

NEXT WEEK

Dealer incentive trips: Rodrigues takes a look at Hong Kong and draws his own conclusions

### NEW WESTINGHOUSE PHONOS IN TRADITION OF SOLID STATE SUCCESSES

# Surefire styling, innovation and price are again featured.

The same ingredients that account for recent Westinghouse solid state successes are very much in evidence in the new Westinghouse line of solid state phonos. Among them:

Price leader in the line is a neat little 4speed Automatic Portable (130AC) retailing for just \$44.95.\* Low silhouette cabinet is easy to carry and store. It features automatic shut-off, volume and variable tone controls, deck mounted speaker and removable top.

Moving up the line, the Solid State Portable Radio Phonograph (PR41C17), offers deluxe "pull down" 4-speed automatic changer, front mounted speaker delivering room filling sound. Plus easy to tune AM radio and luggage type moulded wood and styrene cabinet. Just \$64.95.\* The Deluxe Solid State Walnut Grain

The Deluxe Solid State Walnut Grain Stereo Phonograph (PS50C17), incorporates completely integrated wide-range speaker system with "pull down" 4-speed automatic changer, dual channel amplifier, volume control for each channel and flipover cartridge. Price with base just \$99,95.\*

Outstanding in performance and design is the Custom Solid State Twin Unit Stereo Phonograph (PS70E17). Featuring full console power, 20 watts peak music output, custom-designed two speaker enclosures with two 4" and two 6" high fidelity speakers. Plus spring-cushioned 4-speed automatic changer, full stereo controls and acoustically designed wood cabinet with Walnut grain finish. Priced at \$139.95.\*



You can be <u>sure</u> if it's Westinghouse (

## AT PRESSTIME

□□□□Caloric will merge with Raytheon. The gas range manufacturer, headquartered in Topton, Pa., will join Amana as a wholly owned subsidiary of Raytheon—thus giving the parent company a full line of major appliances. Merger plans call for the issuance of 250,000 shares of Raytheon common stock for the outstanding shares of Caloric common stock, all of which are privately held. The merger has been approved by Caloric stockholders and is expected to be completed in early 1967.

Caloric, with annual sales between \$30 and \$35 million, would operate under its present name and management. Commenting on the proposed merger, Julius Klein, chief executive officer of Caloric, said: "The joining of the two growing companies offers Caloric growth opportunities beyond those which it has alone. For our customers and the gas industry, we see opportunities for better service with an expanded line of products, as well as the benefits of increased imaginative product development stimulated by Raytheon's technological resources."

□ □ □ □ Rumors of a new excise tax on tv sets have been squelched by the White House, according to Jack Wayman, staff vice president of the consumer products division of the Electronic Industries Assn. Wayman says that he received this assurance from an authority in the executive branch of the government, who said there is no possibility of such a tax being recommended. Wayman adds: "The thinking seems to be that any measure affecting such a large number of citizens (as educational television undoubtedly will) would require a broader base than a tax borne exclusively by tv manufacturers or broadcasters." There have been rumors that the Carnegie Commission, which has for the last year been conducting a broad study of the problems of non-commercial television, might recommend that funds for educational television be raised—in part by slapping an excise tax on tv receivers (MW, 7 Nov., p.8).

□ □ □ □ □ GE housewares adds 665 tv spots for the Christmas season. The new campaign is in addition to the network commercials and local spots previously announced. GE will use 465 spots over a three-week period in four markets—New York, Boston, Chicago, and Los Angeles—to feature its FC-1 food cooker and its slimmer-handled slicing knives. Two hundred spots have been added to an eight-market setup—Atlanta, Birmingham, Charlotte, Harrisburg-Lancaster-York, Lansing, Miami, Sacramento, and Syracuse—for the cooker, knives, mixers, can openers, vacs, irons, and manicure sets.

 $\Box$   $\Box$   $\Box$  **Zenith and the NAB have clashed** on a proposal by the Federal Communications Commission (FCC) to authorize a nationwide system of subscription television. The National Assn. of Broadcasters (NAB) told the FCC last week that "a successful system of subscription television . . . certainly would mean the complete destruction of the present system of free television . . . [and] the American public will have to pay to view what they now have without charge . . ." Zenith, on the other hand, argued before the FCC:

"There is now ample evidence that the subscription service would provide the public with a diversified choice of top box-office quality programs and promote the growth of new tv stations in many areas now lacking adequate tv service."

 $\Box$   $\Box$   $\Box$  **Northern Electric is raising prices** "up to 5%" on its product line, effective Jan. 1. Northern, a Sunbeam subsidiary, blamed increased labor and material costs. The price increases affect promotional electric blankets the most. A major private-label producer, the company noted that blanket prices will be increased for private-label customers, too.

□□□□"New concepts for the DuMont line" are the purpose of the company's appointment of Dr. Thomas T. Goldsmith Jr. as a consultant for research and development activities, says C. Russell Feldman, chairman and president of National Union, DuMont's parent company. Dr. Goldsmith was formerly director of research at Fairchild Camera and Instruments Corp. Before that—from 1936 to 1960—he held executive positions with the Allen B. DuMont Laboratories.

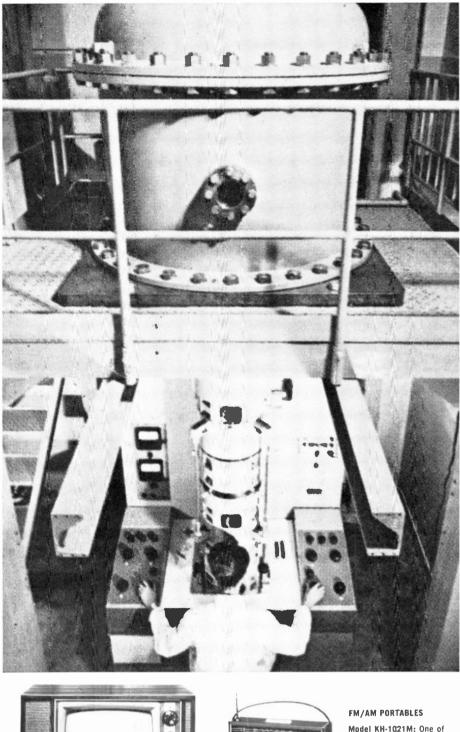
 $\Box$   $\Box$   $\Box$  **Kelvinator shows increased appliance sales** for the fiscal year ended Sept. 30, despite an over-all corporate decline. The company is the appliance division of American Motors Corp. Kelvinator reports that billings to dealers increased 7.5% above the 1965 fiscal year. American Motors Corp. reports consolidated net sales of \$870.4 million and a net loss of \$12.6 million for the fiscal year.

