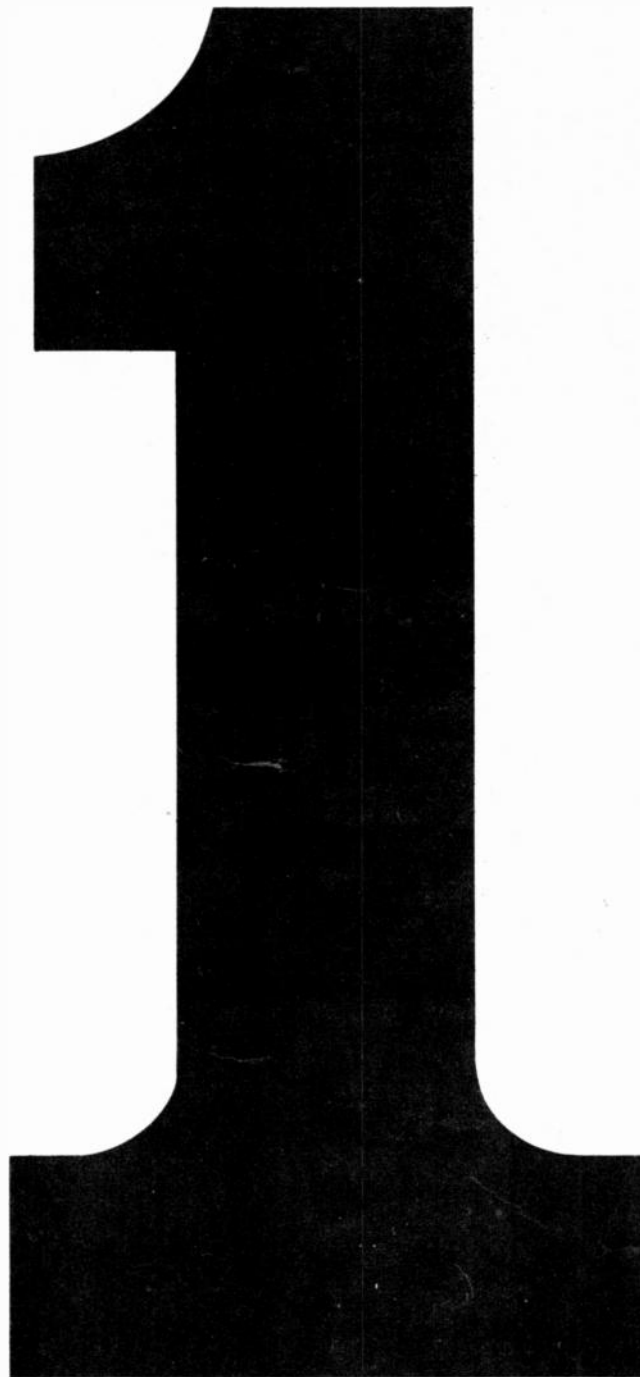
B&w Television, distrib. sales

monthly distributor sales

Color Television, distrib. sales

monthly distributor sales

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



JOSKE'S OF HOUSTON / THE HECHT COMPANY / JORDAN-MARSH CO. / SWAILLINS INC. / DONALDSON'S GOLDEN RULE / HIGBEE CO. / THE BON MARCHÉ / THE WM. H. BLOCK CO. / DEY BROTHERS / B. GERTZ INC. / JOSKE BROS. / MAAS BROTHERS, INC. / POMEROY'S INC. / STERN BROTHERS / THE TITCHE-GOETTINGER CO. / POLK BROS. / MARSHALL FIELD & CO. / BRADLEES / CAIDOR, INC. / DAYTON CO. / J. L. HUDSON CO. / WHITE FRONT STORES / GOLDBLATT BROS., INC. / FAMOUS BARR CO. / K-MART / JOHN WANAMAKER, INC. / THE MAY CO. / S. KLEIN & CO. / MACY'S / LECHMERE SALES CO. / D. H. HOLMES CO., LTD. / BULLOCK'S, INC. / CARSON PIRIE SCOTT & CO. / FEDCO / ABRAHAM & STRAUS / SILO DISCOUNT CENTERS, INC. / E. J. KORVETTE, INC. / ZAYRE CORP. / BOSTON STORE / DAVIDSON'S WEBB'S CITY, INC. / GIMBEL BROS. CORP. / FOLEY BROS. / FED-MART CORP. / HEMPHILL WELLS CO. / RICH'S / SANGER-HARRIS / STIX BAFFR & FULLER / BURDINE'S / BAMBERGER & CO. / GRANDWAY STORES, INC. / AUERBACH CO. / H. C. CAPWELL / RIKE-KUIMER CO. / H. C. PRANGE CO. / KAUFMANN'S / LABICHE'S, INC. / RHODES / ALEXANDER'S DEPT. STORES / SCRUGGS-VANDERVOORT-BARNEY, INC. / FREDERICK & NELSON / THE F & R LAZARUS & CO. / C. L. GAYFER & CO., INC. / MAISON BLANCHE / WOODWARD & LOTHROP / WIFBOLDI STORES, INC. / TOPPS / J. M. FIELDS, INC. / BLOOMINGDALE BROS. / FEDERAL DEPT. STORES / G. FOX & CO., INC. / JOHN SHILLITO CO. / DORNS STORES, INC. / FEDWAY DEPT. STORE / J. L. BRANDIES & SONS, INC. / EMERY BIRD THAYER CO. / GAMBLE-SKOGMO, INC. / THE HALLE BROS. CO. / HESS'S / JOSEPH HORNE CO. / THE MABIEY & CAREW CO. / MEIER & FRANK CO., INC. / PIZITZ / SATTLEERS, INC.

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

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

July	64,434	66,958	- 3.77
7 Months	642,192	648,644	- .99
July	414,581	329,170	+ 25.95
7 Months	3,145,025	2,723,308	+ 15.49

July	115,185	85,581	+ 34.59
7 Months	756,985	570,103	+ 32.78
July	46,754	42,156	+ 10.91
7 Months	346,331	286,774	+ 20.77

