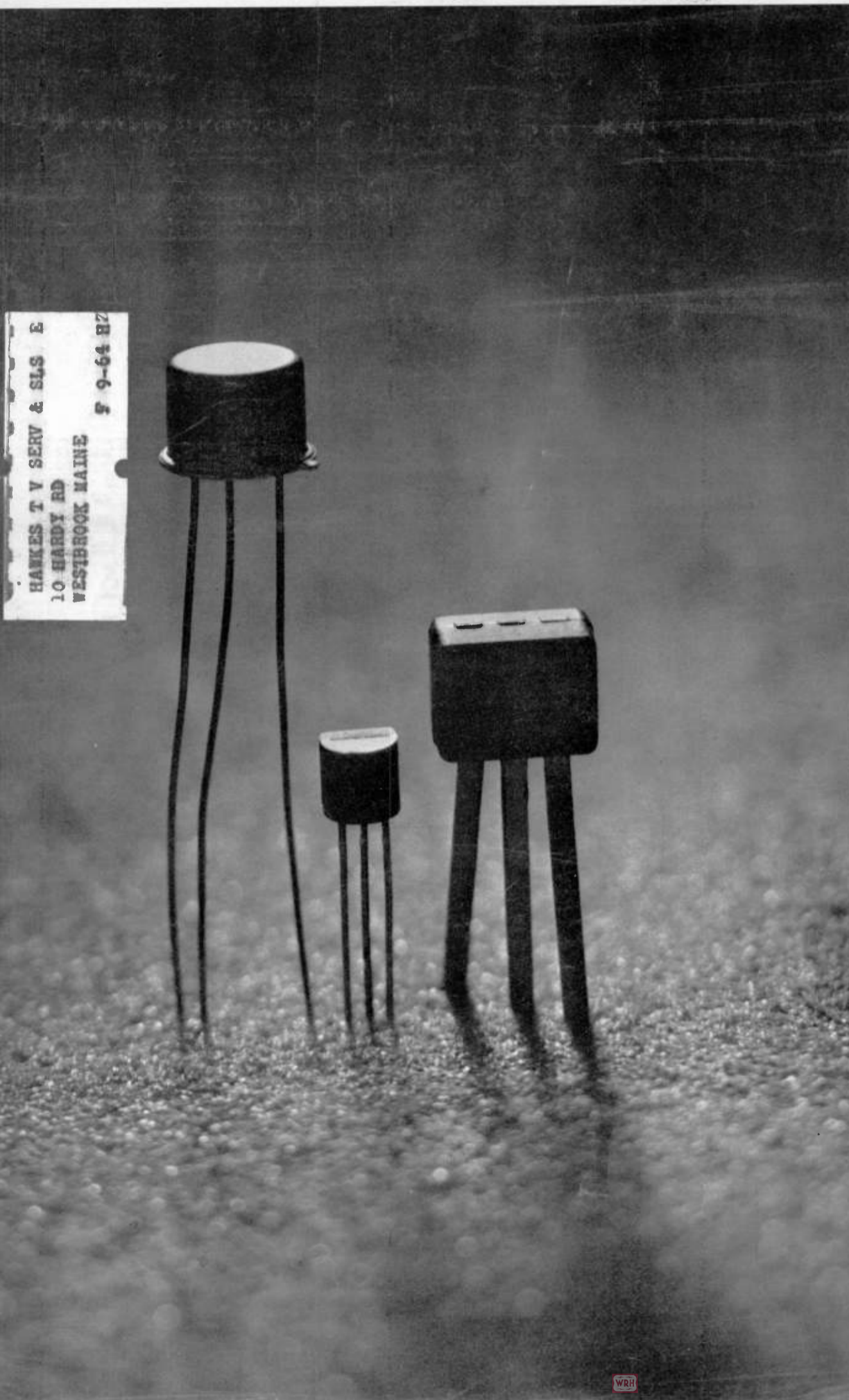


MERCHANDISING WEEK

EDITED FOR THE APPLIANCE, CONSUMER ELECTRONICS, AND HOUSEWARES INDUSTRIES
A MCGRAW-HILL PUBLICATION/50 CENTS/VOL. 98 NO. 40/OCTOBER 3, 1966



HAWKES T V SERV & SLS E
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WESTBROOK MAINE
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◀ □ □ □ **Striding into view:** Solid state controls are on the verge of changing marketing tactics in the major appliance industry. For a close look at some pressing problems, a discussion of the pros and cons of solid state, plus a rundown of electronically controlled appliances soon to appear, seep.15

AT PRESSTIME □

□ □ □ □ **Discount explosion:** White Front reportedly is planning a chain of 35 to 40 units by 1970 and a bold assault on the Washington and Oregon market. Sol Cantor, president of Interstate Dept. Stores, White Front's parent, says crashing the "believability barrier" is discounting's greatest opportunity. Details on p.8.

□ □ □ □ **Consignment selling** is being challenged anew by the U.S. Justice Department. The ramifications are far broader for the housewares industry than the mere filing of antitrust charges against General Electric for consignment selling of light bulbs. The Justice Department last week accused GE's lamp division of fixing light bulb prices at "artificially high levels" through its consignment-agency marketing program. GE retains ownership—and control—of the light bulbs until they are sold at retail.

Sunbeam Corp. operates a similar consignment program for its Vista line of electric housewares. And GE's housewares division uses consignment selling on its Universal line.

But GE's housewares division has thrown a shrewd touch into the Universal program: fair-trade. In addition to consignment, GE also fair-trades the Universal *continued on p.3*

make
the
right
move
to

FEDDERS LEADS THE INDUSTRY AGAIN! Imaginative programs of styling and merchandising bring you more air conditioner profit than ever before.

BOLD NEW STYLING New trim portable series shout "Take me home". New multi-room decorator series with luxurious walnut-grain fronts. New styling up and down the line makes selling easier than ever.

HOTTEST LINE OF PORTABLES The newest, newsiest portables ever! Six models—from 5,000 to 8,000 BTU's—loaded with fabulous selling features. Handsome decorator-inspired walnut grain fronts promote impulse buying. New acoustically-designed Sound Barrier Front means you're getting the quietest air conditioner made. And the new compact size (just 20 inches wide and 12 inches high) fits flush in the window—no problem closing drapes and blinds.

All this plus two 7.5 amp portables with air exchangers. You can't miss greater sales and profits with these great new Fedders portables.

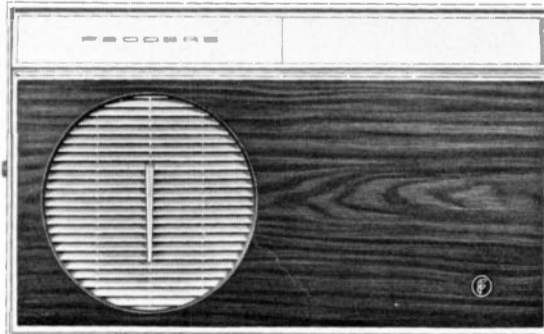
BROADEST LINE, MOST WANTED FEATURES Fedders meets customers' needs better than ever before. More than 40 models from 5,000 to 33,000 BTU's. More 115-volt models than anyone else. A complete selection of 208/230-volt models. The only *line* of casement models. Units specially designed for thru-the-wall applications. The biggest line of heat pumps. A full selection of high capacity models. And you can't beat Fedders for selling features: acoustically-designed Sound Barrier for really quiet operation—Reserve Cooling Power®—zinc-treated steel cabinets—protective rear louvers. And, for the trend to low amperage, Fedders blankets this market with five 7.5 amp models from 5,000 to 8,500 BTU's.

BOLD ADVERTISING PROGRAMS Fedders hard hitting 1967 program of local and factory-placed advertising will back you as never before. A smashing, again-and-again advertising campaign. More displays, more sales aids, more promotions—all based on *your* needs, to solve *your* problems.

PLUS THE INDUSTRY'S MOST EXCITING INCENTIVE TRIP The glory of Rome and magical Costa del Sol of Spain—the smartest city in the world and the newest Jet Set resort—yours for 12 days. Your distributor will tell you how you can make this fabulous trip with Fedders—producers of the world's largest selling air conditioner.

FEDDERS

ALL NEW AIR CONDITIONER LINE



line in states with fair-trade laws. GE, therefore, can point to fair-trade as a price-protection move and consignment as merely a selling method.

Meanwhile, GE's lamp division will be fighting the case. GE officials point out that "the agency method of distributing lamps has been repeatedly approved by the courts and used by the company for over 50 years."

□□□□ **The long-predicted strike at GE** seemed imminent at presstime as GE management and union coalition bargainers met with the head of the Federal Mediation and Conciliation Service in a last-minute effort to avert the strike before the Oct. 2 midnight deadline. GE and the unions had broken off talks prior to the federal mediators stepping in.

□□□□ **A recession by 1970**—and possibly as early as next year—is the gloomy forecast from the National Assn. of Business Economists (NABE). At the NABE annual meeting last week in Washington, a poll disclosed that more than 72% of the economists look for a recession between now and 1970. About 50% believe it will begin in 1967. The key reasons for this view: a drop in plant and equipment spending, possible cuts in defense outlays, and high interest rates.

□□□□ **Record sales of laundry equipment** were chalked up by members of the American Home Laundry Manufacturers Assn. in August as factory shipments rose 16% over August, 1965, and vaulted over the 700,000-unit mark for the first time. Automatic washer sales jumped 12% and dryer sales gained 23% for the month. Through the first eight months, factory

sales of all home laundry equipment are up 14% above 1965's record totals.

□□□□ **Sony announces Japan's first IC radio:** The company now is showing in Japan the prototype of an integrated circuit radio for commercial purposes. Sony spokesmen would not reveal how soon the firm will market the set, but it is generally believed that Sony and some other leading Japanese firms will start marketing IC radios in the U.S. by next year. (Toshiba showed the laboratory model of an IC radio in Japan this month—but readily admits that it is far from a prototype for commercial production. However, Toshiba does intend to introduce an IC radio by the end of 1967.) The Sony radio measures 1.2 inches high, 2.3 inches wide, and 0.7 inches deep, and weighs only 0.23 lbs. Its output is 50 milliwatts. The IC used for the set integrates nine transistors, four diodes, and 14 resistors on its 0.06-by-0.09-inch pellet.

□□□□ **The Hi-Fi Show played to the New Consumer** last week in New York City. New cabinet designs to integrate good listening with home fashion were featured, but most of the tuners, turntables, and loudspeakers had already been seen by the industry. Both 8-track cartridge tape players and cassette player-recorders were shown. A 90-minute blank cassette, at \$3.75, was introduced by Norelco. (The cassette is also available in 60-minute lengths.)

□□□□ **The price on GE's 16-inch b&w portable** was advertised as \$99.95 in New York City newspapers last week. Previously, the national list was \$109.95.

Billboard Publishing Co. acquires Merchandising Week

Billboard Publishing Co. has acquired MERCHANDISING WEEK from McGraw-Hill Inc., it was announced jointly by Shelton Fisher, president of McGraw-Hill and William D. Littleford, president of Billboard Publishing Co. Billboard will publish the magazine beginning with the Nov. 7 issue.

Walter R. Browder, present Editor of the magazine, will become Editor and Publisher, Littleford announced. No major changes will be made in the editorial format, policies, or staff. Printing and distribution schedules will be speeded up and four-color

printing will be used editorially on the front cover. Present advertising and circulation policies will be continued.

Littleford said that Billboard bought the magazine because its audience and its market fit ideally into Billboard's type of merchandising publishing activities.

Dale Bauer, present publisher of MERCHANDISING WEEK, will be assigned to a new management post at McGraw-Hill, Fisher said.

This is the seventh acquisition by Billboard Publishing Co. since 1957, when it acquired *High Fidelity*, now

published out of Great Barrington, Mass.

In 1962, Billboard stepped outside of the publishing field to acquire a radio program service, Record Source, International. Later the same year, Watson-Guptill Publications, including *American Artist* magazine and an art instruction book publishing house, was acquired.

In the fall of 1963, Billboard rounded out its consumer publishing line appealing to the leisure market by acquiring *Modern Photography* from Gellart-Wolfman.

In late 1964, *Musical America* was

added to the High Fidelity Division and in mid-1966, Billboard took its first step into the international field with the acquisition of *Record Retailer*, a British-based publication.

In addition to the properties acquired, Billboard Publishing Co. publishes *Billboard*, *Vend*, and *Amusement Business*, operates a research service for the record industry, and provides programmed music for American Airlines. The company also operates a fulfillment service, printing plant, and date processing center servicing other publishing companies, as well as its own properties.

Tv price hikes: Washington questions, industry answers

In the wake of the widespread price hikes in the television industry, representatives of many of the leading tv set manufacturers were called to Washington last week. There was little doubt that the two events were directly related.

While the official governmental reason for the meeting was said to be a discussion of "our views on some of the problems facing the economy and a chance to discuss the problems of your own industry," it

was generally assumed that the meeting was called to avert further price increases. However, the government did not ask for a price rollback, nor, according to reports, did the companies guarantee there would not be further increases in television set prices.

After the meeting, which was held last Wednesday, Assistant Secretary of Commerce Trowbridge announced, "No decisions were reached, no agreements were made—we just got a

better understanding of the problems."

The industry leaders at the meeting—representing RCA, Warwick, Admiral, Westinghouse, GE, Sylvania, Motorola, Magnavox, Zenith, Philco, and the Electronic Industries Assn.—came armed with persuasive reasons for the price moves. Most dramatic of their arguments was a reference to the fact that the rising volume and increased productivity of the television industry has permitted

tv and radio sets to drop in the Consumer Price Index from 100 on a 1957-59 base to 82.2 before the recent price hikes. Also outlined at the meeting were the powerful price pressures hitting the industry in the form of increased costs for labor, copper, and hardwood cabinets.

Trowbridge suggested the increased use of U.S. employment services to find trainable personnel and the use of more mentally retarded people for manual skill jobs.

Stereo Sales Lifter!

New Admiral "Flight Deck" Solid-State Stereo!



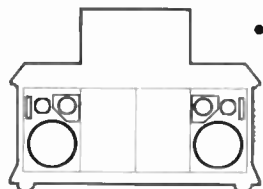
No more reaching in the "well".

Exclusive with new Admiral Solid-State Stereo! Record changer and all controls rise to fingertip level, for loading records, setting controls, tuning and adjusting FM/AM, FM stereo multiplex radio. That's the Admiral "Flight Deck"—the newest, most remarkable and most demonstrable stereo feature ever developed! Wait until *your* customers try it!

It's another new idea from Admiral that moves merchandise. Now Admiral eliminates an inconvenience present in all conventional console

stereos! The Admiral "Flight Deck" is the first stereo control center that actually rises five full inches to cabinet top level. And it rises automatically as lid is lifted.

See, sell the exclusive Admiral "Flight Deck." It's so demonstrable, so attention-getting that it can easily help you sell the many other quality Admiral stereo features:

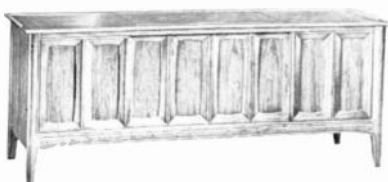


- Up to 8 quality speakers, including the remarkable new chambered, rear-vented mid-range speakers, for rich new mid-range performance

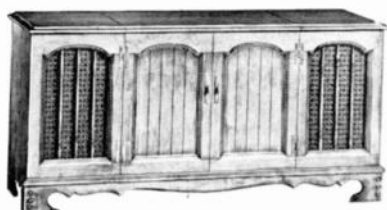


- Admiral Vari-Gram tone arm
- Admiral solid-state cartridge
- Admiral Custom 11 record changer
- Up to 360 watts of peak power
- FM/AM, FM stereo multiplex radio
- Fine-furniture cabinets in a choice of styles . . . genuine wood veneers
- Pushbutton Master Stereo Control Center
- Built-in record storage compartment

Sell Admiral solid-state stereo with "Flight Deck." Watch all your Admiral sales take off!



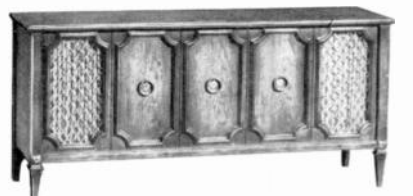
The finest! YK8401, with "Flight Deck", 360 watts, 8 speakers including new chambered, vented mid-range speakers. Contemporary styling, genuine walnut veneers, sliding doors.



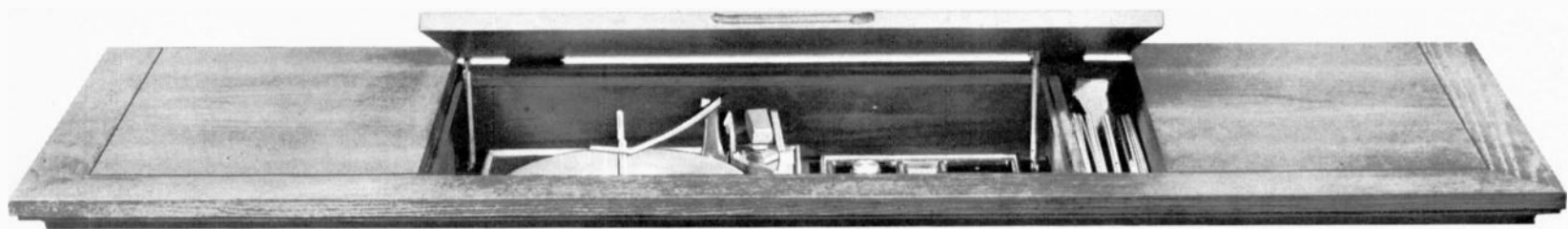
Real Colonial charm. YK8315, with "Flight Deck", 100 watts, 6 speakers. In authentic Early American styling, finished in genuine maple veneers and built with selected hardwoods.