□□□□Utility promotions will compete for prizes in seven categories in a contest sponsored by General Electric. The categories are: dishwashers, consumer electronics, heat pump heating and cooling systems, home laundry pairs, no-frost refrigeration, room air conditioners, and self-cleaning oven ranges. Prizes, which will go to utility promotion executives, are trips to Hawaii and Las Vegas. Entries will be judged on Dec. 13 and 14.

In another area, GE has announced a year-long incentive campaign to reward dealer salesmen for selling GE central air conditioning. GE also says it will run its largest national consumer advertising campaign on central systems.

□ □ □ □ **Air conditioners for sliding windows** have been announced by Comfort-Aire. The two units—5,800Btu and 9,000Btu, are expected to retail at about \$179 and \$229 respectively.

□□□□Son-Chief is moving Marlun production to Winsted, Conn., where it will operate the broiler manufacturer as Black Angus Inc. First trade reports that Son-Chief was buying the assets of Marlun appeared in these pages last week (MW, 21 Nov., p.27). Black Angus is the brand name used by Marlun. Mrs. Sherry Sado, Marlun president, will join Son-Chief as a consultant; vice president I. Rosenweiz will assist Son-Chief in the transition period but will move on to another position elsewhere. Marlun had leased its Brooklyn plant, which recently was sold.





matic color purifier and memory VHF fine tuning control in luxurious walnut cabinet.

\*Diagonal Dimensions

4

Model KH-1021M: One of a complete line of FM/ AM portables that are unquestionably the style and quality and performance leaders in the industry.

#### TAPE RECORDERS

Model TR0-520: Hitachi tape recorders feature "Levelmatic" automatically controls the level of sound without distortion. Each has been preclsioned engineered and styled for superiority in sound and sight.

# Development of a superior electron microscope helps you sell



Awarded the Grand Prix at the 1958 Brussels World's Fair... Hitachi's e.ectron microscope signified great progress in the development of physical and chemical instruments. Leading the research and development of all Hitachi home entertainment products are the more than 2,500 scientists working in 77 plants...countless engineering specialists, and the thousands of workers that assured Hitachi this Grand Prix award. These strengths insure the reliability and complete satisfaction of every Hitachi black and white, color television, tape recorder, radio you buy today and sell tomorrow.

> Sole Importer and Distributor of HITACHI brand consumer products in U.S.A. HITACHI SALES CORPORATION

> 666 FIFTH AVE., NEW YORK CITY 10019

# WASHINGTON NEWS

 $\Box$   $\Box$   $\Box$  **Estimated retail sales of nearly \$6 billion** were recorded for the second week of November, a decline of 1% compared with the first week in November, according to the Commerce Department. Retail sales were up 4%, however, from the comparable week one year earlier. Although the margin of year-to-year gain was substantially less than the 7% average weekly gain so far this year, it was slightly better than the 3% average weekly advance registered during the most recent four weeks.

Government buying of durable goods in October fell 4.6% from September spending. This decline—taken together with the lowest report of housing starts in about two decades—is a good barometer of business activity and could provide those Administration planners opposed to a tax increase with some needed ammunition.

□□□□ An alternative budget to cut government spending as a curb on inflation may be offered by Republican leaders. According to Senate Minority Leader Everett Dirksen (R-III.), the GOP "will have support of the Republican members of the Appropriations, Finance, and Ways and Means committees in putting together a fiscal program." The Republican leaders are preparing the way for submission of the alternate budget in the event that President Johnson fails to balance government income and spending in his January fiscal message to Congress.

□□□ Honoring checks of bankrupt depositors: Banks are not liable to the trustee in bankruptcy when the bank does not receive prompt notice of the bankruptcy proceedings, according to a Supreme Court ruling last week. The ruling applied to a San Rafael (Calif.) bank that honored checks totaling \$2,312. The checks were written between Aug. 27 and Sept. 17, 1963, by Marin Seafoods Inc. in favor of Eureka Fisheries Inc. The bank honored the checks on Oct. 2, 1963. On the following day, the bank received notice of voluntary bankruptcy proceedings, which had been initiated on Sept. 26 by Marin Seafoods.

Later, the trustee in bankruptcy sought recovery of the \$2,312 from either the bank or from Eureka. Eureka returned the full amount to the trustee, then sought—under California law—to recover half of the sum from the bank. The bank contended it was not liable when, in good faith and without notice of initiation of bankruptcy proceedings, it had honored the Marin checks.

□□□□ More jobs for minorities are sought by the Equal Employment Opportunity Commission, which has asked the American Retail Federation to encourage its members to seek out and employ members of minority groups in part-time positions during the holiday season. Commission chairman Stephen N. Shulman said at a press conference that "our concern results from the fact that Negroes, Mexican-Americans, and Puerto Ricans . . . too often do not share in job opportunities . . . because they may not be aware that opportunities exist, or they may not have information on how to take advantage of openings that are available." The Federation has pledged to support the Commission's request.

# **APPLIANCE-TV NEWS**

## Appliance standards: a problem for AHAM, a speed-up for NEMA

"To make sure that the federal government doesn't set electrical equipment standards, let us meet the challenge of 'really improving' the industry's standardization activities." So said the new president of the National Electrical Manufacturers Assn. (NEMA), John Morrill, president of Kearney-National Inc., St. Louis, at NEMA's annual meeting.

To give Morrill's words special meaning (although the connection is probably coincidental) was Sen. Vance Hartke (D-Ind.), who said that the consumer will "come into his own" in the 90th Congress. Hartke said that in many cases, manufacturing and selling practices are helping to bring about the regulatory measures which govern quality of consumer goods.