July	344,580	311,756	+ 10.53
7 Months	2,273,136	2,053,978	+ 10.67

July	40,082	44,334	- 9.59
7 Months	306,472	339,207	- 9.65

August	79,000	110,300	- 28.38
8 Months	2,858,000	2,257,900	+ 26.58

August	16,000	10,800	+ 48.15
8 Months	219,000	189,500	+ 15.57

August	28,000	25,600	+ 9.38
8 Months	250,400	197,000	+ 27.11

August	80,000	69,000	+ 15.94
8 Months	614,200	498,100	+ 23.31

July	94,800	112,400	- 15.66
7 Months	763,600	729,100	+ 4.73

August	51,000	50,900	+ .20
8 Months	322,200	306,200	+ 5.23

August	72,000	72,500	- .69
8 Months	449,700	453,700	- .88

August	178,000†	178,700	- .39
8 Months	1,381,100	1,310,800	+ 5.36

July	124,900*	155,700	- 19.78
7 Months	1,270,600	1,238,400	+ 2.60

August	522,000	464,700	+ 12.33
8 Months	3,334,500	3,063,800	+ 8.84

July	86,200	85,300	+ 1.06
7 Months	607,800	618,400	- 1.71

July	210,390	213,960	- 1.67
7 Months	1,500,100	1,498,760	+ .09

Sept. 9	90,534	76,074	+ 18.98
36 Weeks	1,972,680	2,043,681	- 3.47

July	249,300	262,984	- 5.20
7 Months	1,420,044	1,513,957	- 6.20

Sept. 9	25,727	29,149	- 11.74
36 Weeks	1,110,384	949,408	+ 16.96

July	112,446	128,655	- 12.60
7 Months	905,453	739,643	+ 22.42

Sept. 9	237,438	228,426	+ 3.95
36 Weeks	8,491,960	7,839,913	+ 8.32

July	942,786	1,160,053	- 18.73
7 Months	6,919,688	6,272,819	+ 10.31

Sept. 9	119,067	137,127	- 13.17
36 Weeks	4,760,849	4,994,240	- 4.67

July	508,977	658,907	- 22.75
7 Months	3,935,766	4,045,842	- 2.72

Sept. 9	101,527	73,373	+ 38.37
36 Weeks	2,692,833	1,477,204	+ 82.29

July	293,056	223,110	+ 31.35
7 Months	2,114,250	1,061,649	+ 99.15

†Electric Range August Total includes: 123,000 free standing ranges, 55,000 built-ins.  
\*Gas Range July figure includes: 84,700 free-standing ranges; 13,200 high-oven models; 13,600 set-ins; and 13,400 built-ins.  
Source: EIA, VCMA, AHLMA, NEMA, GAMA.

## APPLIANCE-TV

### A "new look" ad campaign heralds Clairtone's entrance into the color tv market

"We hope our ads will create snob awareness for our product," said David Gilmour, executive vice president of Clairtone, as he described the kickoff campaign to promote Clairtone's brand new color tv. The first ad ran in *The New York Times* last week; future ads in the 12- to 14-week promotion will run weekly in key cities throughout the country. Each ad features an important store in that specific market, and each attempts to create "a different look," Gilmour explained. "We're not selling nuts and bolts; we're selling fashion and atmosphere. We try to be controversial because we're going after pace-setters."

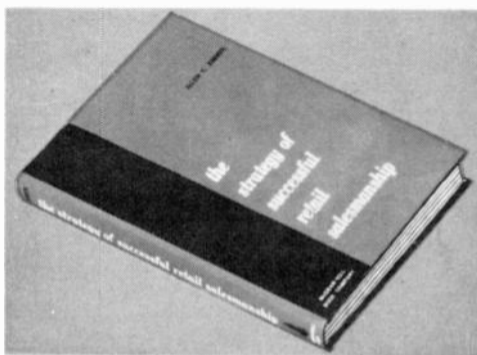
Announcing the end of color blind TV



Introducing Clairtone color-fast TV