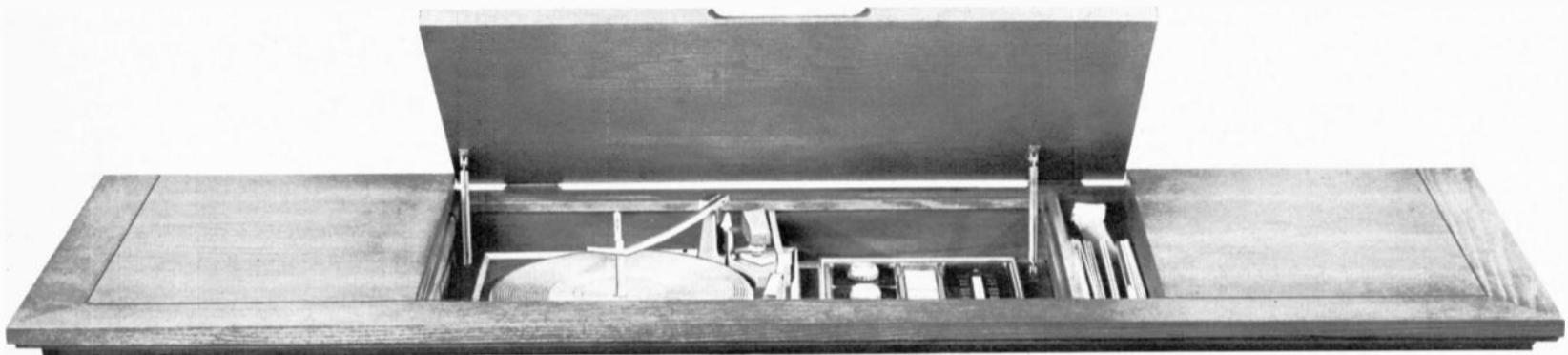
Timeless beauty of French Provincial. YK8349, in genuine cherrywood veneers. With "Flight Deck", 100 watts of power, 6 quality Admiral speakers for the full range of quality sound!



Elegant period piece! YK8328 in Italian Provincial styling, genuine pecan veneers. With exclusive new Admiral "Flight Deck", 100 watts, 6 quality Admiral speakers.



.....Lift the lid...



all controls and changer rise to meet you!



The exciting new Mediterranean look! YK8333, with "Flight Deck", 100 watts, 6 speakers. Beautifully handcrafted and styled in Spanish Provincial, genuine oak veneers.

Ideas that move merchandise come from...

Admiral



MARK OF QUALITY THROUGHOUT THE WORLD

□□□□ A uniform consumer credit code for all 50 states is the goal of an intensive joint effort by the National Conference of Commissioners on Uniform State Laws and the American Bankers Assn. Virtually all aspects of consumer sales and loan credit would be regulated by the code, which the sponsors hope would head off the drive for federal legislation.

All major segments of the consumer finance community are contributing to the cost of the study and are currently stepping up activity in hopes of hurrying a completion date. Several draft codes have been writ-

ten, but it presumably will take at least another year to meet all requirements and criticisms. The sponsors want a uniform code to head off federal regulation.

The final code will include proposed rules covering usury laws, permissible interest rates, length of credit maturity, terms and the way they are written, and types of documents used. These are precisely the areas that would be covered by federal legislation sponsored by Sen. Paul H. Douglas (D-Ill.). The Douglas bill, though still a long way from approval, has been gathering support in Congress recently.

Andrea. The end-of-the-line line.

We'd like to talk about a subject that's rather dear to your heart. Trade-up. And one rather dear to ours. Andrea.

Andrea and trade-up go hand in hand. The reason is simple. Our color sets are too expensive to sell themselves. To move one, you've got to trade people up from a cheaper set. Somebody else's cheaper set. This positions us at the very end of your line. The high end. And having us there works to your advantage when you're making a trade-up sale.

For example: a customer walks in and asks to see the \$500 Brand Z. You think you can trade him up. You get him to look at the \$650 Brand Z. His reaction? You're sticking him with an expensive version of the same set. He'd be paying an extra \$150 for the furniture. Is he right? He probably is. Especially if you put the two sets side by side and played them.

Now suppose you showed the same customer your \$800 Andrea. Talk to him. Tell him about Andrea. Who we are. Why we cost more. Why we're different from the others and what makes us worth the extra money. Don't worry, every word will be the truth. We'll supply you with all the background and dealer aids you need.

Finally, the kicker. You turn on the set and put it next to any other in the store. Then tell him that Andrea is built to outperform and outlast any other brand he can buy. You've just given your customer a lot of good reasons to trade up. Chances are he will.

More and more dealers are finding it profitable to put Andrea at the end of their line. If you'd like to join them write to Pete Morahan, our Sales Vice-President. Or call him collect at (212) ST 4-5411.

Pete will be glad to answer any questions you have. But don't ask him how much money you can expect to make. He could only guess at the answer. Because once a dealer reaches the end of the line, there's no stopping him.



"Now if you want something a little better..."

□□□□ The Zamoiski case (MW, 26 Sep., p.3) has aroused some speculation in the appliance industry that the Federal Trade Commission has altered its position on use of manufacturers' suggested list prices.

Such is not the case, the FTC officials say; the Zamoiski complaint is based entirely on charges of "false, misleading and deceptive" claims.

Normally a list price is perfectly permissible—so long as it shows prices at which articles are sold in at least the principal, non-discount retail outlets. It is when the tagged "list" price is not the regular retail price that retailer or distributor may be in trouble.

The FTC puts it this way: "A retailer who advertises a manufacturer's or distributor's suggested retail price should be careful to avoid creating a false impression that he is offering a reduction from the price at which the product is generally sold in his trade area." Further, FTC says, a manufacturer doing business nationally cannot be required to police prevailing prices at which his product is sold.

□□□□ Rules requiring separate statements of earnings for each major division of a diversified company will affect small firms as well as large. The Security & Exchange Commission does not intend to limit its rules to big business. Though SEC has decided diversified firms owe the public more detailed accounting, it could be months before the new rules go into effect.

Andrea

The Andrea Radio Corporation, 27-01 Bridge Plaza North, Long Island City, N. Y.



The Connoisseur Twin's doors have a trim frame to hold decorator panels.

Whirlpool's 1967 appliance line has a side-by-side, new colors

Whirlpool has introduced its 1967 appliance line, joining the ranks of companies marketing side-by-side refrigerator/freezers. It has also nodded toward decorator-front movement by making the units' doors capable of holding panels.

The side-by-side is 35 $\frac{3}{4}$ inches wide, with a 12.2-cu.-ft. refrigerator and a 9-cu.-ft. freezer. It comes with an automatic icemaker and will retail at about \$600. Whirlpool does not provide the panels, which can be vinyl-clad metal, plastic laminates, or plywood. The two doors can be hung to open from the center, from the side, both from the right, or both from the left.

The refrigerator line is two models longer than last year. There are 24 models ranging in capacity from 11 cu.ft. to 21.3 cu.ft.; in price from under \$200 to about \$600. The no-frost feature, available in 13 of last year's models, is available in 17 mod-

els of the 1967 line; automatic ice-makers are on nine models. The new colors—which are matched on refrigerators, ranges, and dishwashers—are sapphire blue, avocado and fawn.

The 19-model freezer line features vinyl-clad tops on certain chest units. Decorator chests come in avocado, red, and black and have brass-plated hardware. Prices range from about \$200 to over \$300.

The room air conditioner line has 36 models, 11 more than last year. They range from 5,000Btu to a new 32,000Btu model. Some of the new units fit sliding windows; some have decorator panels. Four range units—one electric and two gas built-in wall ovens and one electric set-in range—have smoked glass doors. There is a new Teflon-and-foil oven-cleaning system on some ranges.

There are 11 new dishwashers, one more undercounter model than in 1966.

Bright words on appliances: another peak year in 1967

Appliances will rack up a record-breaking sales performance in 1967 as consumer spending in durables climbs to new highs.

Spurred by fatter pay checks and increasing consumer credit, durables should achieve sales of \$71 billion in 1967, an estimated \$1.5 billion increase above this year's level.

These rosy projections come from McGraw-Hill's Department of Economics.

The rising volume of consumer debt—which will approach the \$100 billion mark by the end of next year—is particularly significant for the appliance industry, since well over 50% of all appliance sales are financed by consumer credit.

However, the rate of growth in appliance volume is not expected to be as spectacular as during the past few years, in view of increasing consumer reluctance to incur additional debt.

Any way you look at it, though, the consumer of 1966 is in an optimistic buying mood. This is indi-

cated by the latest Census Bureau survey of consumer intentions. While the number of potential car buyers over the next 12 months is about the same level as a year ago, the number of consumers intending to buy household durables within six months is above last year.

As for the slowdown in consumer credit, the research arm of McGraw-Hill views this as a short breather—a period when consumers are getting repayments in line again. Then, as incomes rise, credit purchases would resume their upward course.

Consumer incomes, after taxes, are expected to rise about \$30 billion next year. This will enable buy-minded consumers not only to keep up their payments on current debt, but put them in good shape to acquire new debt.

Tight money and high interest rates are regarded as potential economic dampeners—but the consensus of the McGraw-Hill economists is that neither is likely to take the steam out of a robust economy.

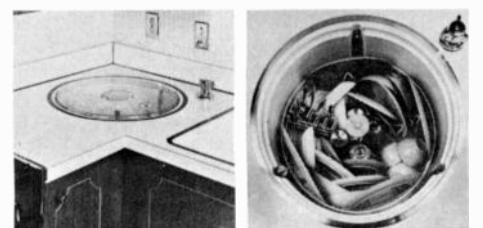
□ □ □ □ A new record in color tv sales was set during the week ended Sept. 17—the 37th week of the year. During that week, 125,987 color sets moved between distributors and dealers, according to figures from the Electronic Industries Assn. This also marks four consecutive weeks of color sales at over 100,000 units. If this record rate of sales is maintained for the remainder of the year, the final count of color tv sales for the year will be 4.7 million.

□ □ □ □ The cost of doing a booming business: Motorola's chief executive, Robert W. Galvin, told the New York Society of Security Analysts last week that the corporation's earnings had been "disappointing" this year because of what he termed "start-up and expansion costs." He noted that Motorola had added 10,000 employees—bringing the total to 40,000—in keeping with the company's fast-paced expansion programs. And, he added, 10,000 more employees will be hired next year. Although earnings did not come up to Motorola's expectations, Galvin predicted that combined sales for all divisions of the corporation would be up 20% to 25% in the third quarter, 35% in the fourth quarter of this year. Touching directly on color tv production, Galvin forecast that the company's new tube division would show a profit next year and by 1968 will supply half of Motorola's tube requirements. Galvin predicts that 4.7 to 4.8 million color sets and 7.5 million b&w sets will be sold this year. He pegs the industry's 1967 b&w and color sales between 7 and 8 million for each. But Galvin warns that a second-quarter slump in color sales may appear. As for color sales today, Galvin feels that color sets are now moving at near their optimum rate at the distributor level.

□ □ □ □ Packard Bell's 12-inch \$89.95 b&w portable tv set marks the company's move into the under-\$100 small-screen market. (In June, the company introduced its first small-screen set: a 9-inch transistorized b&w portable priced at \$119.95). Packard Bell plans to offer a 16-inch b&w portable later this fall. The new 12-incher has front-mounted controls and speaker, and a flip-up carrying handle, and comes in two-tone beige and brown.

□ □ □ □ A new type dishwasher that operates on water pressure has been developed by the Vulcan Manufacturing Co. The St. Louis firm claims that the unit (see photos), to retail for a suggested \$129, will hold table settings for five, and has a cleaning cycle of two minutes. The Coronet drops into a countertop; the unit requires no electrical power, and is primarily aimed at new homes where water pressure is adequate. It will be merchandised through builders and appliance dealers who can install it "just like a sink in a counter top." Vulcan says the unit can be installed in only 21 inches of cabinet space at one-half the cost of a conventional dishwasher because only two connections are required: one to the hot water, and one to the drain.

The new unit will carry a one-year warranty.



Vulcan's water pressure dishwasher

□□□□ **Sears' first self-cleaning oven range** appears in the company's Christmas catalog. The 30-inch unit comes in white and coppertone and has a price tag of \$329.95. Copy in the catalog requests customers not to order the unit "before October 15"—a move made because supplier Roper was still on strike when the catalog was being printed. Also a first for Sears in the yule catalog: the company's first side-by-side refrigerator-freezer combinations. The 21-cu.-ft. model, which is just under 36-inches wide, has an automatic icemaker; comes in white, coppertone, or doeskin; and retails for \$544.95 with a plain front, \$574.95 with paneled front.

□□□□ **The Geo. D. Roper Corp. strike is over.** The company's Kankakee, (Ill.) Roper division factory expects to be in full production this week and has already begun to ship from existing warehouse stock. The settlement with six union locals ends a 12-week work stoppage that halted the company's range production.

□□□□ **RCA is taking no more b&w console orders.** The remainder of the b&w console orders taken in May are being filled at the corporation's Memphis plant, but demand for color sets has preempted any increased production of b&w consoles. Earlier, RCA announced that it had postponed production of its 9-inch b&w portable until next year (MW, 12 Sep., p.3) in order to utilize more line for color tv production. Motorola and Zenith say they are still taking b&w console orders and have not cut back b&w production.

□□□□ **Industry agreement on the tube tariff bill** has been reached by Sylvania and other domestic receiver tube makers. Sylvania, which had been the only tube manufacturer to oppose the bill (MW, 15 Aug., p.7), sent a suggested amendment of the proposed legislation to the House Ways and Means Committee last week. The recommended change reportedly is a compromise phraseology agreed to by a number of the major participants, which include RCA, GE, and Westinghouse. Although the committee will probably not get to the bill this session, there is industry feeling that it should do the utmost to report it out favorably and quickly in view of recent Administration efforts to ease the economy's inflationary pressures. An industry-wide price increase in radios, phonographs, and tv sets is almost a certainty if legislative or judicial action does not reduce Custom's present method in determining duties on receiver tube imports.

□□□□ **"The biggest, most successful trade show ever held in the industry"** is the aim of the EIA-sponsored Consumer Electronics Show, as spelled out in a new prospectus prepared by the Electronics Industries Assn. The show, scheduled for June 25-28 next year in New York City, will be promoted through extensive advertising and publicity campaigns using newspapers and magazines, wire services, radio and tv, and direct mail.

□□□□ **Penney catalog stores continue to spread.** This month, the company opened its first catalog sales desks in Arkansas and Texas. These are the 21st and 22nd states in which J.C. Penney has opened in-store catalog desks, which now total 539.

A discounter on the rampage— with a \$500-million appetite

Top management of Interstate Department Stores Inc. is reportedly mapping plans for a chain of 35 to 40 White Front units by 1970 with an annual volume of about \$500 million.

A full-fledged assault by White Front on the Oregon and Washington markets is also under consideration—possibly a dozen units, with the first wave of the invasion due in late 1967 or early to mid-1968.

This was learned from sources close to Interstate's top management family.

White Front, a California chain of 21 units and one of the discount industry's most prolific sales performers, is streaking along at an annual sales rate of \$250 million. Unit number 22 opens in November.

Speaking before a security analysts' group last week in San Francisco, Sol Cantor, Interstate's president, disclosed that the firm's White Front division was generating sales of \$131 per square foot, against a national discount store average of \$67. He also reported that White Front was the second largest retailer of refrigerators and washing machines in California, and was likewise outstripping Sears' Coast stores in the sales of tv sets.

Turning his thoughts to the discount industry itself, Cantor declared that its greatest opportunity lies in crashing the "believability barrier"—in other words, getting the consumer to believe in the discount store's ability to offer quality goods at value prices, particularly in soft goods.

"Only this believability barrier stands in the way of our growth," he observed.

Cantor said that Interstate was seeking to crash the believability barrier through increased institu-

tional advertising, better packaging, and better service.

"We must develop the know-how," he said, "to convince the customer we can give her top-quality, unbranded merchandise at 25% to 30% under branded goods. This is our biggest challenge . . ."

At the same time, the Interstate boss made it clear that the chain was not abandoning the traditional lure of name brands at discount prices. He noted that well over half of the firm's business is done on nationally advertised merchandise.

He disclosed that Interstate is General Electric's largest West Coast customer for its branded appliances and Admiral's biggest retail customer in the world.

On other matters, Cantor said:

- Interstate's 1966 volume—based on a complex of more than 100 stores—should top \$500 million.

- Plans call for 10 new units in 1966 and 10 to 12 additional stores in 1967.

- Despite talk of saturation, numerous areas are still ripe for more discount stores. Surveys show each discounter serves an average 17,944 householders.

- The discount industry continues to eat up an increasing percentage of general merchandise sales. In hard goods, for example, the industry accounts for 8.2% of the housewares market, 21.3% of sporting goods volume, and 43% of the garden supplies market.

As for upgrading, Cantor acknowledged that the industry is moving in this direction. "But we are not jumping from \$5 dresses to \$25 dresses," he declares. "The movement is in terms of one or two price points. We don't want to leave our present customers too far behind."

—Dan D. Dorfman

Andrea adds stereo consoles; a small company thinks big

Andrea Radio Corp., which in the last year has moved from what it termed "semi-national" distribution that was concentrated in Eastern markets to national coverage, last week announced that it had been named national distributor for a stereo console line built by Fleetwood of Canada. The 12-model line will be marketed in the U.S. under the label "Fleetwood Series by Andrea."

The company is aiming for 1% of the U.S. tv market—or 40,000 sets annually—by 1968, says Frank Andrea Jr., president of the firm. And, with the step into the stereo console business, Andrea is striving to expand its "high-end, high-profit" philosophy to other product areas, according to Pete Morahan, national sales manager. The new stereo console line, slated for October delivery, will be priced from \$299 to \$799. All models include AM-FM radio.

To promote its lines, Andrea plans national consumer advertising for the first time in 1967.

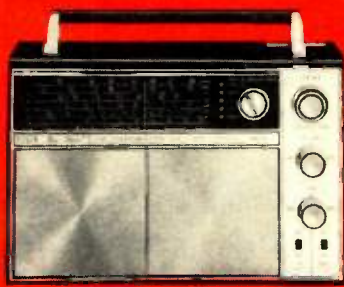
The small but energetic company has increased its dealer representation by 200% in the last year and has quadrupled its tv set production, Morahan says. Its distribution breakdown now stands at 70% factory reps, 25% distributors, and 5% direct factory sales. The firm is turning out 100 completed-and-tested color tv sets a day and Andrea says that expansion will come as "demand warrants it."

No portable phonos will be included in the Fleetwood Series because, explains Morahan, "profit margins are too small." On Andrea's color tv line, margins—which are "set but flexible"—stand at 40% of the list price, 30%-to-31% of the minimum retail price.