The question of standards is a knotty one for appliance manufacturers because the NEMA standards expire on April 1, 1967. They expire because it is on this date that those manufacturers who left NEMA to form the Assn. of Home Appliance Manufacturers (AHAM) will formally terminate their membership. Terminated at the same time will be NEMA's standards on room air conditioner ratings, refrigerator and freezer sizes, dishwasher capacity, and other product specifications.

NEMA's retiring president, Gene K. Beare, president of Sylvania Electric Products Inc., urged AHAM to give top priority to standards. He said that "to be strong" the new association "must equal NEMA standards."

NEMA's own standards activity

should become more intense with the establishment of its Standards Council. This Council, said Morrill, would not change the traditional method of having standards proposed and approved by NEMA's product sections. It will, he said, add greater effectiveness to "NEMA's standards activity by speeding up the process and giving greater urgency to the standardization program. The council, which is not tied to any particular product, could work on appliance standards.

That standards are important was underscored by Sen. Hartke. "We have come a long way from the days of *caveat emptor*," he said, "and no longer must the buyer beware. But we are not yet at the point where the consumer, without recourse to government, is able to end the unsafe, unreliable product simply rejecting it in the marketplace."

He said that millions of new consumers will not tolerate misleading claims or pricing and labeling practices that allow them no basis for valid product comparisons.

"The consumer is learning that he is Everyman, and the Congress is listening closely to his complaints," said Hartke. He added that he will become a member of a new Consumer Subcommittee of the Senate Commerce Committee with the formation of the 90th Congress in January.

The industry will be watching to see whether AHAM will be able to establish product standards before April 1—and what the effect will be if the members fail to agree.

# NEMA distributor sales summary: where the retail action is

Appliance distributors in four states —count 'em—sell almost 30% of all refrigerators sold to retailers in the country. And distributors of 14 states rack up well over 50% of total sales made to retailers in all four product categories, according to the National Electrical Manufacturers Assn. (NEMA). NEMA's most recent report shows distributor sales to dealers for the first nine months of 1966.

The largest percentage of sales

shown for any single appliance was recorded for built-in dishwashers; California distributors sold 12.4% of the national total.

California also leads in distributor sales in four other categories: built-in ranges, 12.1%; portable dishwashers, 10.0%; refrigerators, 9.1%; and upright freezers, 9.0%.

Five southern states—North Carolina, Georgia, Alabama, Texas, Tennessee—recorded a combined 27.4% of total chest freezer sales.

States	Household refrigerators	Freezers		Ranges		Dishwashers	
		chest	upright	built-in	free-stdg.	port.	built-in
Ala.	1.7%	5.4%	2.1%	1.9%	2.7%	0.9%	1.2%
Calif.	9.1%	2.1%	9.0%	12.1%	4.0%	10.0%	12.4%
Fla.	4.0%	3.2%	3.2%	6.9%	5.2%	2.4%	3.9%
Ga.	2.9%	5.5%	3.0%	3.8%	3.5%	1.2%	2.9%
III.	5.2%	4.8%	4.2%	2.2%	3.4%	4.8%	3.0%
Mich.	4.7%	4.0%	3.6%	3.7%	5.6%	5.7%	3.6%
Mo.	2.5%	4.0%	2.1%	2.5%	2.2%	2.2%	1.8%
N.J.	3.9%	0.9%	3.4%	2.3%	2.0%	4.4%	4.7%
N.Y.	8.5%	1.7%	7.2%	4.4%	4.9%	9.2%	8.7%
N.C.	2.2%	6.1%	3.1%	3.7%	4.7%	0.9%	1.7%
Ohio	5.2%	4.8%	5.5%	4.7%	6.5%	6.3%	4.8%
Pa.	6.2%	4.1%	5.4%	4.5%	5.9%	6.3%	4.7%
Tenn.	2.0%	5.1%	2.2%	2.3%	4.0%	1.3%	1.5%
Tex.	5.4%	5.3%	5.8%	6.3%	2.8%	3.8%	7.0%
% of							
tot. sales	63.5%	57.0%	59.8%	61.3%	57.4%	59.4%	61.9%

□□□□ Sales of color tv sets were chalked up at 114,244 units during the week ended Nov. 11, according to the Electronic Industries Assn.'s distributor-to-dealer sales statistics. As of that week—the 45th week of the year—color sales were running a healthy 70.44% ahead of sales at the same point last year. However, this represents a shrinking lead over 1965. Fifteen weeks earlier—at the end of 30 weeks in 1966 —color tv sales were virtually 100% ahead of the same period in 1965.

Total tv sales—including both color and b&w—for the week of Nov. 11 were down 6.65% from a year earlier. And total tv sales through the first 45 weeks of the year were only 9.61% ahead of sales at the same point in 1965.

□□□□ The major tv component shortages are over, maintains Dr. Wendell Sell, president of Packard Bell. In a sales and earnings report, Dr. Sell noted that while components will not be the major problem next year, labor shortages and rising costs will continue to plague the industry. (The cabinet shortages being experienced by the industry as a whole are less significant to Packard Bell because the company has its own cabinet facilities.) Dr. Sell estimates that the industry will sell 4.9 million color tv sets this year. He forecasts sales of more than 7 million color units next year and sales of 9 million units in 1970. Packard Bell's sales for the fiscal year ended Sept. 30 were \$45.4 million—up 33% over sales for the last fiscal year.

**Paying and motivating retail executives** is the subject of a National Retail Merchants Assn. conference set for Jan. 23-26 at the Diplomat Hotel in Hollywood-by-the-Sea, Fla. Subjects to be covered during the conference include: attracting, motivating, and retaining key executives; evaluating compensation plans; measurement of executive performance, and systems of promotion.

**Roper's new dealer display kit** for ranges is available for \$15. The kit includes one display for free-standing models, one for eye-level units.

□□□□ About 250 Toshiba service centers throughout the U.S. are the aim of Toshiba America's new national service manager, Al McEvoy. In stating his objectives, McEvoy gives some clue to Toshiba's plans: "The service stations I will include in Toshiba's network will be proficient in solid-state electronic technology and will have solid experience in servicing transistorized home entertainment products."