### The best retailing is in the hands of the best sales people



## Now, a tested and proved blueprint for more effective use of customer contact

Retailing is a service industry. Great competitive differences lie in the way customers are treated. How do you meet the test of service at the vital point of customer contact?

Your customers, like customers everywhere, say, "I want to know . . ." Modern packaging may be a good salesman but *it can't talk*. Do customers place a "halo" around your store due to your well-informed, courteous salespeople?

Expert buying, forceful advertising, attractive displays and a myriad of merchandising details aid you in increasing sales profitably. Do you search for all possible ways and bypass the training of your people to sell? Or, does your present training program need stimulation from new ideas applied to old selling principles?

Do your people know the genuine pleasure that comes from a practice of the proved principles of retail salesmanship?

Here is a long-needed, easy-to-read book written solely for retail salespeople. Page after page of this practical guide reveals tried and proved principles of effective retail salesmanship. But far beyond the book's outline of selling principles is its inspirational value to the reader. And this is where *The Strategy of Successful Retail Salesmanship* excels.

**Why the distribution of this book to your sales personnel can be vitally important to you . . .**

□ It can convince your people of the importance of their work in selling. When a salesperson has a shallow regard of his importance in the business world (and many do), no effort is made to advance above the level of mediocrity.

□ It can inspire your people to tackle their work with new interest and enthusiasm. Actually, the proved principles of retail salesmanship could be outlined in a few words. One may say, "Be courteous," and a selling principle would be announced. Yet such a command would have no inspirational value.

□ It can instruct your people in the strategy of expert selling. No selling tricks are advanced; no high-pressure tactics are recommended. Just sound,

basic principles are brought to light in a fresh and interesting manner.

□ It can stimulate your people by applying new strategies to old selling principles. Does your present training program stress the value of "making customers feel important?" Are your people encouraged to use striking

demonstrate the regard you have for their importance to you.

□ In all, this book will give those on your sales staff a healthy new attitude towards their career in retail selling. It will show them new possibilities for making their work more stimulating, more financially rewarding, and more personally satisfying.

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By ALLEN E. ZIMMER

226 pages, \$5.95

words, phrases and sentences and to place the proper emphasis on the value of a pleasing tone of voice in selling?