Andrea, however, like the giants in the industry, is feeling price pressures. "We had a 14% increase in price on one cabinet alone," Morahan points out. But, Frank Andrea adds, the company is "striving to hold the line on prices."

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R800 12 Transistor AM Pocket Portable. Retail Profitably at \$16.95



R1200 12 Transistor FM/AM Pocket Portable. Retail Profitably at \$24.95



R1400 12 Transistor AM/FM Personal Portable. Retail Profitably at \$39.95

PLUS... 30 MORE EXCITING MODELS

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ELGIN DELIVERS THE QUALITY

... at prices $\frac{1}{3}$ to $\frac{1}{2}$ less than competitive models!

Elgin has the lowest return-for-repair ratio in the industry. Only highest quality components are used... and each set gets a strict quality control check. That's why we can back up every set with a ONE-YEAR UNCONDITIONAL GUARANTEE!

ELGIN DELIVERS THE PROFIT!

We call them "The Profitables"... 15 unique radios that cover all your needs—give you a complete AM, FM/AM, FM/AM/SW, and clock radio department with minimum investment in samples and inventory. And we

back you up with co-op ad allowance, ad mats and sales promotions, free displays, powerful national advertising in peak selling months.

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MW 3

MAJOR APPLIANCES: SOLID STATE STRIDES INTO

sponsibility. We talk directly with the semi-conductor outfit, no go-betweens."

This is the deep-rooted reason why electronic controls, expensive as they still are, are a top subject in appliances. The semi-conductor suppliers, with fast retooling capabilities and low expenses, can deliver the goods as needed, and at the mandatory price. Thus, appliance makers are beginning to be able to drop redesign-to-production time to as low as six months.

The search for fast turn-around, a survival necessity, is leading appliance companies that have lacked semi-conductor knowledge to buy it.

For instance, Whirlpool, although working very closely with a number of component companies (including giant Texas Instruments), has moved to beef up its own electronics capabilities, one of the major reasons for its recent purchase of Warwick Electronics.

For an example of how fast turn-around (quick product innovation) works in an electronically integrated company, take the case of Hotpoint's solid-state washer introduced last year. This unit is controlled by a new low-cost SCR developed by the semi-conductor division of parent GE. The General Electric SCR was announced less than a year prior to the debut of Hotpoint's washer.

Hotpoint, of course, had been working on the designs for its washer for two years, but the company had the advantage of knowing it could get an exclusive on the new SCR developed by the semi-conductor arm of the GE complex. So, by the time another appliance producer was able to put a solid state washer on the market (Norge, for private-label customer Montgomery Ward), Hotpoint had been off and running alone with the product for about three or four months.

The scramble for semi-conductor knowledge and supplies is one side of the fast turn-around coin. The other is: the companies who do not keep up are bound to be hurt.

One progressive appliance manufacturer put it this way: "Some manufacturers have already finished their designs for their 1969 lines. It takes them that long to get into production. They are out of the electronics picture until 1970."

Again, the history of Hotpoint's LW795 washer contains a lesson. The price of this unit has been dropped to the \$310 level already, and the company says it is striving to market the washer for under \$300. Hotpoint wants to offer the unit to a broader segment of buyers.

So, if Hotpoint can do that now, what about the companies without solid state models? And what about the companies without full-scale electronics organizations or ready access

to the latest in solid state components? Where will *they* be in 1970?

Those manufacturers who are not on the market with solid state appliances in the next five years may become also-rans in a business that has less and less room for marketing miscues. Manufacturers already in the market are predicting that one out of 10 majors sold *this* year will have some form of electronic control.

The opposing strategies

In any revolution, some of the most heated battles take place not against the status quo, but back in camp among the revolutionary leaders. Timing and control are the usual points of dissension.

There are three principal factions in the solid state appliance revolution: semi-conductor makers, controls companies, and appliance manufacturers. Each has a different point of view. And, although viewpoints have merged in some cases in recent years, because of electronically integrated appliance makers, because of mergers between controls companies and electronics companies, and because of semiconductor businesses setting up their own "appliance component development" departments, the arguments still rage.

Some appliance men have said, "The controls people are not doing their job. We can't wait for them. We'll by-pass them."

Other appliance men are worried that their small profit margins may disappear altogether if they spend money for electronics R&D. They want controls producers to do their self-appointed job.

Most controls companies say they won't change for change's sake. And some appliance company spokesmen say that the consumer is not interested in a solid state control—only the appliance product. "We are not selling controls, but appliances," shouts one executive.

But, the fact is that controls companies still do about 95% of their business in electro-mechanical controls and are not about to rush into a new area.

The controls people, however, say they *are* doing their job. They state their case this way:

"We are staffed with solid electronics-engineering capability, but we will go only with the best approach, not 'electronics for electronics sake.'"

Appliance makers, of course, agree with this approach. Electronics isn't God's gift to the consumer, they say, so we are trying the "systems" approach, finding the best component for each function. But, some controls makers say that what the appliance industry means by the "systems" approach is sitting back and letting its suppliers fight it out.

The semi-conductor suppliers, for their part, are certainly bent on entering the battlefield. Their goal: capturing a vast new market to add to their victories in the consumer electronics area. Their estimates of the size of this market in the near future are much bigger than those put forth by controls companies.

The best estimate by electronic-control makers is \$1.2 million worth of sales this year, creeping up to \$1.38 million in 1967, and moving up to \$1.88 million in 1968. Not only does this vary widely from what semi-conductor makers see (\$6-\$7 million in 1968, for instance), but also it is far from what appliance men think.

Sales volume is not the only point of disagreement. Price is under fire, too. The argument from controls companies: electronics are just "too damned expensive." They are, right now, aggressive appliance manufacturers admit, but, "Who cares?"

The controls makers' points of view coalesce in this example: a mechanical timer (for a dishwasher, or an automatic clothes washer or dryer) costs from \$3.50 to \$7. A transistorized timer doing the same job, however, is priced at \$8.50. An integrated circuit counterpart costs \$14.

Another example:

One controls company figures that, right now, the temperature in the fresh food compartment of a standard refrigerator and also its compressor cycle can be controlled with a device that costs \$1.75; defrost can be handled with a \$2 timer; and a terminating device can be bought for 75 cents. These add up to a total OEM cost of \$4.50. But, solid state devices doing the same jobs would probably cost \$10 to \$15. Thus, the substitution of solid state for conventional controls would probably jack up the retail price of the refrigerator \$20 to \$25.

A leading semi-conductor maker disagrees with the implication of this example—that electronic controls are too expensive—for two reasons:

1. "We feel," he said, "that we can work more than one function of a refrigerator from just one electronic control. Initially, there would be a small premium, but not very much and not for very long.

2. "Further," he continued, "we could add functions later that the refrigerator does not have now—at little cost." Such additions might be compartmentalized temperature controls and more compartments with a number of temperature possibilities.

Appliance manufacturers tend to agree. As one of their chief engineers says, "As you increase the use of solid state, the cost differential narrows because the same circuit may also perform more than one function."

Most appliance spokesmen slough

off the high-price argument advanced by some men in the controls industry, in fact, so much so that, "two years ago, we didn't think about electronics; now we think of nothing else but," says one executive.

Concern over the consumer

"Thinking about electronics," however, is not all cornbread and country ham. The solid state revolutionaries are subsisting on a diet of disagreement and dissension as well as hope and excitement.

And disagreement is not limited to arguments among the controls, the appliance manufacturing, and the semiconductor factions. Among appliance makers themselves there is yet another controversy:

Can the use of solid state in appliances be sold to the consumer?

On one side are those who elaborate on the point that the appliance industry is selling appliances, not electronics. The war cry: "The customer can't see it!"

These people point out that solid state devices are hidden behind a panel or buried in the guts of the machine and that "we haven't been able to show a visible difference, to shrink our products in size the way the consumer electronics people have done."

On the other side of the argument are the aggressive appliance merchandisers who keep pushing the coming advantage of solid state. And even those fighting the revolution admit that solid state is the future (because of the glamor, because of what it can do).

To a larger extent than anyone will publicly admit, the appliance industry (including the controls makers) is at approximately the same point where the electronic vacuum tube industry was in the early 1950s.

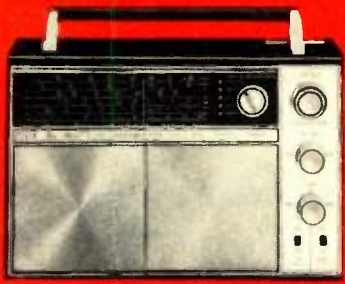
"What's a transistor, and who cares?" was the outlook of many vacuum tube producers. It cost that industry \$400 million a year in lost sales to answer that question, and, today, there are about four producers left in a fast-shrinking market. (A scathing sarcasm from an appliance maker about the outlook of controls companies today: "They say they have electronics capabilities, are working on controls, have hired electronics engineers. None of these engineers, however, has corporate responsibility and authority. It's a case of insurance, nothing more.")

Depending on who one listens to, the opinions on the value of solid state to the consumer swing and sway. Merchandising philosophy, and vague notions of what the U.S. public wants backstop the confusion in the appliance manufacturing industry, affecting the controls suppliers more than anyone.

They, and a few semiconductor

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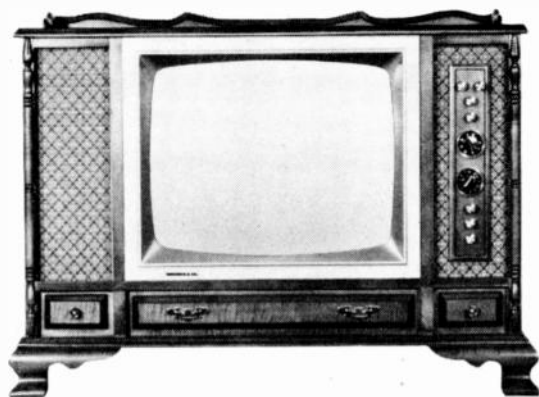
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MW 3

25" TRUE COLOR TV!

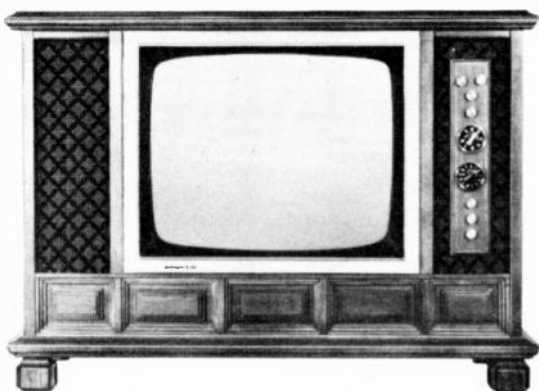
MEET THE TELEFUNKEN QUARTET of 25" rectangular Color Consoles—for fastest action, fastest sales. Engineered by TV's master designers. Precision refinements include: True color or black and white pictures with automatic control. Two duocone speakers with fullest tonal range. All-wave UHF or VHF tuning, peak performance in fringe areas. Instant 'on' and automatic degaussing. No-glare frosted picture tube. All four models high-style packaged in eyecatching cabinetry. **TV stands for TELEFUNKEN VALUE!**



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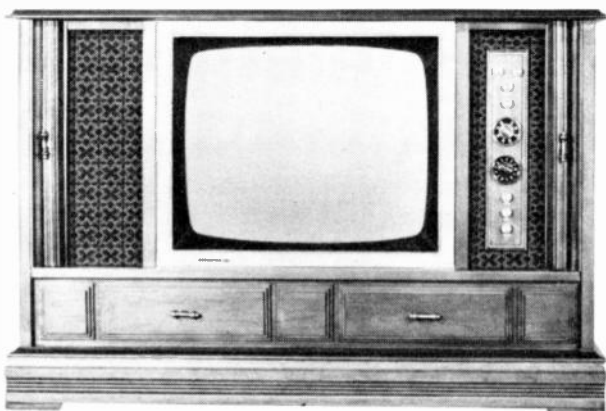
THE STURBRIDGE Antique maple, Early American styling



THE SEVILLE Spanish styling in pecan, open face



THE MADISON Modern decorator styling in walnut



THE MADRID Spanish styling in pecan, tambour doors

American Elite, Inc., 48-50 34th Street, Long Island City, N.Y. 11101
Telefunken Sales & Service Headquarters for over a decade.

APPLIANCE-TV NEWS

□□□□ Japan's 1966 production of stereo phonos is expected to exceed 1.3 million units, registering a rise of about 30% over last year, reports McGraw-Hill World News in Tokyo. This prediction was made by a number of leading stereo phono producers in Japan following a slightly more conservative forecast announced by the Electronic Industries Assn. of Japan (EIAJ). The EIAJ believes that production will total 1.28 million units this year. Japanese sources also believe that exports—principally to the U.S.—will total about 250,000 units this year.

□□□□ Japanese tv sets exported to the U.S. totalled 891,162 units for the first eight months of 1966—a 219,106 unit and 32.6% increase over the same period in 1965. The 8-month total of color sets from Japan was 110,805 units, at an average price of \$182.97. B&w exports for the 8-month period reached 780,357 units, at an average price of \$50.19.

□□□□ A color-coordinated premium offer marrying major appliances and housewares apparently is in the making. Lincoln Metal Products, a leading metal pantryware manufacturer, reportedly is negotiating with a number of major appliance manufacturers seeking to use its pantryware, which has been color coordinated with the avocado and coppertone mist colors in major appliances, for use as a consumer premium.

□□□□ Zenith will give selling lessons to more than 15,000 Zenith retail salesmen and distributor sales personnel in a fall schedule of more than 450 selling conferences. The conferences, sponsored by Zenith in cooperation with the company's wholesale distributors, will be conducted during a nine-week period in 102 U.S. cities from coast to coast. The meetings, says Zenith, have been developed to explore all aspects of selling color tv sets, b&w tv sets, stereo phonos, and radios.

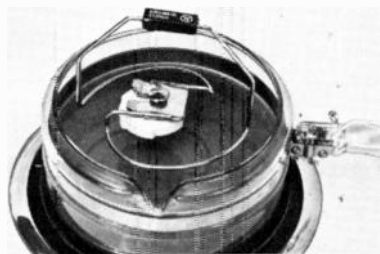
□□□□ Availability of copper magnet wire has been announced by D&R Assoc., of Upper Montclair, N.J. The company, which handles copper wire manufactured by Invex of Milan, Italy, says shipments can be made within one month after receipt of order and that prices are approximately comparable to magnet wire of local manufacture.

□□□□ Bells will be ringing in stores that participate in a Westinghouse side-by-side promotion this October and November. The ingredients are a sign inviting customers to open a duplex's door, a bell set to ring at intervals, and a cookbook worth \$4.95. When a customer opens the door and rings the bell, she wins a cookbook. The retailer has a prospect.

□□□□ Nautilus is cancelling a 10% price cut that was put into effect May 1 on its D-4 builder range hood. Although the price increase was limited to the D-4 hood, Stanley Silber, executive vice president of the company, said that if costs continue to climb, prices of other hoods in the Nautilus line might have to be reviewed. Meanwhile, Nautilus has announced that construction has begun on a new 70,000-sq.-ft. addition to its manufacturing plant in Freeland, Pa.

WESTINGHOUSE STIRS AUTOMATIC RANGE BUSINESS FOR FALL

New promotional model range with
automatic stirrer to capitalize on
range selling season



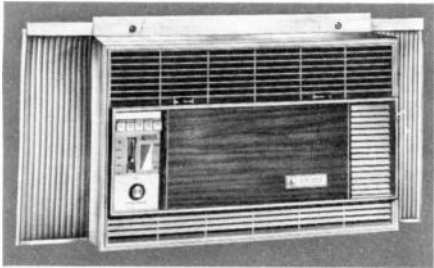
Westinghouse has put a top-of-the-line feature on a special promotional range to spearhead the big Fall selling season. The new model, with the new exclusive Westinghouse stirrer that automatically stirs as it cooks, will stir up store traffic for Westinghouse dealers everywhere.

Two other customer pleasing features are found on the 1967 Westinghouse range line: the exclusive No-Turn Speed-Broil® unit that broils both sides of meat simultaneously in half the time and the high-demand, automatic self-cleaning oven.

All 3 outstanding features are available alone or in combination on eleven models of Westinghouse's nineteen new ranges now at your Westinghouse distributor.

You can be sure if it's Westinghouse





□□ Two new air conditioners are introduced by Quiet Kool. The 365 Fresh Aire air conditioner (shown) features a year-round fresh air intake with four openings (1/4, 1/2, 3/4, and full) capable of circulating up to 10 cu. ft. of air per minute. According to Quiet Kool, the usual rate for similar units is about 2 cu. ft. or 3 cu. ft. per minute. The 365

Fresh Aire air conditioner is available in four models, with cooling capacities ranging from 12,000Btu to 19,500Btu.

Quiet Kool's E-Z Mount Instant Installing Air Conditioner features built-in instant installation, twin air-direction wheels, automatic adjustable thermostats, 2-speed fan operation, easy access slide-out filters, and zinc-coated steel parts. The E-Z mount series comes in five models: a 6,000Btu-capacity unit at \$169.95, an 8,500Btu unit at \$184.95, a 9,800Btu unit at \$184.95, a 10,000-Btu unit at \$199.95, and an 11,500-Btu unit at \$199.95. *Quiet Kool, Emerson Television and Radio Co., A Division of National Electric Corp., Jersey City, N.J. 07302*



□□ Frigidaire's mobile dishwashers for 1967 feature "Super-Surge" washing action in all models. The new units, which roll on casters and easily hook up at the sink, have a basic 3-way washing action. Four-way washing action is offered in four models, and 5-way washing action in the top-of-the-line model. The 5-way action provides a special heavy-duty cycle for cleaning pots and pans, plus a new 150-degree wash-water option in all cycles for use when regular water temperature is too low to assure thorough cleansing and sanitation. The mobile dishwashers come in three top-loading and four front-loading models; a conversion kit to make front-loading models into undercounter installations is available.

Frigidaire is offering four new undercounter dishwashers, which also feature Super-Surge washing action. The top-of-the-line undercounter dishwasher features the same heavy-duty cycle and 150-degree wash-water option that is available in the top-of-the-line mobile unit. *Frigidaire, Division of General Motors Corp., Dayton, Ohio*

Hamilton gives you more to sell in 1967!