 $\Box\Box\Box$  **MGM's cartridge tape player**—Playtape 2—is cropping up all over New York City. Three retail ads describing the unit as the Music Machine—"something like a transistor radio, but... the music you want, by the artists you want to hear"—have appeared in the *New York Times* during the past few weeks. One ad a full page—was run by Liberty Music Shops; two others were run by Gimbels and King Karol Records. The player, manufactured exclusively for MGM by Playtape Inc., lists at \$29.95 (MW, 14 Nov., p.13). A similar model from Playtape is being offered by Sears at \$19.95.

# **APPLIANCE-TV NEWS**

□ □ □ □ **RCA** has developed a tubeless tv camera that is "smaller than a man's hand." According to RCA, the camera is a first step toward a new era of personal tv communications systems. A spokesman for RCA told MERCHANDISING WEEK that it "could be the Baby Brownie for video home movies. "Eventually," he said, "this new camera could replace the conventional type of unit now used with vtr." However, Dr. Paul K. Weimer, who developed the tubeless tv camera at RCA Laboratories, said the experimental camera is still "inferior in resolution, sensitivity, and speed to a conventional television camera."

The camera operates on battery power and measures 4½ inches long by 4 inches wide. With a miniature transmitter, which is separate from the camera, the unit is able to send pictures directly to a television receiver.

□□□□Electrohome is opening a new cabinet plant tomorrow in Kitchener (Ont.), Canada. Electrohome says the plant will produce a tv, stereo, and hi-fi cabinet of Contemporary, Spanish, Colonial, Oriental, or Italian design every 30 seconds. The new \$4-million plant, the company says, is the largest and most modern facility of its kind in Canada.

□ □ □ □ Motorola is providing technical training on a nationwide basis to support home electronics service companies and servicing retailers. The program consists of 50 technical training representatives who will be deployed for territorial assignments according to population density. They will provide training in subjects such as transistor basics, the proper use of test equipment, color circuitry, color setup, the way to speed parts orders and delivery, current warranty policy, and customer handling techniques.

□ □ □ □ Sony will market a Philips cassette player early next year. The unit—Sony's first cartridge playback machine—is called the Magazine-matic 100, and will sell for \$69. Sony also will carry a 60-minute blank cartridge listing at \$1.95, and a 90-minute blank at \$2.80.

 $\square$   $\square$   $\square$  **Playtape will duplicate 50 ITCC labels** for use with its 2-track tape cartridge player. International Tape Cartridge Corp. last week agreed to provide Playtape Inc. with the rights to all tape cartridge catalogs it controls.

Suggested list price of the tape cartridges, which include four selections each, is \$1.49. Playtape's playback unit, called the Music Machine, lists at \$19.95 and \$29.95 (MW, 14 Nov., p.13). ITCC, a major supplier of prerecorded tape cartridges, also announced that it will enter the reel-to-reel tape market the first of next year.

□□□□**Prerecorded tape cartridges** are becoming available at lower prices. Macy's (New York) is selling prerecorded 8-track cartridges starting at \$5.98 and 4-track starting at \$4.39. The cartridges regularly start at \$6.98 and \$5.98, respectively. Also, Muntz recently announced that it was dropping \$1 from the present \$5.98 suggested list price for all its 4-track cartridges.

## Outlook for color tv prices: sharp break or slow curve?

To hear the manufacturers tell it, color tv prices will not come down next year. Naturally. Nothing could more quickly insure a genuine slowdown in sales this season than the spreading of the word that color sets will be less expensive next year. But a look at this year's price points, plus growing concern at retail over high color prices, do seem to indicate that prices *will* come down—if only slightly—next year.

Some retailers—and certainly some customers—have been calling for lower color tv prices this fall. For the retailer and for the customer it is obvious that the average retail price of color tv sets available is considerably higher than last fall. Although this presumably means higher profits to the retailer, it also has sometimes meant slower color television set sales than he might have expected.

Manufacturers are now mum on the subject, but there are unconfirmed whisperings and rumblings that-come December drop-in timeseveral manufacturers will introduce some lower-priced sets (including 25-inch models). And, while manufacturers are not talking about their future pricing plans, there is unofficial specualtion that some new price points will be set in the new 1967 color ty lines introduced next spring. And where prices do not come down, it is thought that more features will be offered at the same price points. It will be a time for "readjustment," industry observers say.

#### The retailers say

Retailers say that this fall there is suddenly more consumer resistance being created by color tv prices. The buyer for one national chain of department stores confirmed for MER-CHANDISING WEEK that the television departments in his stores were reporting definite consumer concern over prices. "Last year they'd pay anything to get a color set," he asserted, "but this fall they're thinking twice."

The average retail selling price of color tv sets during the two weeks ended Oct. 15 was \$575, according to Daniel Starch and Staff (MW, 21 Nov., p.7). This may be compared with bellwether RCA's much-publicized figure that the average retail price of sets ordered by its distributors through the summer months and into September (before the price hikes) was \$624. While RCA is saying that both retailers and customers are hungry for the high-end units, the Starch figures indicate that customers are not trading up to the point that the RCA figures seem to indicate.

The fact that the round tube color set will be an even rarer species next year compounds the pricing problem—as do rising component, cabinet, and labor costs. However, those making educated guesses on what will happen to prices in 1967 say:

• Many of the price changes next year will be hidden. They will be price "adjustments" reflected through an altering of the product mix. For example, more real furniture models will appear in the lines at lower prices.

• Some industry observers expect the prices on 19-inch color sets to come in at around \$349 next year the most concrete change in price points that will appear.

• The 21-inch rectangular color tv sets should start at about \$400 next year.

• And retailers expect, and hope for, more realistic production of 25inch color tv sets that start at \$449. Non-availability of many of the leader models has been a particularly sore subject for many retailers this fall.

• The appearance of RCA's 15inch color sets and several smallscreen Japanese color sets is expected to have a measurable effect on 1967 pricing.

#### The manufacturers say

Manufacturers are quick to point out that color sales are not, in fact, "slipping;" actually, they are now running about 70% ahead of last year. And, for the record, they are disclaiming any intention of dropping prices next year.

While predictions of 1966 color tv sales reaching 5.5 million units were dumped early this fall, the industry still expects to sell approximately 4.7 million units—"hardly a slow year," manufacturers are quick to maintain.