□ It can show your people that you believe in their importance to you. The very act of providing such sales employees with a copy of *The Strategy of Successful Retail Salesmanship* will

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The book is divided into five major sections: 1. Your Readiness for Selling (*the sales person's knowledge of his merchandise, his store, and his customers*) . . . 2. The Flair for Making Your Customers Feel Important (*the incomparable Golden Rule in selling*) . . . 3. Your Magic Touch in Selling (*what to say and how to say it*) . . . 4. Your Loyalty to Employer and to Associates (*more important than you think*) . . . 5. Your Pleasure in Your Work (*how to feel a sense of success*). There is also an appendix of "Selling Guides for 21 Different Lines of Merchandise," and another called, "An Honest Self-Appraisal Examination."

ALLEN E. ZIMMER, a prominent retail sales consultant, has been intimately associated with department store and specialty store retailing for more than 40 years. Mr. Zimmer is the founder of Zimmer, McClaskey, Lewis, Inc., an advertising agency in Louisville which is the largest of its kind in Kentucky. He served as its president for many years.

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23-MW

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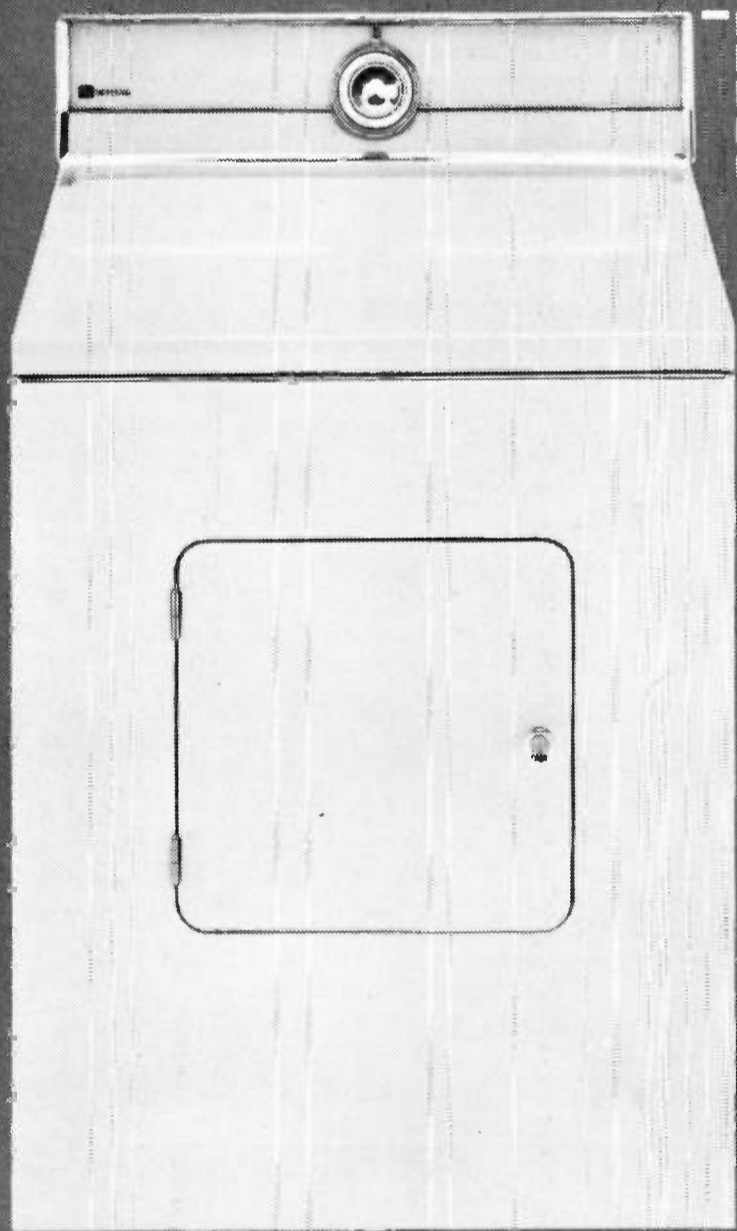
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