MORE PERMANENT PRESS CARE

The new Hamilton washers have a unique shower rinse cool down especially designed to prevent fabric wrinkling during the spin cycle. And the new Hamilton dryers, both Holiday and Heritage, also have a special cool down period to put the finishing touches on all permanent press fabrics. These features are part of the wash and dry sequences of every model in the line—top to bottom.

MORE FEATURES

New inside and out, from the floor up, the Hamilton washer is loaded with saleable, demonstrable features. Constantly filtering recirculation, up to 8 wash programs, up to 5 water level selections, a new Constant-Balance suspension, automatic bleach and fabric softener dispensers, new tub, new agitator, and stunning new good looks from the drawing board of Brooks Stevens, noted industrial designer.

Hamilton dryers have matching beauty and a matching array of trade-up features including Sun-E-Day lamp, Tinted-View window, Twin Air Stream or Double Fan drying zinc-clad perforated drum, double-pass lint collection, Electronic dryness control, and up to 7 temperatures and unlimited cycle settings.

MORE MODELS

In addition to five washers (three basic models and two optional suds savers) Hamilton offers a choice of dryers—the full size Heritage and the slim, compact Holiday. Each is available in three series and in gas or electric. Add coppertones at the top and you have the broadest laundry line-up in the appliance field.

MORE PROFIT

Because of Hamilton's

famous reliability, the margin you make on every sale is the margin you keep with low service overhead. And, of course, Hamilton quality is fairly priced to bring you the profit you deserve and give your customers the best investment in laundry appliances.

THE NEW RELIABLES ARE HERE!

Contact your Hamilton Distributor

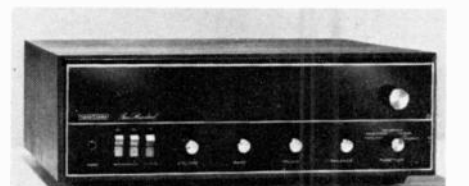


waltz through washday

Hamilton
HAMILTON MANUFACTURING COMPANY, Two Rivers, Wisconsin



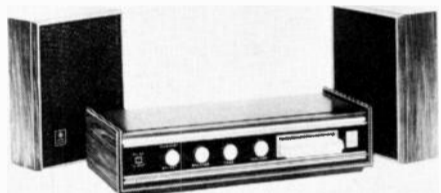
□□ A phonograph-recorder combo is being shown by Nippon Columbia. The two-in-one unit features a new power-shift mechanism that uses an induction motor to operate both the phonograph turntable and the forward drive and rewind of the tape recorder. The system has two amplifiers with a combined output of 3w and two speakers. The tape recorder uses 5-inch reels and runs at 9.5cm per second. Suggested retail price is \$40. *Nippon Columbia Co. Ltd., Time and Life Building, Rockefeller Center, New York, N.Y. 10020*



□□ Three hi-fi stereo receivers are being introduced by Harmon-Kardon. The receivers, designated the Nocturne series, have ebony panels and golden trim; the tuning scale, meter, and stereo indicator "disappear" behind the panels when the unit is not in use. Performance features include metal oxide silicon field effect transistors in the FM front ends. The three models are: a 50w FM receiver, the Two Hundred (shown) at \$239.50; a 50w AM-FM receiver, the Two Ten, at \$269.50; and an 80w FM receiver, the Seven Twenty, at \$369.50. *Harman-Kardon, A Subsidiary of The Jerrold Corp., 401 Walnut St., Philadelphia, Pa. 19105*



□ □ **Admiral's new color tv console** features an antique white French Provincial cabinet. The 25-inch console, called the Fontaine (shown), has slide-rule tuning, automatic degaussing, color fidelity control, preset fine tuning, solid-state silicon rectifiers, and lighted channel selectors. Suggested list price is \$650. Another new 25-inch color console—the Bellforte—comes with an FM radio and a phonograph, which may be used simultaneously through speakers placed in different rooms. The console features Mediterranean styling with a pecan veneer cabinet. Suggested retail price is \$1,350. *Admiral Corp., 3800 Cortland St., Chicago, Ill.*



□ □ **GE's cartridge tape player** is the first tape unit to use an integrated circuit. The new stereo player, model M8610 (shown), utilizes an IC in its audio amplifier section and plays 8-track cartridges. The unit includes the cartridge player and control panel with two separate 6- by 8-inch speakers. It has a Contemporary-styled cabinet of walnut-finished hardwood. The cartridge component is 4 inches by 8 inches by 18 inches, and has a push-button track selector. Suggested retail price is \$129.95. GE also will market an 8-track cartridge tape component, model M8600, designed to operate with an FM stereo radio or phonograph equipped with input jacks. It lists at \$99.95. *General Electric, Consumer Electronics Division, Syracuse, N.Y.*



□ □ **Motorola's new AM-FM radios** feature Early American styling. The top-of-the-line model, TT20CS (shown), has simulated spice drawers with white knobs and a cabinet of birch veneers and hardwood solids with a Midwest maple finish. The radio has solid-state circuitry. Suggested retail price is \$74.95. A

step-down model, TT20CW, has similar circuitry, but comes with a cabinet of walnut veneers and hardwood solids. It lists at \$64.95. Another AM-FM table radio, TT18C, has a polystyrene cabinet, which is available in charcoal and white, beige and white, and off-white and white. It has a solid-state chassis with nine transistors, five diodes, and a rectifier. There are three stages of IF in the FM section and two in the AM section. The dual limiter and tuned RF in the FM section are designed to aid fringe reception. The TT18C lists at \$49.95, the lowest price of any solid-state AM-FM radio yet built by Motorola. *Motorola Consumer Products Inc., 9401 West Grand Ave., Franklin Park, Ill. 60131*



□ □ **Three cartridge tape players** are offered by Capitol. Two are deluxe 8-track stereo home units, and the third is an 8-track stereo auto player. The top-of-the-line model, CC-890 (shown), is a solid-state combination cartridge tape player and phono-

graph. It features a Garrard 50 MKII automatic turntable, 14 transistors and three diodes, auxiliary input jacks for a stereo tuner and earphones, and four speakers. Suggested retail price is \$289.95. The other home model, HP-875, is a solid-state cartridge tape player without the phonograph. It has many of the same features as the CC-890, including four speakers and auxiliary input jacks for a phonograph, stereo tuner, and earphones. Model HP-875 lists at \$199.95. The auto player, model AP-880K, is a solid-state unit with two speakers that can be mounted or hung under the dashboard. It lists at \$139.95. *Capitol Record Distributing Corp., 317 W. 44th St., New York, N.Y.*

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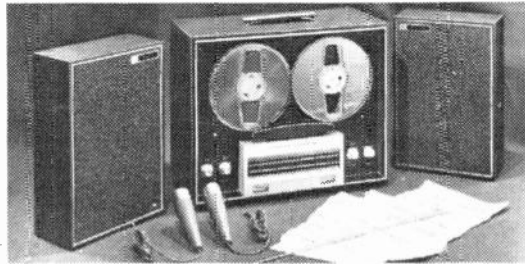


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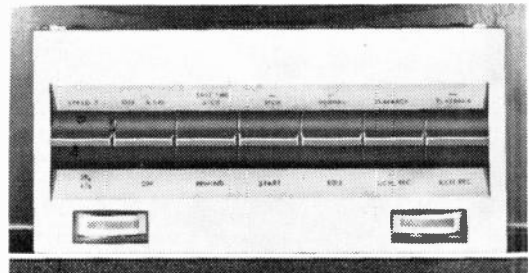
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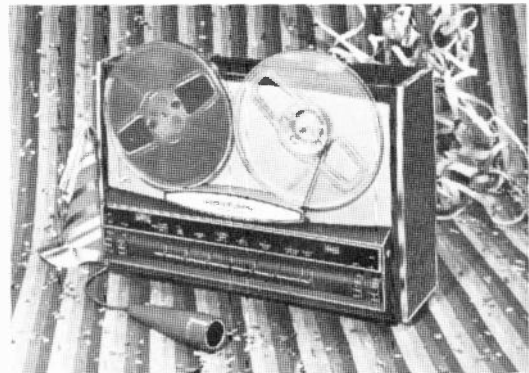
WEBCOR CORONET—Model 2722 A 3-speed, 1/4 track stereo/monaural unit that records on all 4 tracks. 2 detachable speakers separate up to 20 feet. Two dynamic microphones, two VU meters, 8 input-output jacks, 15 watts peak power, 100 to 15,000 cycles, automatic shut-off. \$234.95*



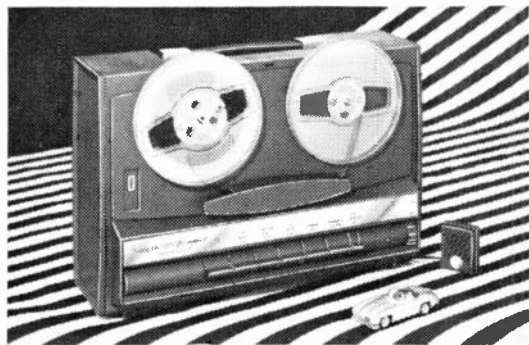
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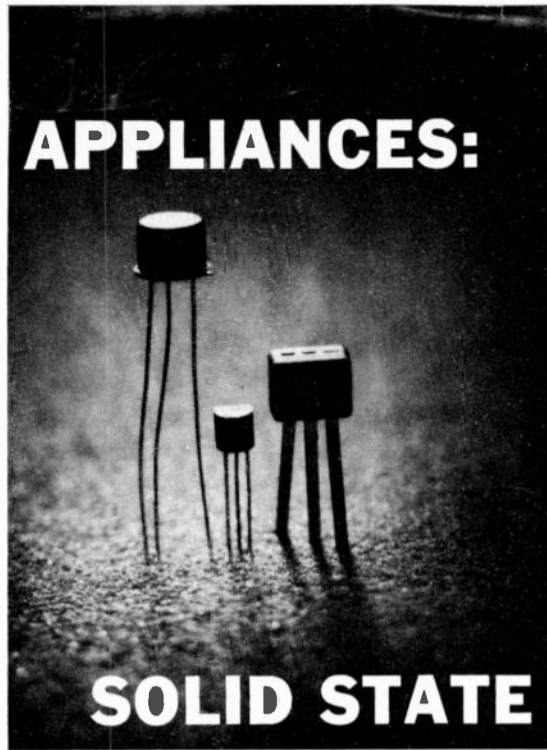
WEBCOR RECHARGEABLE V—Model 2717. True music, voice reproduction at 1 7/8, 3 3/4 speeds. Capstan drive, 5" reel. Operates on 5 rechargeable batteries (included), flashlight batteries or 110V, AC. Built in AC adaptor, battery charger. 5 input-output jacks, VU meter, battery charge indicator. Voice activated mike, earphone patch cord. \$124.95.* Model 2715 same as 2717 but with remote control, dynamic mike. \$109.95*

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MAJOR APPLIANCES:



SOLID STATE STRIDES INTO VIEW

One out of four major appliances sold in 1970 will have solid state controls. Maybe even one out of three.

Behind these private estimates by two of the nation's leading appliance manufacturers lurks a revolution in technology that will overtake the industry in the next four years.

Right now, most solid state projects are hush-hush. But, in engineering laboratories and executive suites of a few far-sighted manufacturers, signs of the revolution are taking shape. The meaning is clear:

1. The increasing use of solid state controls, while not drastically changing the appearance of standard major appliances as we know them today, will indeed produce merchandise with new functions and new features that consumers will want and that retailers can sell.

2. Appliance manufacturers who do not join the revolution will be in trouble.

3. The new technology, while now expensive, will become increasingly less so, increasingly more reliable, and most importantly, will pare overall manufacturing costs.

Although companies already working on solid state applications for major appliances have their blueprints for the Sensational Seventies locked in executive safes, it is certain that these blueprints show the retreat of electro-mechanical switches and timing devices under the onslaught of solid state controls.

The revolution is under way (check the chart on p.17 for the number of majors armed with solid state controls already riding the 1966 landscape).

The revolution will continue (check the other chart on p.17 for semiconductor manufacturers' estimates of sales to the appliance industry this year and through 1970).

On this page and the following two, *MERCHANDISING WEEK* presents the inside story of what has happened already, the battles that are being fought right now, and what to expect by 1970—as solid state strides into view.

The product revolution

On the 1967 product front, look for more gas appliances with Wilcolator's "electronic match," the solid state ignition system that is beginning to replace the pilot light. You can expect to see it in more range lines and in three manufacturers' water heaters.

Two room air conditioners will get the solid state treatment by the end of next year (making them 1968

merchandise). The most obvious application will be an infinitely variable speed control for the fan motor. But, beyond that, air temperature and even the air conditioners' operation will be electronically sensed, and the sensors' signals will be analyzed by integrated circuits.

In refrigerators, one manufacturer will uncover a unit next year with a SCR (silicon controlled rectifier) motor control, a solid state fan-speed control, and, possibly, an electronic defrosting control.

Next year will also mark the introduction of one or two automatic clothes washers with military-type digital integrated circuits (ICs) substituting for electro-mechanical cycle timers. (Don't expect fixed-cycle timers to start fading until 1970, however.)

Whirlpool is reportedly readying an integrated-circuit washer for Sears Roebuck, and will also have a solid-state model of its own.

Sears undoubtedly will put its vast promotional muscle behind its IC washer, and this surely will boost solid state stock on the retail floor. (It is worth remembering that the "electronic match" first appeared at retail on a Sears range. And, if it were not for the strike that has slowed down Roper, one of Sears' range suppliers, Sears probably would have had more models with the "match" by now. The strike at Roper also was probably what held Whirlpool back from introducing a gas range with an electronic ignition system.)

Another 1967 possibility: a garbage disposer with an SCR motor control for quieter operation and different grinding degrees.

Don't look for a pilot light on gas appliances introduced in 1968. Almost all new models will have a solid state ignition system instead. This device, although adding about \$5 to the retail tag, eliminates the 40¢ to 60¢ worth of fuel that a pilot light burns up each month. Thus, the "electronic match" can pay for itself within a year.

By 1970 or sooner, the first truly sensational space-age application of solid state may make the scene: remote controls for ranges, washers, and dryers. One executive whose company is working in this area explains the fascinating retail potential this way:

"Some clothes dry faster than others. Why tie your wife to the basement waiting to take these out of the dryer? A buzzer on the remote control unit in her apron pocket will tell her when part of the load is dry. Some clothes, permanent press for

example, should be taken out of the dryer the moment they are done. A remote control signal is the answer. It makes permanent press more plausible."

And for the washer—beyond 1970—expect to find models with electronic devices that tightly control water temperature while automatically dispensing detergent in amounts proper to the load and the water level. Such controls are even now in Rube Goldberg stages.

Already nearing prototype stages, although they probably will not appear before 1970, are integrated circuit "cooking computers." The push of a button will boil an egg to order, broil a steak to taste, or bake a cake.

The reason for predicting the quick introduction of these marvels is that electronics research in the controls area is today very intense. ("The guy who gets there first makes the mint.") A good indicator, in fact, is that approximately 50% of all the R&D dollars spent on controls are going for electronics, with, of course, the major companies in the business doing the most work and spending the bulk of the development money.

And there is evidence that all this money is buying a new marketing weapon:

A new marketing weapon

Fast product turn-around is the weapon, and a few companies are forging it now.

Presently, it takes new appliance designs incorporating solid state devices between 15 months and two years to reach the production stage. But, if semi-conductor suppliers can come up with lower-priced devices when they are needed, appliance makers could reduce their redesign-to-production time. The target: a flabbergasting six-month turn-around cycle.

A few big companies are electronically integrated operations; they have their own semi-conductor facilities. These companies (GE, Westinghouse, and Philco, for example) enjoy technological spill-over from defense and space research-and-development contracts. Their semi-conductors were refined in operating characteristics with the help of the government. Electro-mechanical and mechanical controls have had no such backing.

Appliance makers, semi-conductor people, and even one or two controls men themselves see the end of the line for controls companies as such. Said a major appliance manufacturer: "We are returning to single re-

By Martin R. Miller
and Lou Gomolak

Cover photo by Joe Ruskin

MAJOR APPLIANCES: SOLID STATE STRIDES INTO

sponsibility. We talk directly with the semi-conductor outfit, no go-betweens."

This is the deep-rooted reason why electronic controls, expensive as they still are, are a top subject in appliances. The semi-conductor suppliers, with fast retooling capabilities and low expenses, can deliver the goods as needed, and at the mandatory price. Thus, appliance makers are beginning to be able to drop redesign-to-production time to as low as six months.

The search for fast turn-around, a survival necessity, is leading appliance companies that have lacked semi-conductor knowledge to buy it.

For instance, Whirlpool, although working very closely with a number of component companies (including giant Texas Instruments), has moved to beef up its own electronics capabilities, one of the major reasons for its recent purchase of Warwick Electronics.

For an example of how fast turn-around (quick product innovation) works in an electronically integrated company, take the case of Hotpoint's solid-state washer introduced last year. This unit is controlled by a new low-cost SCR developed by the semi-conductor division of parent GE. The General Electric SCR was announced less than a year prior to the debut of Hotpoint's washer.

Hotpoint, of course, had been working on the designs for its washer for two years, but the company had the advantage of knowing it could get an exclusive on the new SCR developed by the semi-conductor arm of the GE complex. So, by the time another appliance producer was able to put a solid state washer on the market (Norge, for private-label customer Montgomery Ward), Hotpoint had been off and running alone with the product for about three or four months.

The scramble for semi-conductor knowledge and supplies is one side of the fast turn-around coin. The other is: the companies who do not keep up are bound to be hurt.

One progressive appliance manufacturer put it this way: "Some manufacturers have already finished their designs for their 1969 lines. It takes them that long to get into production. They are out of the electronics picture until 1970."

Again, the history of Hotpoint's LW795 washer contains a lesson. The price of this unit has been dropped to the \$310 level already, and the company says it is striving to market the washer for under \$300. Hotpoint wants to offer the unit to a broader segment of buyers.

So, if Hotpoint can do that now, what about the companies without solid state models? And what about the companies without full-scale electronics organizations or ready access

to the latest in solid state components? Where will *they* be in 1970?

Those manufacturers who are not on the market with solid state appliances in the next five years may become also-rans in a business that has less and less room for marketing miscues. Manufacturers already in the market are predicting that one out of 10 majors sold *this* year will have some form of electronic control.