In an unusually candid speech to the Financial Analysts Federation in Minneapolis, Motorola's treasurer, Roger C. Smith, gave the manufacturers' viewpoint on pricing:

"The marketing experts say and pretty much agree that right now there is *demand* for about 10 million sets next year. Price erosion would probably *increase* this demand, but in any event, it seems—at least according to the experts—to be in excess of foreseeable capacity to produce unless there is some unforeseeable loosening in the labor market.

"So from the standpoint of low saturation, production capacity, and high demand, there is pressure to keep prices up."

However, Smith allows, "Even if the experts are wrong, and supply catches up with demand, resulting in price erosion, what then? There is nothing new about that in the home electronics industry. But, costs will go down, too, for which there's a lot of room at the moment. Look at the black-and-white business: it is now at more than 97% saturation, yet enjoys a handsome return and prices have never been lower.

"Current saturation of the market is approximately 14% now. By the end of the year, it may be 17%. According to the market research experts, demand for a new product accelerates rapidly until saturation of about 50% is attained. Now, the industry will probably not be able to produce more than 8 million sets next year even if it wanted to. However, if 8 million are built and *sold*, saturation would still fall short of 30% by the end of next year."

GE's new radio exchange program may shake electronics industry GE's radio department has plunged into an over-the-counter replacement program for defective merchandise an idea directly borrowed from the housewares industry. And, if the nousewares industry, And, in housewares' history is repeated, this industry habing move Could be an industry-shaking move in electronics. The GE program initiated by the radio receiver department includes

A so day over the counter exchange a ou-uay over-une-counter exchange of defective radios and a ni - 'ini-tial failure'' exchange ering all the depression of the depression which inclu

#### The history of over-the-coplacement pr wares indus to what may tronics indus smaller firms-Electric were among the nrst to o fer over-the-counter programs lo ly on a 1-year basis. snowballed as ; sumer electr

# Somebody must be kidding!

It was Channel Master who first shook the industry eight years ago. We were the ones who started the whole business of swapping good transistor radios for defective ones over the counter.

And get this: even when we began -our instant replacement guarantee was three times as good as GE's revolutionary (?) offer is today.

Right this minute, our guarantee is four times as good. We're not just 30day wonders-we're 120 day wonders.

And this wonder of Channel Master's covers not only our radios.

It takes in all our monaural tape

recorders, all our radio-phonos, and all our walkie-talkies.

So when it comes to Service Leadership, may we be permitted to say that we're just a step ahead of the rest of the electronics industry!

Our concern for your customers breeds your customers' confidence in our brand.

Can you think of a better way to inspire faith in an electronic product than with this Channel Master 120 day instant replacement guarantee?

Or a better time than Christmas to do it?

CHANNEL MASTER ELLENVILLE, NEW YORK

A sales closer only RCA WHIRLPOOL dealers can use:



# Now there's an RCA WHIRLPOOL dryer faster than ever before

Every new RCA WHIRLPOOL dryer uses a revolutionary drying system, with a drum that's been made over 20% larger to:

- \* treat your clothes better
- \* let you dry bigger loads
- \* make drying "whisper" quiet

That big, satin-smooth drum gives clothes plenty of room to toss and tumble freely, with never a worry about snagging. There's a new



16-blade fan ...biggerthan ever...that circulates more air throughout the drum. Sendsitover, under, around and through clothes for drying that's gentler and faster than ever before. And quiet! You really have to hear this dryer to believe how quiet it can be!



A new baffle arrangement keeps changing the tumbling pattern throughout drying to spread clothes out and help them dry uniformly. In fact, the entire drying system was designed to be kinder to your clothes. To dry them faster and with a minimum of wrinkling.

Equa-Flow Tempered-Heat helps with the kindness, too, by tumbling clothes gently in air that is heated **before** it enters the drying drum. They're never exposed to direct heat radiation that can scorch and burn.

There's more convenience, too! New Panoramic styling features handy, easy-to-view control panel and lighted dial. Large, full-width door pulls down, serves as a convenient shelf when loading or unloading into the large opening of the dryer. Extra-large lint screen fits into the dryer top so it can be removed easily for cleaning.

Dealers: This is the strongest dryer selling story you've ever had. And with the full line of RCA WHIRLPOOL dryers you have the product to back it up. Tell your prospects about the dryers that are faster than ever before . . . sell 'em on real drying convenience.



It's easier to sell an RCA WHIRLPOOL than sell against it! Trademarks 🐨 and RCA used by authority of trademark owner, Radio Corporation of America.

Two perennial personnel problems—finding capable sales help and improving morale and efficiency—continue to harass retailers large and small. The labor market at the moment is tight: some feel it is as tight as the money market. Managers must not only get better performance from employees now working, but many must also find more salesmen to meet the needs of an expanding business.

There are, unfortunately, no personnel panaceas. But there are, luckily, things the astute retail manager can do to solve his personnel problems. To improve morale and efficiency, he can write job descriptions and regularly evaluate his employees. To augment the sales staff, he can hire women.

Both solutions bring their own problems, but below and on the next three pages are some guides to writing job descriptions, evaluating employees—and hiring women appliance salesmen.



Better personnel management: Improving efficiency... with job descriptions and augmenting the sales staff... with women by Wallis E. Wood

# Why write job descriptions

"Did you know that several of your stereo consoles are full of trash?" a visitor recently remarked to the owner of a large store with sales of over \$1 million.

"They are?" The owner glanced into the consoles, called over the store manager, and passed on the remark. The store manager reacted by finding a wastebasket and cleaning out the merchandise on display. "I don't know what to do," said the owner. "The janitor is supposed to keep the merchandise clean."

"Why does the store manager clean it?" asked the visitor. "That is high-priced help to be cleaning out stereo consoles. Why not have one of the salesmen do it?"

"Those guys are prima donnas," said the owner. "All they want to do is sell."

"Do you have descriptions on everyone?" the visitor asked.

"We don't have job descriptions on anyone," replied the owner. "Why?"

"Well, for one thing, they would clear up any confusion over who is supposed to keep the merchandise clean. And since you remarked earlier that you have a problem with turnover, they might help you there also."

Job descriptions are so easy to prepare and their effect on employee morale and efficiency is usually so dramatic that management experts are regularly surprised to find how few retail organizations have them. They are a tool that all retailers large and small—can profitably use.

Most employees do the best job they know how. An employee who will not work is quickly discovered and should be given an opportunity to try his talents in some other organization. But when the normal employee does not do a job properly, the fault may not lie with the employee; it may lie with management for not making the job clear, for not letting the employee know exactly what is expected. With a job description defining the job, both the manager and the employee know exactly where he stands.

Furthermore, job descriptions relate all the jobs in an organization; they tell what the men in the squares on the organizational chart actually do. With them, there is neither duplication of effort nor gaps in responsibility (like who is to clean out the floor displays). Everyone knows to whom he is responsible, what his responsibilities are, and what his duties include.

"What our job descriptions have done is let people know what is expected of them," says Maurice M. Cohen, president of Lechmere Sales, Cambridge, Mass. "This, we find, is beneficial." Lechmere has been slowly putting in job descriptions for the past several months. But how does one go about writing a job description?



## How to write job descriptions

Start with the most important employee: store manager, department manager, or perhaps sales manager. Explain that the purpose of a job description is not to evaluate or speed up the man's work. Say, in effect, "Tell me what you are doing, or think you ought to be doing in your job. I don't care what you say, but I do want to know what you think your job is. And while you are writing a description of your job, I will write one, and next week at this time we'll sit down, compare the two, and write a final version." That is all there is to it.

A job description may be short and simple or long and complete. In a small organization where there are few employees and broad responsibilities, descriptions can be brief and broad. In a large store, the descriptions may go into considerable detail assigning exact responsibilities.

The detail a description goes into, however, should not be confining. Try to write descriptions in terms of responsibilities and functions rather than specific duties. Write in terms of what is to be accomplished rather than detail exactly how it is to be accomplished.

For example, "The sales manager will plan and conduct regularly scheduled sales meetings that will be well-planned and meaningful to the sales force." This is better than, "The sales manager will hold a 30minute sales meeting every Tuesday and Thursday morning at 9 a.m. The subjects to be covered will be .

Also, within limits, the description should be written to fit the man. The man, after all, is the important thing, and it is generally easier to change a job description than it is to change a man. This is not to say every description should be a personal document, but it should leave the man some freedom of action.

Once the store owner and store manager have agreed on a description, the store manager should approach the people just under himperhaps the sales manager and the service manager-and have them write descriptions. The sales manager would then have the salesmen write descriptions, and so on, until everyone in the organization has a description.

Often---and this is the reason why each, person writes his own description—owners and managers are amazed to learn how much more their people are doing, or are willing to do, when they describe their jobs.

Employees usually work better when they understand what they are doing, why it is important, and how it relates to the organization's total effort. Without direction from management, which presumably understands the total picture, most employees do not know where they stand and cannot see how their contribution makes a difference. A job description helps them see.

Since stores are different and people are different, descriptions-even for the same job-will be different. But here, and illustrated on this page, is what can come up.

#### For example . . .

Here are two descriptions of the same job: store manager. One was written by the store owner, Russ Helveston, Makefield Television and Appliances, Morrisville, Pa.; the other was written by his store manager, Tom Ward. Since Makefield is a small store, six employees, the responsibilities are broad.

Helveston wrote:

1. The store manager has general control of the store.

2. He takes care of customers, customer's complaints, sales and service.

3. He sets up the daily schedule of service men, antenna installations, and customer deliveries.

4. He keeps service men, delivery men, and antenna men on the road with something to do. He checks on the time it takes them to do their jobs and the quality of their work. 5. He sees that the store is neat

and clean, sees that goods are priced and properly displayed.

- 6. He has warranty parts tested; he orders all service parts.
- 7. He oversees truck maintenance and repairs.

8. He sees that inventory is taken at the end of the month.

Helveston's manager, Tom Ward, wrote this description:

1. The store manager acts as service manager:

- a. Directs outside service.
- b. Coordinates inside service.
- c. Orders parts and supplies. d. Improves customer relations.
- e. Repairs tv sets, radios, etc., when time and work war-
- rants. 2. He acts as sales manager:
- a. Assists in pricing and stocking.
  - b. Sells on the floor.
  - c. Coordinates sales deliveryclosing.
  - d. Assists in sales policies.
- 3. He acts as office manager: a. Coordinates office policies to sales and service.
  - b. Checks billing to customers • and from suppliers.
  - c. Checks inventory.
  - d. Responsible for over-all operation of the store.

From these two descriptions, Helveston and his manager were able to write up a final description.

In contrast to these short descrip-

tions, a four-page store manager's job in a large chain gives these responsibilities: sales, purchasing, advertising, credit, delivery of retail merchandise, store display arrangement, inventories, service of warranty products, and bookkeeping responsibilities.

This job description goes into considerable detail. Under sales responsibilities, for example, are listed:

1. Pricing of new and used merchandise showing the following on all sales price tickets: suggested list price; advertised, or with-trade, price, low-dollar price properly coded.

2. Whenever possible, all sales of major products are to be made on a "with-trade" basis. Any sale below low-dollar-with or without a trade —is to have written permission of the store manager on the sales ticket. The store manager is also responsible for reviewing all sales made without a trade-in.

3. The store manager is responsible for a daily checkout of all delivery tickets.

Writing job descriptions for everyone is not enough, however. The employees should be evaluated periodically-twice a year is usual-to see how they are doing.

# Why evaluate performance

As Whirlpool's Dick Cox says, "The greatest possible incentive to development is a man's knowledge that it will get him somewhere.'

Evaluation is one tool to help a man develop, but, like any tool, it can be misused. When it is misused, evaluation can result in misunderstandings and give the employee feelings of insecurity. Properly used, however, evaluation can help the employee by:

• Assisting him to analyze his own progress, and work toward his own improvement.

• Freeing him from uncertainty, letting him know exactly where he stands. "And the most important thing to an employee," says Goodyear Tire & Rubber Co. in its evaluation guide, "-next to his pay check, of course-is knowing where he stands; with his supervisor and with the company."

• Allowing him to see himself through management's eyes.

Knowing how he is doing is important to a man for several reasons,

IMMEDIATE SUPERVISOR: Owners-partners

#### TITLE: STORE MANAGER

#### **DESCRIPTION OF DUTIES:**

- 10

Responsible for overall objectives and goals of the Organization. the Store's community image.