The opposing strategies

In any revolution, some of the most heated battles take place not against the status quo, but back in camp among the revolutionary leaders. Timing and control are the usual points of dissension.

There are three principal factions in the solid state appliance revolution: semi-conductor makers, controls companies, and appliance manufacturers. Each has a different point of view. And, although viewpoints have merged in some cases in recent years, because of electronically integrated appliance makers, because of mergers between controls companies and electronics companies, and because of semiconductor businesses setting up their own "appliance component development" departments, the arguments still rage.

Some appliance men have said, "The controls people are not doing their job. We can't wait for them. We'll by-pass them."

Other appliance men are worried that their small profit margins may disappear altogether if they spend money for electronics R&D. They want controls producers to do their self-appointed job.

Most controls companies say they won't change for change's sake. And some appliance company spokesmen say that the consumer is not interested in a solid state control—only the appliance product. "We are not selling controls, but appliances," shouts one executive.

But, the fact is that controls companies still do about 95% of their business in electro-mechanical controls and are not about to rush into a new area.

The controls people, however, say they *are* doing their job. They state their case this way:

"We are staffed with solid electronics-engineering capability, but we will go only with the best approach, not 'electronics for electronics sake.'"

Appliance makers, of course, agree with this approach. Electronics isn't God's gift to the consumer, they say, so we are trying the "systems" approach, finding the best component for each function. But, some controls makers say that what the appliance industry means by the "systems" approach is sitting back and letting its suppliers fight it out.

The semi-conductor suppliers, for their part, are certainly bent on entering the battlefield. Their goal: capturing a vast new market to add to their victories in the consumer electronics area. Their estimates of the size of this market in the near future are much bigger than those put forth by controls companies.

The best estimate by electronic-control makers is \$1.2 million worth of sales this year, creeping up to \$1.38 million in 1967, and moving up to \$1.88 million in 1968. Not only does this vary widely from what semi-conductor makers see (\$6-\$7 million in 1968, for instance), but also it is far from what appliance men think.

Sales volume is not the only point of disagreement. Price is under fire, too. The argument from controls companies: electronics are just "too damned expensive." They are, right now, aggressive appliance manufacturers admit, but, "Who cares?"

The controls makers' points of view coalesce in this example: a mechanical timer (for a dishwasher, or an automatic clothes washer or dryer) costs from \$3.50 to \$7. A transistorized timer doing the same job, however, is priced at \$8.50. An integrated circuit counterpart costs \$14.

Another example:

One controls company figures that, right now, the temperature in the fresh food compartment of a standard refrigerator and also its compressor cycle can be controlled with a device that costs \$1.75; defrost can be handled with a \$2 timer; and a terminating device can be bought for 75 cents. These add up to a total OEM cost of \$4.50. But, solid state devices doing the same jobs would probably cost \$10 to \$15. Thus, the substitution of solid state for conventional controls would probably jack up the retail price of the refrigerator \$20 to \$25.

A leading semi-conductor maker disagrees with the implication of this example—that electronic controls are too expensive—for two reasons:

1. "We feel," he said, "that we can work more than one function of a refrigerator from just one electronic control. Initially, there would be a small premium, but not very much and not for very long.

2. "Further," he continued, "we could add functions later that the refrigerator does not have now—at little cost." Such additions might be compartmentalized temperature controls and more compartments with a number of temperature possibilities.

Appliance manufacturers tend to agree. As one of their chief engineers says, "As you increase the use of solid state, the cost differential narrows because the same circuit may also perform more than one function."

Most appliance spokesmen slough

off the high-price argument advanced by some men in the controls industry, in fact, so much so that, "two years ago, we didn't think about electronics; now we think of nothing else but," says one executive.

Concern over the consumer

"Thinking about electronics," however, is not all cornbread and country ham. The solid state revolutionaries are subsisting on a diet of disagreement and dissension as well as hope and excitement.

And disagreement is not limited to arguments among the controls, the appliance manufacturing, and the semiconductor factions. Among appliance makers themselves there is yet another controversy:

Can the use of solid state in appliances be sold to the consumer?

On one side are those who elaborate on the point that the appliance industry is selling appliances, not electronics. The war cry: "The customer can't see it!"

These people point out that solid state devices are hidden behind a panel or buried in the guts of the machine and that "we haven't been able to show a visible difference, to shrink our products in size the way the consumer electronics people have done."

On the other side of the argument are the aggressive appliance merchandisers who keep pushing the coming advantage of solid state. And even those fighting the revolution admit that solid state is the future (because of the glamor, because of what it can do).

To a larger extent than anyone will publicly admit, the appliance industry (including the controls makers) is at approximately the same point where the electronic vacuum tube industry was in the early 1950s.

"What's a transistor, and who cares?" was the outlook of many vacuum tube producers. It cost that industry \$400 million a year in lost sales to answer that question, and, today, there are about four producers left in a fast-shrinking market. (A scathing sarcasm from an appliance maker about the outlook of controls companies today: "They say they have electronics capabilities, are working on controls, have hired electronics engineers. None of these engineers, however, has corporate responsibility and authority. It's a case of insurance, nothing more.")

Depending on who one listens to, the opinions on the value of solid state to the consumer swing and sway. Merchandising philosophy, and vague notions of what the U.S. public wants backstop the confusion in the appliance manufacturing industry, affecting the controls suppliers more than anyone.

They, and a few semiconductor

suppliers as well, harp, "The appliance makers want added functions, not direct electronic replacement. Show us a function and we'll make the control."

Moans more than one semiconductor supplier's director of research engineering: "We're at the merchandising mercy of the appliance people. They just will not aggressively merchandise electronic controls. What can we do?"

One astute major appliance producer pinpoints the trouble: "Give me a salesman like those at Sears or in General Electric outlets—trained in individual products—and I'll sell all the electronically controlled appliances I want to."

Each appliance maker interviewed by MERCHANDISING WEEK admitted not pushing solid state merchandising. Most blamed it on limited funds.

So, everybody sits and waits for George to do it. Sears, a company that makes few merchandising errors, will probably help spearhead the drive. Sears merchandising men subscribe to the idea that "The fustest with the mostest" is the victor.

Everyone in the appliance industry also is yelling for more—even some—motivation research on the consumer value of solid state and the new appliance features it could produce. No one is doing much, but everybody sees it as the simple solution to the solid-state stymie: will the consumer buy it?

The chief tactical problem

For the aggressive appliance company whose management recognizes the flag of the solid state revolution, the next tactical problem is how to merchandise.

The first halting steps have been taken by the few pioneers, and important noodling is taking place in many a planning session in many a marketing director's office around the industry.

What to expect is the same pattern that evolved in the consumer electronics industry. In that industry, solid state started at the top of the line and eventually spread down throughout the line. The same movement will be seen in the major appliance industry.

At this point in time, only the educated consumer or the equivalent of the consumer electronics industry's hi-fi nut can be sold electronic controls in appliances at a premium, or, for that matter, at any price.

Price reduction, of course, is the first aim of the appliance industry. And, as for integrated circuits, the feeling is that if some kind of a market can be found, even a tiny "snob appeal" segment, semi-conductor suppliers will be able to produce ICs in quantities sufficient to warrant lower prices. As for transistors and SCRs,

the consensus is that they are "taking care of themselves."

Appliance people want to see the era of integrated circuit controls for the same reason tv makers are now beginning to use them. If manufacturers can cut insertion steps in building a washing machine control, for example, they can cut production costs. Plus, if they add functions only electronics can provide, they may be able to alleviate the profit squeeze they are feeling.

One tactic the merchandisers of solid state appliances may take is the "Cadillac of appliances" promotion pitch. This kind of appeal may be what appliance makers need to break out of the \$169 price category. Hotpoint has taken this approach with its LW795 washer and says that it has been successful.

A short past, long future

Despite the fact that the vanguard of the solid state revolution in appliances appeared on the scene only six years ago, a rapid acceleration to an extended future seems just over the horizon.

It all started in 1960. At that time, Mallory Timer Co., a division of P. R. Mallory & Co. Inc., showed laundry manufacturers an electronic device that would be able to solve the problem of handling all the new fabrics that were just beginning to inundate the clothing market. (Permanent press was just a gleam in a laboratory scientist's eye at the time.)

The Mallory prototype switch had no moving parts; its major components were a series of solid state switching modules, transistor-powered amplifiers, and a series of programming selector switches.

As is the case with most pilot-project items, this one was expensive—a prohibitive \$100. It was also bulky.

The response from laundry manufacturers, however, was enthusiastic in most cases, if not joyous. And, although the device never appeared on production-model laundry appliances, it was a gallant beginning.

In the fall of 1961, Maytag blossomed with the home laundry industry's first electronic sensing device on a dryer. This sensor, which is now in a number of lines in one form or another, automatically controls the cycle of a dryer by measuring the moisture content of the clothes in the unit. It shuts the dryer off when the clothes are properly dried.

In 1963, Whirlpool began test marketing in selected cities a top-of-the-line washer with solid state controls. This "black box" control contained semi-conductors instead of electron tubes and electro-mechanical switches. Texas Instruments supplied the control to Whirlpool at a cost of \$15 to \$20 a unit. Whirlpool has

since discontinued this test program, but claims the solid state experience gained has been invaluable.

By 1970, the current confusion over solid state in appliances should be academic. What appliances are suffering now is similar to the growing pains felt by the consumer electronics industry when one enterprising company (Magnavox) first began using transistors in phono consoles instead of vacuum tubes.

The controversy ranged back and forth then over the reliability, expense, and customer acceptance of the transistor. But the consumer electronics industry moved fast after some hassling and deliberation that petered out after a few years. Now, almost everybody in that industry uses transistors, and customers are snapping up solid state merchandise.

A parallel might be drawn for the appliance industry. Today, some manufacturers are reluctant to change and give up old ways—especially when business is good. The flop syndrome is pervasive—if you rock the boat, you'll sink the ship.

Nevertheless, the solid state revolutionaries are at the helm and the ship is moving forward. The appliance industry has won a few major technological battles and is just beginning to realize what the tremendous possibilities for product progress are. By the end of the 1970s, solid state could be the new status quo for appliances.

PRESENT APPLICATIONS of solid state controls in major appliances

Product	Device	Company
Washers	variable speed control	Easy, Hotpoint, Montgomery Ward
Dishwashers	electronic timer	Waste King
Dryers	electronic moisture sensor	Frigidaire, GE, Hamilton, Maytag, Sears Roebuck, Westinghouse
	pilot light ignition system	Hamilton
Ranges	pilot light ignition system	Athens Stove, Roper, Sears Roebuck, Waste King

FUTURE ESTIMATES of semiconductor sales to appliance manufacturers

Year	Number of solid state devices (including ICs) *	Dollar value
1966	1.5 million (1,000 integrated circuits)	\$2 million
1967	4 million (5,000 integrated circuits)	\$4 million
1968	8 million (250,000 integrated circuits)	\$6-\$7 million
1969	10 to 12 million (550,000 integrated circuits)	\$8-\$9 million
1970	20 to 30 million (1 million integrated circuits)	\$10-\$15 million

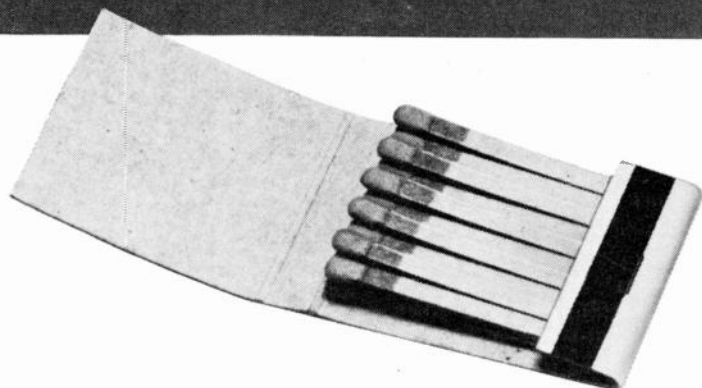
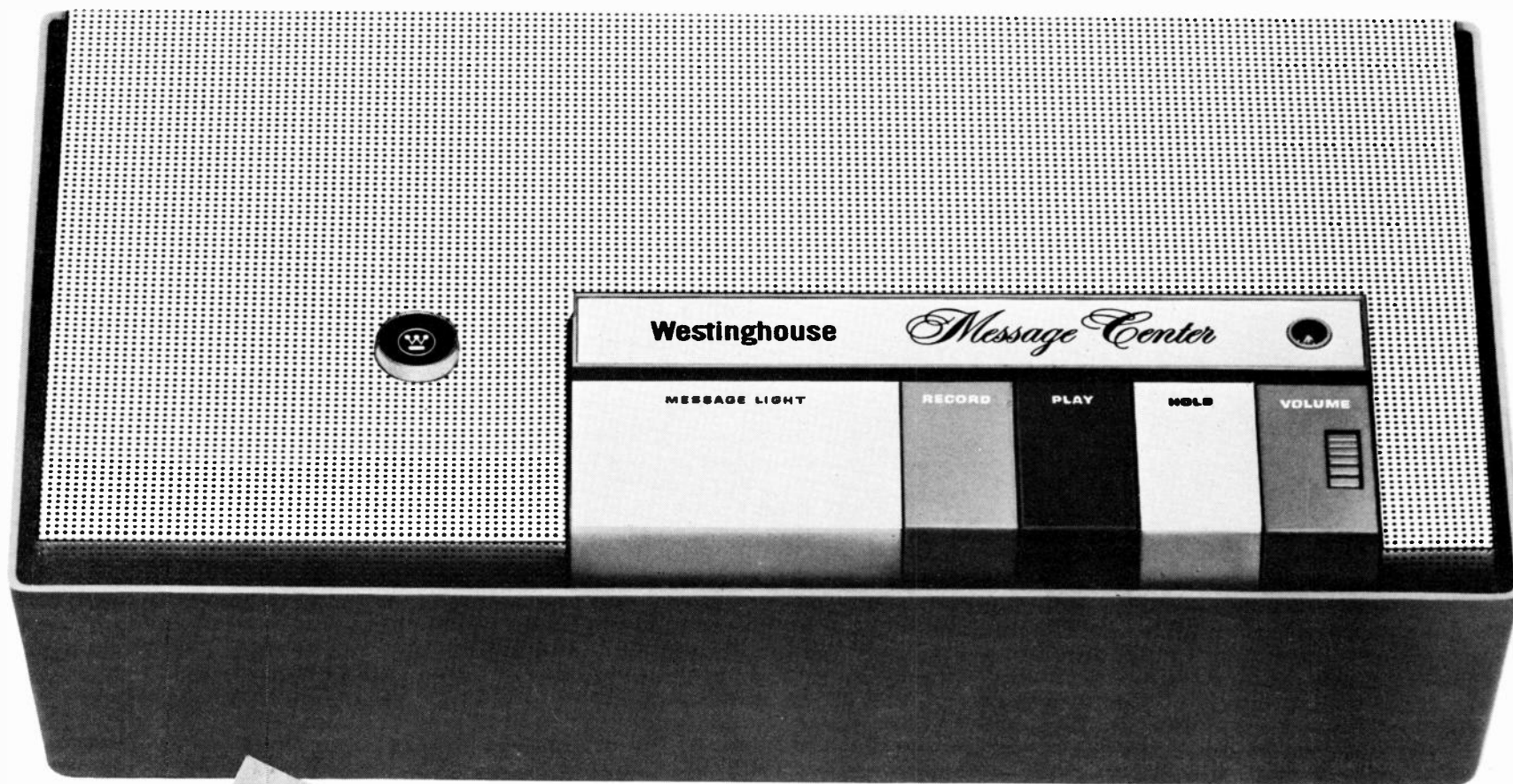
*semiconductor manufacturer estimates

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MERCHANDISING WEEK

VOL. 98 NO. 40

A MCGRAW-HILL MARKET-DIRECTED PUBLICATION



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

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

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

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

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



Arvin moisture magic
opens up new ways
to humidifier profits

WORKS BETTER

- Humidity Selection Dial
- Water Level Indicator
- Double Layer Foam Filter
- Ten Gallon Heavy Plastic Tank
- Red "Refill" Light
- Amber "On" Light

Arvin tops their 1966 humidifier line with "moisture magic" design. New Arvin design means easier cleaning, filling and operation because all controls, filter and tank are easily accessible from the top.



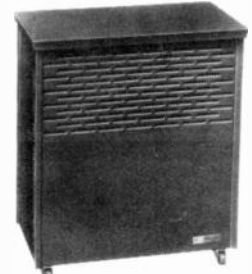
LOOKS BETTER
Arvin DELUXE AUTOMATIC CONSOLE HUMIDIFIER

Arvin design cleans and moisturizes dry air, like magic • Humidistat control automatically turns the unit off and on to maintain proper humidity • Amber "On" light indicates unit is operating properly • Red "Refill" light glows and unit shuts off automatically when 10 gal. plastic tank is empty • Circulates clean moist air at 210 cu. ft. per minute

Model 57H41, Walnut Wood-Grain Vinyl on Metal
Sugg. retail \$79.95

SELLS BETTER

Arvin's new "moisture magic" line opens up new ways for humidifier sales and profits. Complete "moisture magic" program includes point of purchase pieces, full-color hand-outs and retail ad mats.



Arvin STANDARD CONSOLE HUMIDIFIER
Arvin design cleans and moisturizes dry air like magic • Humidistat control automatically turns the unit off and on for proper humidity • Unit shuts off automatically when 10 gal. plastic tank is empty • Circulates clean moist air at 210 cu. ft. per minute
Model 57H31, Dark Brown Vinyl on Metal
Sugg. retail \$64.95



Arvin COMPACT AUTOMATIC HUMIDIFIER
Humidistat control automatically turns unit off and on to maintain proper humidity • Controls built in the top for easy operation • 3 gallon capacity water tank fills from the top
Model 56H12, Neutral Beige and White Sugg. retail \$39.95
Model 36J10, Brass plated stand Sugg. retail \$4.95

See us at the National Housewares Show—Space #609
Visit these permanent show spaces: Chicago, Merchandise Mart—1477 • New York, 230 Fifth Ave.—612 • San Francisco, Merchandise Mart • Hollywood, 1025 N. Highland Ave. • Arvin Sales Dept., Columbus, Indiana



One way to beat advertising costs: promote collectively

"There is more money to be made in advertising than in buying," says Irving "Jerry" Schultz, TV and Appliance Center, Buffalo, N.Y.