- .... store displays and pricing of merchandise.
- ordering of merchandise as directed or delegated.
- advertising and pricing policies.

#### MAJOR TYPE OF ACTIVITIES:

Retail store displays and pricing of merchandise. Store advertising - newspaper, radio and television. Personal sales quota and records. Customer service Ordering of Merchandise. Miscellaneous Activity - (Conferences with owners- Sales Manager, meetings, etc.) **DETAILS OF DUTIES:** 1. Will assist owners in the overall supervision of company policies, plans, and goals as may be observed from time to time.

- 2. Will assist Sales Manager when needed to aid him in carrying out his responsibilities.
- 3. Any complaints which arise from customer dissatisfaction with merchandise and/or service and which has not been handled by salesman involved, the Store Manager will resolve the difficulty for the mutual satisfaction and benefit of both the store and of the customer. This is to be done in line with company policies.
- Will supervise the transfer of merchandise to the sales floor, see that displays are properly maintained and all merchandise priced. This is to be done with a minimum of sales personnel involved.
- Is responsible for the preparation of all store advertising, in line with the plans and goals given 5. to him by the owners.
- 6. Prepares store purchase orders for ordering of merchandise as directed or delegated by the owners. This will involve work with the various sales representatives that call upon the organization.
- Will personally keep informed as to the progress of the sales force as to their progress on quota 7. assignment, gross margins, control of expenses, etc.
- 8. Will perform personally all the duties outlined in the job description for retail salesman.
- 9. Will assist management-owners in selling new company programs, policies, etc., to the whole organization so that the company goals are reached as smoothly as possible.
- Is responsible for the image and goodwill of the store to the community. Will assist management-10. owners in seeing that every department in the organization is doing their part to maintain and improve this overall image.
- 11. Keep active selling -don't get "bogged-down" sitting at a desk handling details.

says Goodyear. "If he knows he is doing a good job—and that his supervisor has every confidence in him —it's 'five to one' he will work like you-know-whut to get ahead further and faster."

If he knows he is only doing so-so, he will work to prove he has what it takes to make good—providing he does have what it takes. If he knows he is barely getting by, he will either pull himself up, says Goodyear, or justify management's decision to let him go.

Employees want to know where they stand with management, in relation to other employees, and in their own personal development and it is up to management to tell them. By evaluating, management gives recognition and reward for above-standard performance, and corrects below-standard performance, says Cox.

Businessmen are sometimes reluctant to tell an employee how well he is doing for fear the employee will use the occasion to ask for a raise. If a raise is justified, management should have already made provisions for the man's raise and promotion. If the employee does not deserve a raise, either the evaluation has been mishandled, or the employee has misunderstood. If a man deserves a raise and the store cannot give him one, the store has problems—one of which will soon be a shortage of personnel. It is as wrong to ignore the exceptional performance of the good employee as it is to ignore the substandard performance of the poor employee.

As Cox points out: "When it is general knowledge that achievement and ability will be recognized, that advancement is based on demonstrated qualification and not favoritism or chance, the employee has a powerful stimulus to give maximum performance and consciously work toward improvement."

### How to evaluate

IMMEDIATE SUPERVISOR: STORE MANAGER

Evaluate in an interview. Before the interview, prepare. Cox suggests that the supervisor look over previous performance appraisals, the employee's sales records, and his work history. "Determine the reasons for any failings in terms of the employee's personality. Bring to mind specific facts or illustrations to substantiate comments," says Cox. "De-

#### TITLE: SALES MANAGER

#### DESCRIPTION OF DUTIES:

Responsible for the meeting of sales objectives at the desired gross profit.

- for the training and supervision of salesmen to produce desired sales goals.
- for sales meetings which are properly planned for maximum results.
   for sales promotions, contests, and other sales producing techniques.
- for knowledge of competition.

#### MAJOR TYPE OF ACTIVITIES:

Salesmen Supervision

- Personal sales quota and records
- Sales meetings, promotions, contests, and other sales aids. Personal conferences with salesmen.

Miscellaneous Activity - (Conferences with Store Manager, owners, etc.)

#### DETAILS OF DUTIES:

- 1. Will assist in the hiring of new salesmen.
- Set-up adequate training program for both new and old salesmen and supervise the administering of
  this program by making necessary outside calls with the salesmen, personal interviews to see that
  training schedule is being followed, and report to management as directed on the progress of
  individuals.
- Assignment of sales quotas and continuous follow-up to see that all necessary effort is being directed to the meeting of each quota.
- 4. Personally review each day, all sales, number of calls made, gross profit violations and sales volume.
- 5. Will know at all times where each salesman is working when on outside calls. He will be responsible for their being on time when due at store and will be consulted by salesman if they want time off from their assigned duties for personal affairs, etc.
- 6. Will give proper time, thought and attention to sales meetings so that they will be informative to salesmen in such matters as competitiors prices and practices, new product information, closing techniques, ads, inventories, contests, promotions, etc. A portion of the sales meeting may be assigned to salesman for his presentation to the group of a particular sales presentation.
- Any sale that is being considered at below desired gross margins, will be approved by Sales Manager, as he will be held responsible for overall gross profit.
- 8. Sales Manager is responsible for all the duties as outlined in the job description for Ketail Salesman in his own personal sales efforts and in addition to his other duties.
- Will counsel frequently with Store Manager in order to plan-direct and co-ordinate store plans and policies to the sales force.
- 10. Keep active selling don't get "bogged-down" sitting at a desk handling details.

velop a specific plan of action to help him improve."

During the interview, perform, says Cox. Avoid formality, and maintain a normal relationship with the employee. "Create the impression that you have planned adequate time for this interview and consider it highly important."

Remain open-minded to facts and opinions the employee presents; he may have a point. Furthermore, he may not be performing well for reasons over which he has no control but management does. The purpose of the interview, after all, is not to establish blame, but to discover the truth, set standards, and establish goals.

Goals are important because they give the employee direction and they give the employer a standard against which he can measure the employee's improvement. Not only must goals be established, but the manager and employee plan the steps to reach those goals. These include, says Cox, self-development activities (things a man can do by himself to increase his knowledge or improve his skills), iob-related activities (things a man can do on the job), and formal development programs (sales and product training sessions, college classes, etc.).