This is the principle that motivates the Frontier Appliance Dealers Assn. (FADA), a corporation that has been formed from 11 independent retailers from Buffalo, Tonawanda, Niagara Falls, Lockport, and East Aurora, N.Y.

Schultz, who is president of the group, contends that the buying edge once enjoyed by a large store has become dulled. He feels its ability to buy is not significantly greater than

that of a small store; the price differential is not what it used to be. What does make the difference is the large store's ability to advertise.

A large store can afford a full-page newspaper ad several times a week. A small store that tried to maintain the same advertising volume would go broke in a month. Because a large store has the sales volume to justify the expense, it can afford to keep its name before the public with big ads.

To beat this problem, FADA was formed. The group advertises and promotes collectively. Each store has both a Philco and an RCA Victor

consumer electronics franchise, and, thus far, these have been promoted.

"We are able to bring the cost of advertising down to one tenth of what it was for each member, and get four times as much benefit," says Schultz. Before, Schultz was spending about 5% of sales for one relatively small ad a week. (The national average for stores like his is about 2.43%.) Now, he is spending about 1.5% of sales to participate in one page-dominating newspaper ad each week and ten spot tv ads each week.

There are other benefits: The more advertising the group runs,

the lower the newspaper's ad rates.

Members are better able to control inventory by shipping among themselves. Instead of calling the distributor when he needs a model, a member calls the other stores. As a result, "We're not paying as much in trust receipts as we used to," says Schultz.

They are cutting service costs by scheduling calls better. "When I get a call out in East Aurora, I give it to the member out there. He does the same thing for me," says Schultz.

All member stores are independent, servicing dealers. The group is a New York corporation and each member has one share of stock. They have had their own identities in the past, are now going to assume a FADA identity.

Between the members, they have 22 trucks and 28 servicemen. They are going to paint the trucks uniformly, featuring the FADA symbol: a traffic light. They are thinking of putting the service and delivery men in identical uniforms. The stores are going to hang FADA signs on their fronts. They do not sign their group ads with individual store names; they sign with addresses and phone numbers.

Each member will retain his buying independence, however. "We have no intention of buying collectively," says Schultz. Why not? There is not the advantage there once was. The members are used to buying for themselves. And, though Schultz did not say so, the group does not have the capital to buy and stock a warehouse.

The group prepares its own newspaper ads, has an agency do tv spots.

How is it working? "Of course, it's very difficult to tell how well an ad draws," says Schultz. "But at one of our recent meetings, we asked how many members had had customers come in and ask for a 28-inch color tv set. Every store had at least one person ask to see the 28-inch set." Where did the 28 come from? "We advertise 28 service technicians and put the 28 in a circle."

Members feel that both their traffic and sales are up. "Every dealer has a new outlook on life. We're having a meeting every week and we get everybody to the meetings," says Schultz. "My sales to the group are way up," says one distributor, adding, "Of course, I can't tell whether this is because their total sales are up or whether it's because they are selling my line instead of another."

What of the future? "The group's big problem is to be recognized as FADA," says the distributor. "The newspaper ads are well laid out and the tv ads are effective. But the members have been building individual reputations for years, and a customer does not keep track of what is happening to, say, Schultz TV and Appliance Center. What the members have to do is connect the old name with the new in the customer's mind."

Schultz, one of the group's prime movers, naturally thinks it will fly. "Most organizations that start one of these, start on the wrong foot," he says. "Nobody has the same franchise and so they can't advertise effectively. We've got two lines to advertise, and the experience, service, and location to back them up."

—Wallis E. Wood

GOLD



DISCOVERY

Customers are rushing to buy

NEW GOLDEN EVEREADY ALKALINE BATTERIES

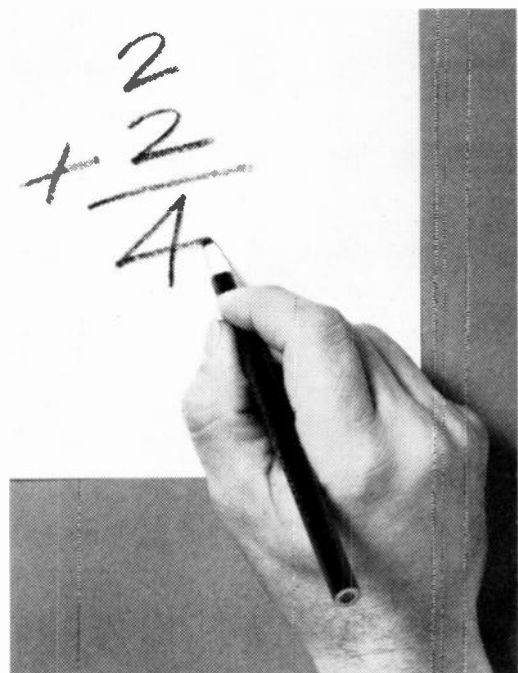
- NUGGET #1** They pay you over 3 times the profit of ordinary batteries!
- NUGGET #2** They're a gold mine for your growing photoflash, transistor and tape business!
- NUGGET #3** They last as much as 10 times longer than ordinary batteries in heavy-duty use! (No wonder "Eveready" Batteries are preferred 10 to 1 over any other brand!)
- NUGGET #4** They're getting nationwide support on 15 glittering network TV shows this fall!

Get in on the new gold rush. Call your "Eveready" supplier for "Eveready" Alkaline Batteries with the new golden label. They've got "Power to Spare."



"Eveready" and "Power to Spare" are registered trade marks of UNION CARBIDE CORPORATION

Why are Sylvania dealers' profits predictable by plan—not by accident?



Because we have a policy as fundamental as $2 + 2 = 4$. A selling policy based on sound business principles and dedicated to the belief that planned profit should be actual profit. To back it all up, we first make the finest quality products. Outstandingly engineered. Authentically designed.

Then we base our prices on the fast floor markets. Realistic “go” pricing is competitive to the consumer...profitable to the dealer. And limited franchising gives Sylvania dealers the compatible elbowroom they need in order to maintain a healthy selling atmosphere.

Sylvania dealers make planned, realistic margins at every level—from “bread-and-butter” to top of line. This was true at the institution of our Profit Program in 1962—before the Color TV boom. And this will hold true afterwards. Even when the supply of Color TV meets the demand, and margins start coming down, down, down.

You have every right to expect consistency from a supplier. And it's consistency in everything we do that makes us the industry's predictable high-yield dealer profit line.

Ask any Sylvania Dealer.

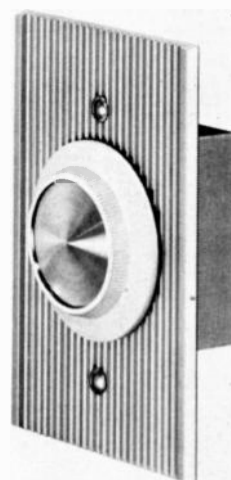


SYLVANIA
SUBSIDIARY OF
GENERAL TELEPHONE & ELECTRONICS **GTE**



□□ A revamped Sonuswitch is being shipped by Sonus Corp. First reports that Sonus would close out its previous model and introduce a new,

lower-priced unit appeared last month (MW, 29 Aug., p.33). In addition to new styling and a reduced price tag—\$29.95 suggested retail—the new Sonuswitch is said to have been refined electronically. The unit is devised to turn on and off appliances of up to 1,000w at the signal of two sharp hand claps, or a “Psst, Psst” sound, or two blasts from a high-frequency whistle. The remodeled version is designed to look like a small table model radio and to blend with the decor of any room. Its appeal up to this point has been primarily as a “fun,” gift item; but its inventor, Eric A. Kolm, believes that, “Sound is an untapped source of power.” *Sonus Corp., Cambridge, Mass.*



□□ A new electronic light dimmer is being marketed by Ideal Industries. The unit provides infinite variation for incandescent lighting without step-type switching. The dimmer is designed as a single-pole switch for use on 120v, 60c, single-phase input. It is UL listed to carry a connected load of up to 1,000w. Clockwise rotation of the control turns on the light and increases intensity; counterclockwise rotation decreases intensity and turns off the light. A built-in filter eliminates interference with other appliances, particularly radios. The light dimmer control is styled in gold tones and is designed as a single unit for easy installation. Screw-on connectors are supplied for wiring the unit into any single, 2-inch-deep switch box. *Ideal Industries, Inc., Sycamore, Ill. 60178*

What kind of a line is Phonola trying to hand you?

<p>9003</p>	<p>6015</p>	
<p>3008</p>	<p>5003</p>	<p>2004</p>
<p>6013</p>	<p>7006</p>	<p>9004</p>

A new, quality, high style, high profit, non-foot-balled, imaginative, popular, deep line...with more sell built into every unit than any other competitive product.

VERY BIG IN SOUND
phonola[®]
 WATERS CONLEY COMPANY, INC., A SUBSIDIARY OF THE TELEX CORPORATION
 645 NORTH MICHIGAN AVENUE/CHICAGO, ILLINOIS 60611/PHONE: (312) 944-5125



□□ Tensor adds a Cricket model to its line of high-intensity lamps. The Cricket carries a \$12.95 suggested retail price. The compact unit, when folded, is only 6½ inches long. Open, it delivers illumination equivalent to a conventional 150w desk lamp. The 15-inch chrome arm and the reflector swivel 360 degrees. A high-low switch controls brightness. The Cricket comes in white or tangerine red. It joins the Ladybug and Princess models in Tensor's Designer Series. *Tensor Corp., 333 Stanley Ave., Brooklyn, N.Y.*

KEY MOVES

Bissell—John M. Bissell is named corporate controller.

Westinghouse—Eugene J. Heil is promoted to assistant to the regional mgr for the Lamp Division, and Joseph G. Carroll is promoted to works mgr of the Bloomfield (N.J.) lamp operations.

Aluminum Specialty—Richard W. Steel is appointed controller.

Benrus—Walter Goldfarb is promoted to director of industrial engineering services for the New York City and the Waterbury and Norwalk (Conn.) divisions.

International Silver—Donald E. Noble, president of Rubbermaid Inc., is elected to the board of directors.

Snyder Manufacturing—Delfa Inc., of New York, is appointed to handle export sales.

Stanley Works—Norris A. Aldeen and Bennett Lord are elected vps. Aldeen is president of the Amerock Corp., a subsidiary, and Lord is general mgr of Stanley Strapping Systems, a division.

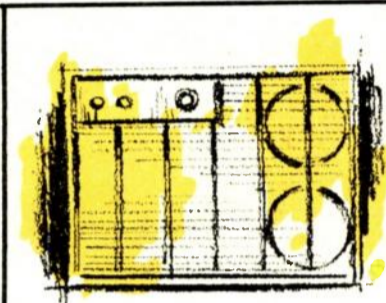
ALL THESE PRODUCTS HAVE ONE THING IN COMMON

Merchandising Magic

from G-E SOLID STATE



Washing Machines



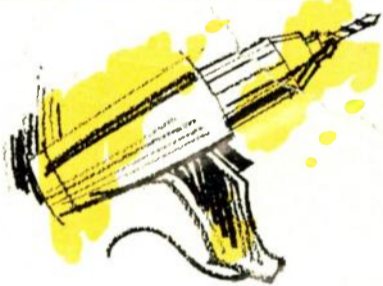
Room Air Conditioners



Auto or Outboard Motor Ignitions



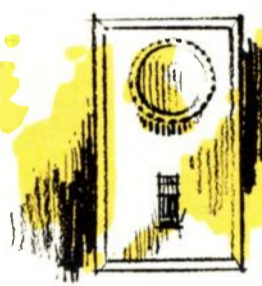
Gas Cooking Ranges



Hand Tools



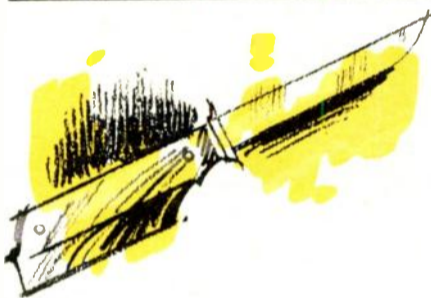
Central Air Conditioners



Household Dimmer Switch Controls



Copying Machines



Electric Knives



Floor Polishers



Electric Golf Carts



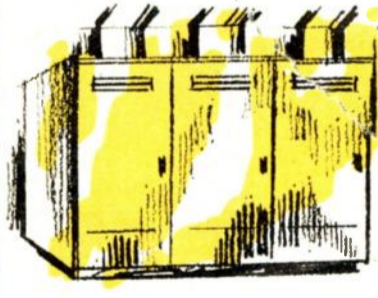
Hand Mixers



Blenders



Electric Dryers



Commercial Air Conditioners



Toys

■ Solid state can now bring the marvels of space-age technology to your products . . . give your products a magical merchandising "plus."

Today, in the eyes of your customers, solid state means built-in reliability. Now General Electric has taken high price out of solid state. The once-expensive theory is now a low-cost reality.

For a full range of solid state products and customer ap-

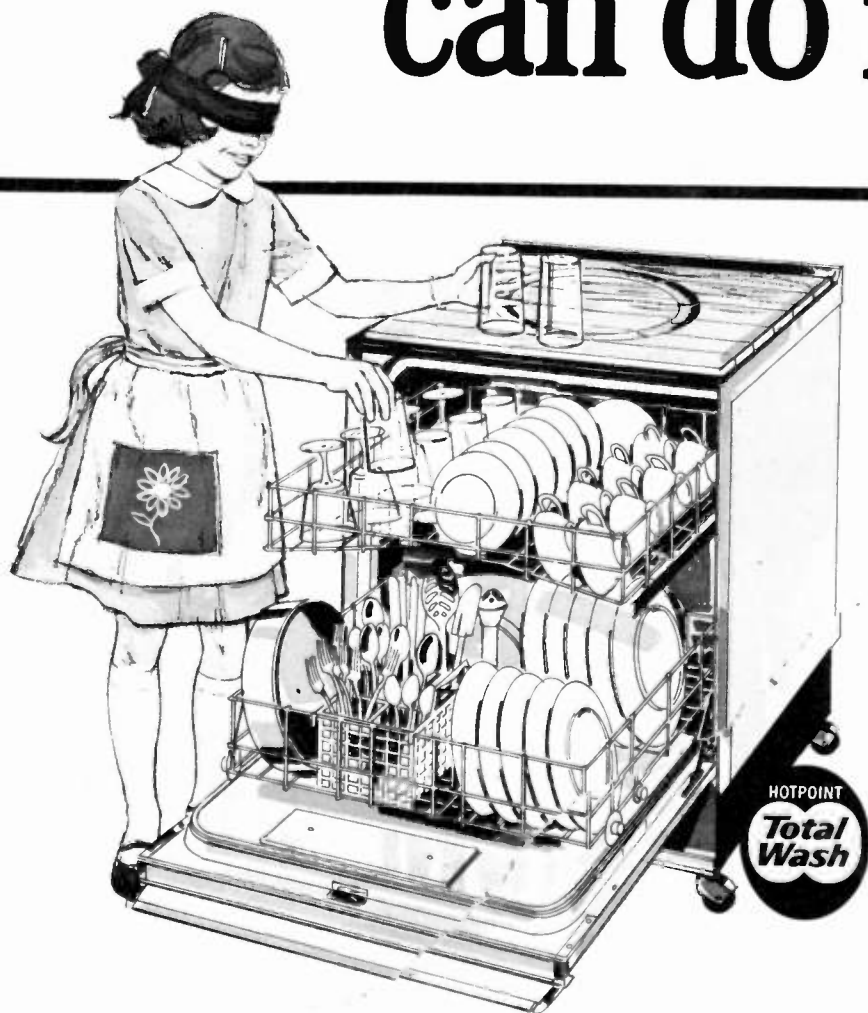
peal to your products, look to General Electric. Expert engineers at G.E.'s Solid State Application Center will gladly help match today's technologies with your latest product needs.

Call or write your nearest G-E ECSO or CSO engineer/salesman for more information. Or write to General Electric Company, Schenectady, New York. Step up to solid state with General Electric today.

220-34A

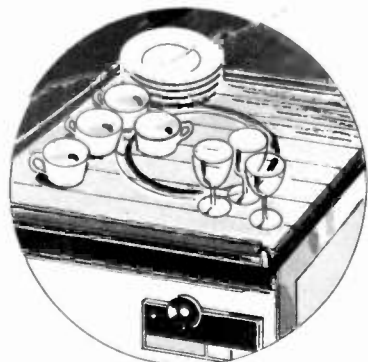
GENERAL  ELECTRIC

Hotpoint's new "Swing-Door" Portables make profitable selling so easy a 10-year-old can do it blindfolded



New... a portable dishwasher that's compact outside with full capacity inside—plus our easiest loading ever!

At last... a dishwasher that combines the economy and mobility of a portable with the convenience and cleaning-power of an undercounter. Hotpoint's new "Swing Door" portable dishwasher gives you: Convenient Roll-out Random-loading Racks—so easy to use a 10-year-old can load them blindfolded; Flush-Away Filter that ends the need to pre-rinse dishes; 17 Place-Setting Capacity—a whole day's dishes in a single load; Extra-quiet "Total Wash" Action with 2 power-washes and 3 power-rinses; Lift-Out Silverware Basket for easy loading of flatware and small pieces; Reversible, Maple Cutting-Board with gravy-groove. Call your Hotpoint representative today for full details. And be sure to look into the entire 1967 Hotpoint Dishwasher Line. Model DF30 (shown).



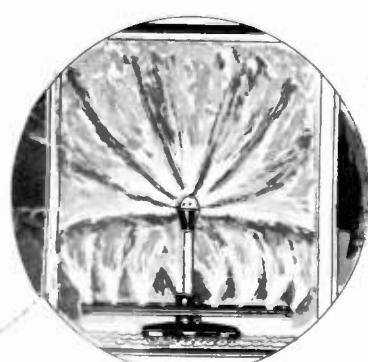
Maple cutting-board top; use as work or stacking area; reversible with convenient gravy-groove on one side.



No rinsing to do first; special flush-away filter system takes care of soft food waste.



Random-loading Racks and Lift-Out Silverware Basket for convenient loading.



Extra quiet "Total Wash" action gets all dishes and cookware spotless and sparkling clean.

Hotpoint

first with the features women

HOTPOINT—GENERAL ELECTRIC COMPANY • CHICAGO, ILLINOIS 60644

Manufacturers are seeking that perfect cup of coffee

The coffee-break period in the coffeemaker business is about to end. There is a lot brewing that undoubtedly will affect manufacturers and retailers alike.

A new instant-type coffee is about to debut in the American market. It reportedly makes a better instant brew than the powder-type instant coffee now available; and even the powder type has affected America's coffee-drinking and coffee-making habits. The new instant is based on a freeze-dry process developed in Europe. General Foods and Nestle have moved into U.S. test markets with products that use this freeze-dry process.

The man-that-builds-a-better-mouse-trap principle apparently now applies to the coffeemaker business, especially the electric part. Housewares manufacturers are looking for better ways of brewing that perfect cup of coffee—with, importantly, consistency as well as speed.

New ways of brewing coffee will be breaking right and left in the months to come, according to trade sources. The trend already has started, especially with the sales campaign behind the glass coffeemakers that steep an "instant" cup of coffee from regular coffee grounds. The David Douglas and the Insta-Brewer models have been selling well at retail, and are causing electric coffeemaker manufacturers to sit up and take notice of the competition.

Even in electrics, the search has begun. Westinghouse claims a new way of brewing coffee with the inverted baskets that it introduced more than a year ago. Now the Pan American Coffee Bureau has cooper-

ated with Vacuum Die Casting Co. (MW, 26 Sep., p.21) in developing a new brewing process adaptable for both top-of-range and electric coffeemakers. A number of electric housewares manufacturers apparently have been talking to Vacuum Die Casting about licensing arrangement.

The electric coffeemaker outlook is generally viewed by the industry as bright, despite the drop-off in coffee consumption and the inroads made by instant coffee. Nevertheless, manufacturers are seeking ways to further improve the brew of electric coffeemakers. There will be increased emphasis on playing up the consistency of automatic coffeemakers as well as the speed in brewing the coffee.

Most manufacturers have beefed up their coffeemaker lines in order to lure away from General Electric some of the coffeemaker business advantage it inherited from Landers, Frary & Clark (Universal). Westinghouse has made its move, although the company has been plagued by production problems. West Bend has styled up its line and won a Design Award. Although late in shipping, Sunbeam will put its promotional might behind new coffeemaker "styles". And Proctor-Silex, having scored a hit with its glass percs, is almost sure to get some additional competition in this area.

There is a definite need for serving the consumer—especially the complaining husband—a better-tasting cup of coffee. And as electric housewares manufacturers see it, they have the right sales pitch for their coffeemakers: automatic, fast, consistent, and stylish.

Reavey maps new 'happenings' for Hamilton Beach housewares

Ed Reavey, whose marketing philosophy made Hamilton Beach "happen" in housewares, is up to some new tricks.

Hamilton Beach will put its sister company, Dritz, also part of the Scovill Manufacturing complex, into "the cutting business" that is so important to Hamilton Beach. Dritz will market the three electric scissors in a retail price range from \$7.95 to \$12. The scissors will be shown at the January Housewares Show.

Hamilton Beach is exploring four other product areas—electronic ranges, electric power mowers, personal comfort appliances, and heating and warming appliances. The company plans to show some heating and warming appliances by June. And, with the acquisition of Vacuum Master, of New York, Hamilton Beach, which once manufactured vacuum cleaners, is re-entering the floor care field with a central vac system.

Power miniaturization is a clue to Hamilton Beach's future plans. "I think within the next seven years, every product will be cordless, but not the kind of cordless we know today," says Reavey. "There are batteries now that are five times smaller

and five times more powerful than the ones we have now. When miniature power comes along, we won't be left behind."

Although Hamilton Beach will highlight the knife again this fall, the Cookbook Blender has been accelerated into a 65-market setup. The company has tripled its blender sales, and blender shipments, according to Reavey, "are up about 300% this year over last year." A new blender, incorporating solid-state speed control, and a new knife will also be shown at the coming Housewares Show.

On pricing, Reavey comments: "I don't think a 5% or 10% price increase will hurt anything. In fact, I think this fall will probably be our biggest season."

An electric razor for teenagers—the marketing approach Hamilton Beach is taking for its new Flo-Motion razor shown in July—will be introduced this fall in New York, Los Angeles, Chicago, and Boston. "It is necessary to be closely associated with the youth group," comments John Helies, executive vice president of Scovill Manufacturing Co.

—Judy Kunzelman

□□□□ **GE seeks to stand out on retail shelves.** A new program has been designed to identify GE housewares when they are displayed in product assortments that include many competitors' models. GE will use hang-tags on GE products, for example, to identify GE irons when they are shown in product assortments totaling perhaps 20 models from a dozen or so manufacturers. The hang-tags also will provide product information for the consumer, of course, but their principal purpose will be to provide quick identification of a GE product.

Most key housewares retailers use product-by-product breakdowns in displaying housewares: i.e., all irons together, all toasters together. Few manufacturers rate full-line displays. Among larger retailers, full-line displays are reserved for private-label lines and some profit plums the store is pushing (such as Braun, Sunbeam's Vista, and even GE's Universal.)

□□□□ **GE adds three more five-element fans** to its 1967 line. The line now includes six models featuring the plastic blades introduced last year. The new fans: the WC-2, a 14-inch, portable/window-box model; the W-24, a 20-inch window unit with two-speed reversible motor; and the PG-21, a 12-inch oscillating unit.

GE also is adding a deluxe Heat 'N Serve Baby Dish feeding and training set, model D-4, at \$13.98 suggested retail. It comes with an accessory tray for cold food, training cup, and two Oneida stainless steel spoons. GE also has reduced the suggested retail price by \$1—to \$11.98—on the D-3 Heat 'N Serve. The D-2 baby dish continues at a \$9.98 list.

□□□□ **Saul Leibow heads Zayre's Housewares Corp.** in a reorganization move. Zayre set up the Housewares Corp. as a subsidiary to assume the business of Hardlines Distributors, which Zayre acquired in July. The new Zayre subsidiary operates leased housewares-hardware departments in 85 Zayre stores and 34 other mass-merchandising outlets. Along with the appointment of Leibow as president, Leon Michelson was named executive vice president. Both headed Hardlines. Four vice presidents also have been named: Leo McCrensky, senior merchandise manager; Robert Shedd, store operations and finance; Peter Corio, controller; and Alan Michelson, merchandise manager.

□□□□ **Distributor doings:** H. Leff Electric Co., Cleveland-based wholesaler, and General Electric Co.'s housewares and consumer electronics operations have parted. Leff will concentrate its "energies . . . on other lines of merchandise." Dobkin Electrical Supply Co., Chicago, will stage its Fifth Annual Dealer Show on Oct. 4 at the Hyatt House in suburban Lincolnwood. Dobkin this summer moved into a new 50,000-sq.-ft., \$500,000 warehouse located near where president Jerry Dobkin's grandfather once operated a blacksmith and wagon shop.

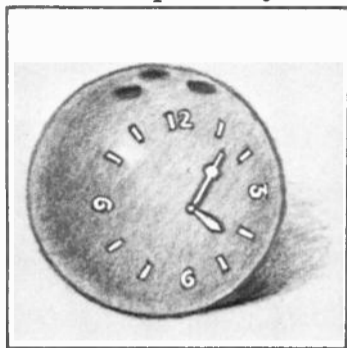
□□□□ **Product previews:** Union Carbide adds a pocket-purse size Captain Eveready rechargeable flashlight at \$9.95 list . . . Rubbermaid offers November-December specials on Cool Susan and Busy Susan turntables. Both will retail at about 80¢ off regular prices . . . Corning adds two new Pyrex sets featuring new patterns at \$4.50 and \$5.95 retail.

HOUSEWARES NEWS

□□□□ **Sessions adds bowling and baseball clocks** to its growing line of novelty clocks for the sports-minded consumer. The firm previewed the two new numbers last week at the New York Premium Show. Sessions has found its football-shaped clock—along with its teapot-shaped model—highly popular as novelty items. The football-shaped clock has been selling especially well in college towns.

The new baseball clock, to retail well under \$10, will be launched in time for the major league spring training season. The product will officially enter Sessions' line at the Housewares Show in January.

The new bowling ball clock was displayed at the Premium Show to test buyer reaction. It proved to be a hit and probably will go into the Sessions line, unless



Down the novelty alley

some premium user ties it up in a major promotion.

To point up the versatility of clocks for premium and retail markets, Sessions showed clocks in a variety of shapes, among them: a toy horse, a toy dog, a toy tiger, Batman, a pumpkin, a treasure chest, and, yes, even a pig.

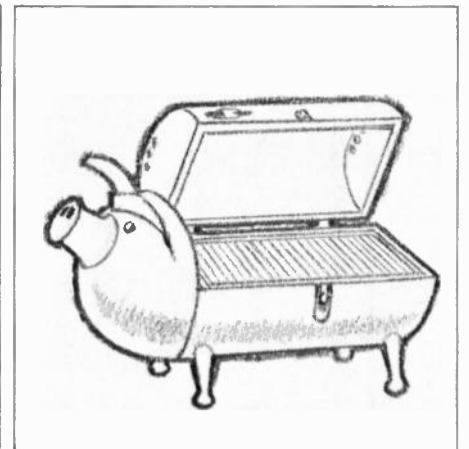
□□□□ **The blender has replaced the slicing knife** as the most-sought-after electric housewares premium in the \$20-list-price area. Most premium promotions on the blender are being limited to low-end, two-speed models. Tupperware reportedly had more success with a two-speed Hamilton Beach blender in a premium offer to its party-plan hostesses than with the hole-in-the-handle Hamilton Beach slicing knife. Because the blender—a hot item at retail—is one of the products hardest hit by present shortages and delays, premium users are seeking stronger delivery guarantees from electric housewares manufacturers. These stronger assurances on delivery include factory visits by premium representatives during which they are able to inspect and insure backup-order stock in the manufacturer's warehouse.

□□□□ **Stamp plans are moving to Boeclad** in the non-stick cookware field, according to various trade sources at the New York Premium Show last week. The trading stamp companies have decided to side with the higher-priced, non-scratch Teflon-coated goods—largely because the goods are at the high end of cookware manufacturers' lines and are being price-protected at retail. Sharp promotional pricing on low-end Teflon-coating goods at retail reportedly has cut into the movement of Teflon-coated cookware through the key stamp plans.

□□□□ **Regal will use the Regalcote name** for its Boeclad-process, Teflon-coated stainless steel cookware. Regal Ware Inc., therefore, joins Revere and Farber in adopting special names for the scratch-resistant non-stick lines. Revere first adopted the Perma-Loc name for its Boeclad-process line, and Farber introduced the Farberlon name in July when it entered the non-stick cookware field. Both Regal and Revere have continued to play up the DuPont Teflon name, but Farber is going strictly with Farberlon.



Backyard Dutch Oven grill



Barbecue "hams" it up

From pigs to pedestals, new barbecues take shape

The novelty barbecue—including a pig-shaped model—is coming on big for next year's outdoor leisure living season. Barbecues also will be adopting a furniture look, including pedestal-shaped legs and case-goods-like styling. Deluxe smoker-grills have been sized down for more popular price tags, and new colors—including avocado mist—will make the backyard scene.

Housewares buyers shopping the New York Premium Show last week got a sneak preview of the new barbecue items as a number of manufacturers showed their 1967 lines. Generally, the Premium Show follows the National Hardware Show, when the new lines ordinarily debut; but this year the two shows exchanged dates. The National Hardware Show opted the later date in order to make use of additional exhibitor space currently being completed at the New York Coliseum.

Most New York City-based resident buying offices shop the Premium Show for two major reasons: to spot an item designed for the premium trade that might make the grade at retail and to look for giveaways and other premium merchandise to be used by their retailer-members, especially for new store openings.

Enter the Little Pig in the growing line of novelty barbecues from Royal Chef. The company first entered the novelty field with its Ohattanooga Choo-Choo barbecue, and followed up its success with the Stage Coach model of last season. The Stage Coach-shaped unit retails at about \$150; the Choo-Choo at about \$60.

The Little Pig is more popularly priced, available to retail at about \$25; with an electric spit, at about \$34. The Little Pig is designed for either covered cooking or open grilling and offers a cooking capacity equal to an 18-inch brazier. It is styled in black, with a red tongue.

A new Dutch Oven grill was pre-

viewed by the Char-Broil Division of Columbus Iron Works. The Dutch Oven smoker-wagon grill combines cast iron with aluminum for the lowest retail price ever offered by the firm, which has specialized in cast-iron barbecues. The new Dutch Oven will retail at about \$49 for the basic unit, which is designed as a serving cart. A deluxe model with two wood cutting boards and a lower shelf will retail at about \$10 more. The Dutch Oven aluminum grill features cast-iron fire grates.

An avocado-hued smoker with a mist-like motif was previewed by Weber Stephen Products Co. The bowl-shaped, covered smoker-grill picks up an increasingly popular kitchen color now being used on major appliances and, more and more, on housewares products.

The furniture look in barbecues will be played up by a number of manufacturers—including Tonka, which will be featuring pedestal legs on a deluxe line of braziers. The furniture trend started with the addition of redwood cutting boards to braziers and with the squared-off styling of smoker-wagons, some of which resemble case goods.

Structo was one of the few barbecue manufacturers exhibiting at the Premium Show that did not preview its 1967 line. Structo generally does not even display its new line at the Hardware Show, preferring private showroom presentations to key accounts—the only retailers interested in making commitments for barbecues at this time. Bissell, another Premium Show exhibit or, plans no new models for the Hardware Show, staying with its revamped line introduced last January.

Buyers generally expect pricing to be somewhat higher on the new barbecue lines, reflecting increased material costs. However, Bissell indicated that it plans no price hikes.

—Ed Dubbs

KEY MOVES

Mirro Aluminum—Robert Standley is named sales rep for Indiana, with headquarters in Indianapolis.

Revere—Clyde E. McDannald is elected a vp and appointed general mgr of sales and marketing for consumer products.

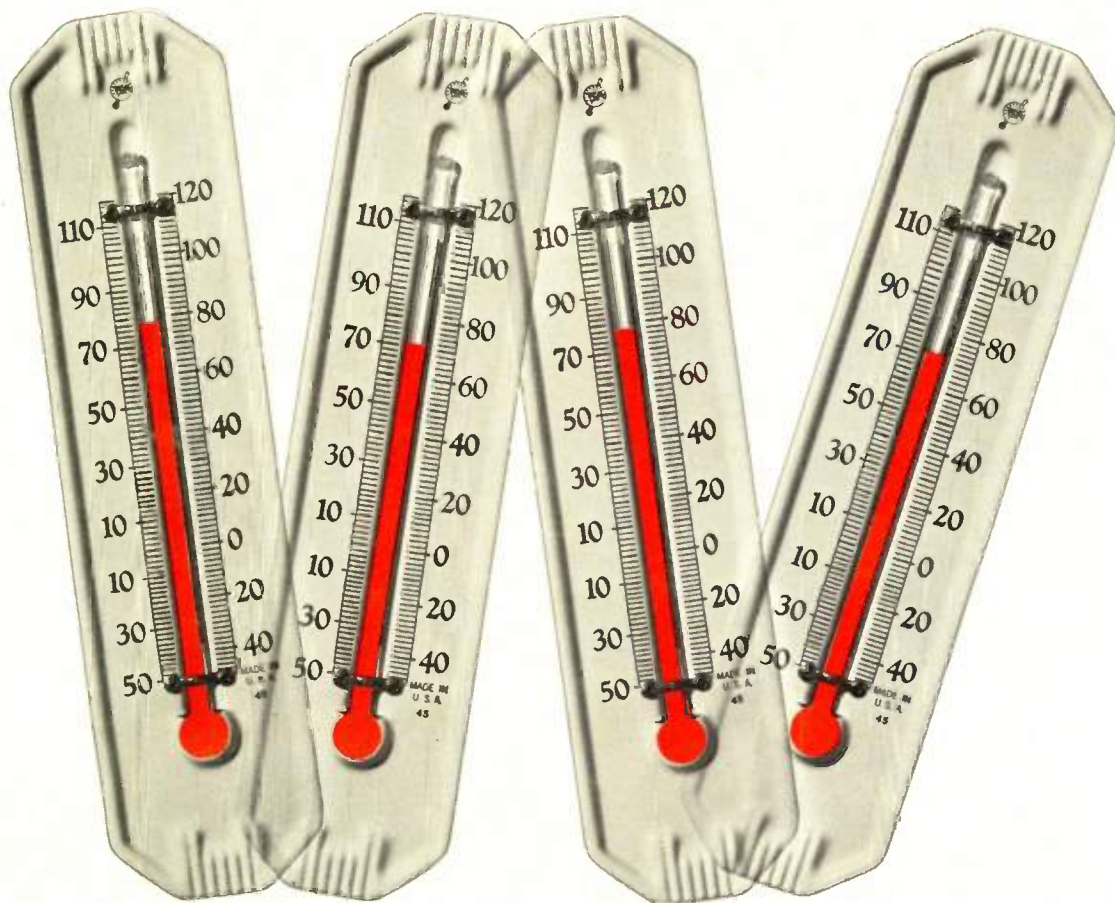
West Bend—Hal R. Hampton is appointed sales rep for the Knoxville-

Nashville (Tenn.) territory, and John F. Pickersgill is appointed sales rep for the Calgary (Alta., Canada) territory.

GE—Paul B. Peters is appointed senior sales forecasting specialist in the marketing research and administration section, and Cecil S. Semple rejoins the company as marketing consultant-merchandising.

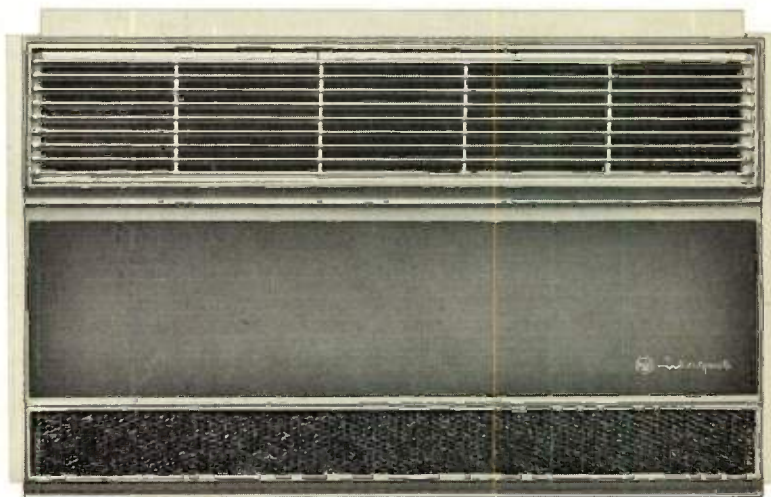
A sales closer only RCA WHIRLPOOL dealers can use:

no more uncomfortable zig-zag cooling!



Deliver the comfort you sell with exclusive COMFORT-GUARD control

A product of space-age research . . . COMFORT GUARD® control is an amazing temperature-sensing device that *thinks ahead* to prevent cooling overdose and underdose. It anticipates changes in temperature and commands the thermostat to turn the cooling on or off in time to avoid extreme fluctuations. Room temperature is kept stable and pleasant at the selected comfort level. This exclusive control also helps to prevent coil freeze-up that could result in a costly service call. COMFORT GUARD control is just one example of the forward thinking that produced the new 1967 RCA WHIRLPOOL air conditioners. There's also advanced styling with shaded bronze colored panels on decorator-designed cabinets . . . "Kitten-Quiet" operation . . . special "Stay Dry" construction with non-metallic pans to catch drip water and prevent rusting. Talk to your RCA WHIRLPOOL distributor about these many advantages and about the many models (34 in all!) available in the "wide choice" line for '67.



Wide choice . . . capacities from 5,000 to 32,000 BTU's (NEMA certified) . . . 115, 208 and 230 voltages . . . Compacts, Customs, Supers . . . models to fit regular, casement or sliding windows or go through the wall. (Model ARC-130-3 is shown above.)



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

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

□□□□ Floor care producers are hard-pressed on two scores: holding the line on pricing despite mounting costs, particularly for copper and other raw materials, and keeping up with heavy orders for floor care products, especially for the most popular numbers in a manufacturer's line. Slow deliveries are reported on the best-selling models in a number of manufacturers' lines.

□□□□ "We're fighting to hold the line on pricing"; this is the word from manufacturers, according to a

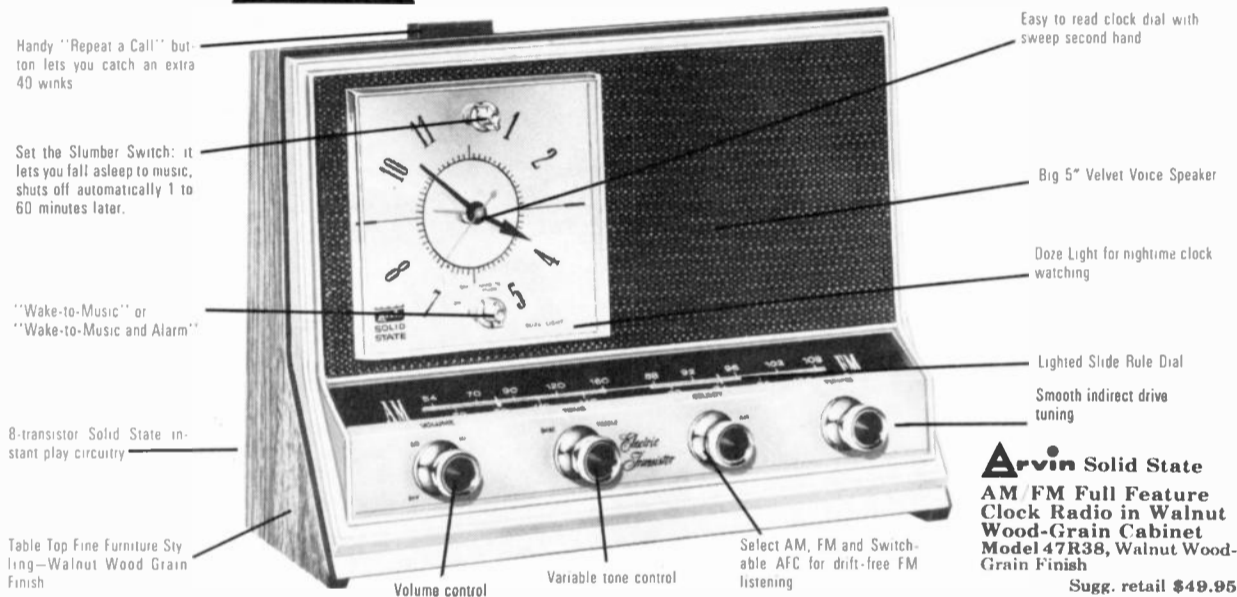
MERCHANDISING WEEK survey of leading floor care producers. However, few producers are willing to commit themselves to holding the price line beyond January, 1967.

"Pressure is murder on materials," one manufacturer said. "Cord sets are fantastic. Copper for motors is at a premium."

One manufacturer even told of "black market" conditions on materials, particularly cord sets. "This is almost a wartime economy. The war is sopping up all the copper. I don't know who's sopping up the cord sets."

There are many good clock radio values on the market. That's why it wasn't easy to design one this great.

Arvin did it!



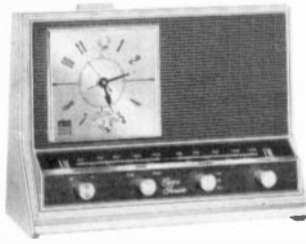
Arvin Solid State
AM/FM Full Feature
Clock Radio in Walnut
Wood-Grain Cabinet
Model 47R38, Walnut Wood-
Grain Finish
Sugg. retail \$49.95

Anybody can combine a clock and a radio. For proof, just look around you. But it takes a touch of genius to create a clock radio with unmatched styling and unsurpassed performance at the right price. Our stylists and engineers have that touch. This great value in a fine clock radio has every-

thing. All skillfully blended into a distinctive cabinet in warm wood grain finish that happily blends with other fine furniture. That touch of genius extends to other models, too, in this great new 1967 Arvin radio line. Your Arvin distributor will be glad to provide details. Prices from \$6.95 to \$139.95.



Arvin Solid State
AM/FM Table Radio in
Walnut Wood-Grain Cabinet
Inspired wedding of smart cabinet design and advanced radio engineering. Powerful 8 transistor circuitry for instant play, cool operation, long set life. Switchable AFC for drift-free reception. Smooth indirect tuning. Variable tone control. Big 5" speaker reproduces brilliant AM and static-free FM. Ferrite rod AM antenna, line cord FM antenna, external FM terminals.
Model 37R38, Walnut Wood-Grain Finish
Sugg. retail \$42.95



Arvin Solid State
AM/FM Full Feature
Clock Radio in Slimline
Plastic Cabinet
This Arvin Clock radio is a big value — on all counts. The clock with luminous tipped hands features Slumber Switch, "Wake to Music", "Repeat-a-Call" alarm, sweep second hand. An 8 transistor solid state radio chassis and 4" speaker deliver clean, crisp sound. Switchable AFC "locks in" FM signals.
Model 47R28 Beige
Sugg. retail \$46.95
Model 47R29, Charcoal
Sugg. retail \$46.95



Arvin Solid State
AM/FM Table Radio in
Slimline Plastic Cabinet
Heart of this power-packed beauty is the 8 transistor solid state circuitry that provides instant play and operates cooler for longer life. Switchable AFC assures drift-free FM reception. Indirect tuning. Variable tone control.
Model 37R28, Beige
Sugg. retail \$39.95
Model 37R29, Charcoal
Sugg. retail \$39.95

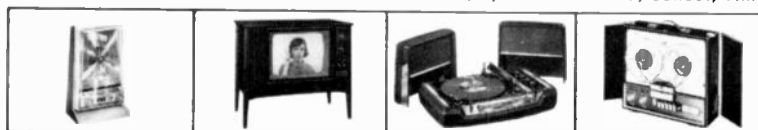
Arvin

See us at the National Housewares Show—Space #609

Value begins with Quality in Home Entertainment

As Nationally Advertised In: Life, Look, Newsweek, Sports Illustrated, Sunset, Time

For complete information, write, wire or call ARVIN INDUSTRIES, INC., Consumer Products Division, Department E-9, Columbus, Indiana
Visit these permanent show spaces:
Chicago, Merchandise Mart—1477; New York 230 Fifth Ave.—612;
San Francisco, Merchandise Mart; Hollywood, 1025 N. Highland Ave.;
Arvin Sales Dept., Columbus, Indiana.



RADIOS

TELEVISION

PHONOGRAPHS

TAPE RECORDERS

□□□□ Orders are running heavy from distributors and retailers, and a number of floor care manufacturers have put on extra shifts to keep up with production demand. Manufacturers also have instituted special programs to encourage their salesmen, retailers, and distributors to shift to models not as heavily hit with backlog orders. Shetland, for example, has started a "Ripe One" contest for its sales staff, aimed at moving models that Shetland has warehoused instead of ordering models off the production line.

□□□□ How long to absorb increased costs before passing at least some of them on to the retailer—and eventually, the consumer—is the current problem facing floor care producers. "At present, manufacturers are absorbing increases, but it's hard to say what will happen in January," a Eureka-Williams spokesman said.

□□□□ Vac shipments zipped up 14.9% for the first eight months of 1966, hitting the 3,562,238 mark, compared with 3,099,952 units in the first eight months of 1965. Shipments for August reached 417,213 units, compared with 376,644 in 1965.

Floor polisher shipments for the first eight months of this year dipped 0.7%, declining from 740,233 units in 1965 to 735,033 units in 1966. However, shipments for August, 1966, ran up a 1.4% gain. August shipments were 92,841, compared with 91,589 in 1965.

How good is your advertising?



We're sure you've run some outstanding retail ads in 1966. If so, you may be a winner of one of the handsome personalized Steuben Glass bowls, plus a trip to New York for you and your wife, offered in this competition sponsored by **Reader's Digest** in co-operation with the National Appliance and Radio-TV Dealers Association.

The reason To give industry-wide recognition to retailers who have run outstanding creative retail ads supporting nationally advertised brands of radios, television sets and appliances.

The prizes Three gracefully designed Steuben bowls (one for each category listed below) together with free trips to the NARDA Convention in New York for winners and their wives. Semi-finalists will be awarded commendation plaques.

Who's eligible*

Class I) Dealers with annual net sales below \$300,000

Class II) Dealers with annual net sales between \$300,000 and \$1 million

Class III) Dealers with annual net sales over \$1 million

The rules To enter you must submit an official entry form and two tear sheets or proofs of the newspaper advertisement which, in your opinion, is the best or most effective ad you have run during 1966 (there are still 2 months to go). The ad may be of any size, but must feature one or more nationally

advertised appliances, radios or TV sets. Closing date for all entries is January 30, 1967.

Entries will be judged for layout, copy, originality and creativity. Awards will be made at the 23rd Annual NARDA Convention in New York, June 23-25, 1967.

Registration Form

TO: **Reader's Digest**
CREATIVE RETAIL ADVERTISING AWARDS
Att: G. W. Wallace
200 Park Avenue
New York, New York 10017

Please send official entry form to:

Name _____ Title _____

Store name _____

Classification (Circle one) (I) (II) (III)

Street _____

City _____

Please send me your library collection of the best retail ads of 1965

*The competition is open to all appliance dealers whether members of the NARDA or not.



MIDLAND LAMP RADIO

Any "hot buy" spy would say, "Get smart... beat competition... make a killing of your own."

It's easy with this entirely new high intensity lamp-radio that eliminates transformer. No buzz, hum or burn-out. 40-watt 110-120 volt lamp with UL cord. Powerful solid state radio. Uses 9 volt battery. Available in 5 decorator colors.

Write for free new full line catalog.



*Suggested retail with full margin of profit

Model 10-644

MIDLAND INTERNATIONAL CORPORATION

1909 Vernon Street 4140 Vanowen Place
 North Kansas City, Missouri 64116 Burbank, California 91504

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.

***New Products/New Business Trends:** Give yourself the opportunity to discover now what will be "hot" next season.

use this handy coupon today!

MERCHANDISING WEEK — Box 511 — Hightstown, N.J. 08520

Enter my subscription for a year of weekly issues at the \$3.00 annual rate (less than 6¢ an issue!).

Payment enclosed Please bill me

Name _____ Position _____

Address home business _____

City _____ State _____ Zip Code _____

Company Name _____ Type of Business _____

INDUSTRY TRENDS

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

	date	1966	1965	% change
FLOOR CARE PRODUCTS				
Floor Polishers	August	92,841	91,589	+ 1.37
	8 Months	735,033	740,233	- .70
Vacuum Cleaners	August	417,213	376,644	+ 10.77
	8 Months	3,562,238	3,099,952	+ 14.91
HOME LAUNDRY				
Dryers, clothes, elec.	July	115,185	85,581	+ 34.59
	7 Months	756,985	570,103	+ 32.78
Dryers, clothes, gas	July	46,754	42,156	+ 10.91
	7 Months	346,331	286,774	+ 20.77
Washers, auto & semi-auto.	July	344,580	311,756	+ 10.53
	7 Months	2,273,136	2,053,978	+ 10.67
wringer & spinner	July	40,082	44,334	- 9.59
	7 Months	306,472	339,207	- 9.65
OTHER MAJOR APPLIANCES				
Air Conditioners, room	August	79,000	110,300	- 28.38
	8 Months	2,858,000	2,257,900	+ 26.58
Dehumidifiers	August	16,000	10,800	+ 48.15
	8 Months	219,000	189,500	+ 15.57
Dishwashers, portable	August	28,000	25,600	+ 9.38
	8 Months	250,400	197,000	+ 27.11
under-counter, etc.	August	80,000	69,000	+ 15.94
	8 Months	614,200	498,100	+ 23.31
Disposers, food waste	July	94,800	112,400	- 15.66
	7 Months	763,600	729,100	+ 4.73
Freezers, chest	August	51,000	50,900	+ .20
	8 Months	322,200	306,200	+ 5.23
upright	August	72,000	72,500	- .69
	8 Months	449,700	453,700	- .88
Ranges, electric	August	178,000†	178,700	- .39
	8 Months	1,381,100	1,310,800	+ 5.36
Ranges, gas	August	173,800*	194,700	- 10.73
	8 Months	1,453,600	1,433,100	+ 1.43
Refrigerators	August	522,000	464,700	+ 12.33
	8 Months	3,334,500	3,063,800	+ 8.84
Water Heaters, elec. (storage)	July	86,200	85,300	+ 1.06
	7 Months	607,800	618,400	- 1.71
Water Heaters, gas (storage)	August	209,870	204,240	+ 2.76
	8 Months	1,709,970	1,703,000	+ .41
CONSUMER ELECTRONICS				
Phonos, port.-table, distrib. sales	Sept. 16	110,540	106,220	+ 4.07
	37 Weeks	2,083,220	2,149,901	- 3.10
monthly distributor sales	July	249,300	262,984	- 5.20
	7 Months	1,420,044	1,513,957	- 6.20
Phonos, console, distrib. sales	Sept. 16	34,142	39,746	- 14.10
	37 Weeks	1,144,526	989,154	+ 15.71
monthly distributor sales	July	112,446	128,655	- 12.60
	7 Months	905,453	739,643	+ 22.42
Radio (ex auto), distrib. sales	Sept. 16	332,449	281,137	+ 18.25
	37 Weeks	8,824,409	8,121,050	+ 8.66
monthly distributor sales	July	942,786	1,160,053	- 18.73
	7 Months	6,919,688	6,272,819	+ 10.31
B&w Television, distrib. sales	Sept. 16	155,862	179,224	- 13.04
	37 Weeks	4,916,711	5,173,464	- 4.96
monthly distributor sales	July	508,977	658,907	- 22.75
	7 Months	3,935,766	4,045,842	- 2.72
Color Television, distrib. sales	Sept. 16	127,431	104,464	+ 21.99
	37 Weeks	2,820,264	1,581,668	+ 78.31
monthly distributor sales	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 August Total includes: 119,900 free-standing ranges; 16,500 high oven models; 17,900 set-ins; and 19,500 built-ins.

Source: EIA, VCMA, AHLMA, NEMA, GAMA.



Last call for swingers

Norge million dollar October promotion on automatic washers

Never before a
Norge promotion this
big, this concentrated!



Record-breaking television campaign rolls into 75 key markets, week after week, all during October! Hard-hitting, distinctive commercials (in color) promote the Norge VHQ™ and Scot washers, reaching 100% of TV homes in your trading area!

Newspaper "blitz".

In addition, Norge newspaper ads will saturate over 170 markets all during October. Ads will list your store name and address... tell prospects where to buy.

Never before so many
product advantages—in
quality, performance,
savings!



All five Norge VHQ models bring dramatically quieter operation to automatic washing that could only come from deep-down quality inside ... the result of over 18 basic engineering advances. Never has there been a better opportunity to sell quality washers *in volume* for high-end, record-breaking profits.

Norge Scot

offers prospects the savingest automatic washer ever built. Designed to save over 3900 gallons of hot water a year, over 64 lbs. of detergent a year, over 98 hours of operating time a year. Sales-closer includes free TIDE (enough to do a ton of wash)!

Call your Norge
distributor now...



Tell him you want to cash in on the biggest October ever—and he'll take it from there. Put you in the laundry business in a big way; and give you the big profit news on the great new line of Norge refrigerators.

NORGE®

home appliances **BORG** **WARNER**®

Remember all those women who walked away from your overweight uprights? Call them back.



You could have sold a lot more uprights if only they weren't so darned heavy.

Well here's one that's not—the Regina Brush 'n Beat.

It's the first full powered upright vacuum that doesn't feel like a Mack truck.

It brushes, beats, devours deep-down dirt. From carpets. Bare floors too. Does the same thorough job as any heavyweight—but weighs only *half*.

It slips under low furniture. Fits stair treads. Has a twice-as-big dust bag. Hangs flat against a wall. Has a full set of attachments. Has a retail price tag of less than \$40—the industry's lowest priced full featured upright—with a full profit margin.

Features sell merchandise. You know it. We know it. The Brush 'n Beat is everything a woman expects an upright to be.

Except heavy.

The Regina Corporation, Rahway, N. J.

REGINA 

In Canada, contact Switson Industries Limited, Welland, Ontario.