Cox suggests the interviewer devise assignments that will help the employee overcome his weaknesses and build his strong points stronger. Finally, says Cox, end on an encouraging note.

After the interview, follow through with a review of what was to be accomplished and the progress being made. Check to see how the employee completed his assignments, and give him any additional help he may need. In six months, interview and evaluate again.

"The effect of your evaluation can only be measured in results—results in many areas, but certainly in terms of increasing sales volume at controlled costs," says Cox, "and in the building of people who can grow in their jobs and into bigger jobs."

Managers are sometimes reluctant to help their people grow, saying in effect: "Why should I teach him? He'll just quit and work for my competitor (or quit and open a store down the street)." If a job does not offer enough, a man will quit in any case. Surely it is better to take the risk of losing a man and let each man work to his capacity, than to stifle the employee's achievement.

## For example ...

Whirlpool has a short evaluation sheet. On it, the manager rates the employee (exceptional, above average, average, fair, poor) on: planning and work organization, selling abilities, product knowledge, performance, motivation, attitude, judgment, and over-all performance. It has blocks for specific areas of opportunity, specific assignments, method of development (what the manager will do to help, what the employee must do), and sources of help or information. At the bottom is the follow-through required: when the manager will next contact the employee, progress to be achieved by that time, and results expected.

Goodyear has a 40-point questionnaire broken into six parts, on which a store manager can be graded. Under "forecasting," for example, he can earn six points, and the questions are: Are sales volume and margin forecast accurately? Is sales expense forecast accurately? Is total gross profit forecast accurately?

For merchandising, he can earn eight points: How effective is his participation and direction of outside selling? Is merchandise priced, effectively displayed, departmentalized? Is it clean? Are the advertising and sales promotion programs sent out by the home office closely followed? How effective is his purchasing with respect to turnover and obsolescence? Does he aggressively solicit budget business by checking dormant accounts, payroll lists, etc.?

For margins, he can earn eight points on one question: Does he secure adequate retail margins on: tires and tubes, radio and tv, major appliances, other merchandise?

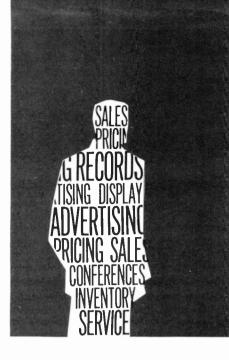
Operating procedures are worth four points: Does he know store operating detail? How well are records used to control expenses, stock control, credits and collections? Does he attach the proper importance to the operating details of his store? Is detail handled promptly or is follow-up required? Are audit results satisfactory? Are budget collection notices sent out promptly? Are repossessions made promptly?

Service is worth six points: What is quality of service given customers? Is service recovery adequate according to the facilities of the store? Is the service equipment adequate, in good repair, and clean?

Personnel training is worth eight points: Are store meetings held according to home office policy? Does he devote 15 minutes a day to individual training? How effective is his development and supervision of employees? Does he hire properly? Is his turnover rate excessive? Are suppliers' representatives solicited to participate in meetings? Are district representatives solicited to participate in meetings? Does he set the example of enthusiasm and confidence for his people?

Other questions are possible for other jobs. Goodyear has a point system that would work for anyone, rating a man on his cooperation (5 points), economy and thrift (5), health (10), character (10), ability (30), results on the present job (40).

It will be the rare employee who is worth 100 points, but management should know which employee is worth 45 points, for example, and which is worth 85. By clearly identifying a man's weaknesses, a manager can help him become strong and the employee's strength is ultimately the organization's.



# Augmenting the sales force—with women

"Women can sell appliances better than men," says Connie Losley, who, with her husband, runs Summerland Appliances, in Key West (Fla.).

"A woman appliance salesman is either darned good or darned poor," says Arnold G. Myers, executive vice president and general merchandise manager, Dorn's Stores, Inc., Los Angeles.

"We don't hire women because they are not strong enough to move the merchandise, and this is often necessary," says a spokesman for a large store in Washington, D.C.

These three views—wildly pro, balanced, and mildly con—represent the spectrum of opinion that MER-CHANDISING WEEK found in interviews around the country. The view that women have no place on the appliance sales floor, however, was clearly in the minority.

# The advantages of women

"Women customers are a little more convinced that you are not giving them a story," says Hazel Anlauf, the lone female in a sales force of three at Anlauf Appliance Co., Prairie du Sac (Wis.). "Here a woman salesman has an advantage. I think a woman can almost do better than a man."

"We have both men and women selling in our stores," says Martin Ross, treasurer of Wards Co. Inc., Richmond (Va.). "A good woman salesman is as good as a good man. The rotten ones have been just as bad as a bad man. We think that in this case the federal law against discrimination is absolutely accurate that women are equal to men."

There is, of course, some difference between a woman selling an electric houseware, a stereo console or portable television set, and a refrigerator—but perhaps not as much difference as some men think.

"In housewares, women are a necessity," says Myers. "The most difficult houseware to sell is an electric iron; but when a woman picks up an iron and sells it, she does so because she knows what it is, what it does, and she can explain this to another woman. They are not nearly as good on consumer electronics. They tend to talk about the furniture and ignore the technical end."

"I like to sell stereo because you can romance it," says Mrs. Anlauf. And she adds, in unconscious refutation of Myers: "Actually, the furniture sells the set more than the works. In our store, women buy most of the stereo sets—and a woman will believe another woman when she talks about the furniture and how it fits into a room."

As far as selling appliances, there seems to be almost universal agreement—among the women at least that they can do a better job than the average salesman. "I don't think men are as attentive to the small things that make a sale," says Mrs. Losley. "Since most men don't keep house, they don't point out these features to a woman customer." For example: "In selling a range, I show how every feature works—what it does, what it means when you're cooking a meal. When a woman leaves the store, she knows how everything works."

Julia Kenny, Lakewood Home Appliances Inc., Bellflower (Calif.), gives another example. "When you are qualifying a customer for a washer, you find out how this woman does her wash. Is she careful? Does she rinse things? A busy working mother may be interested in pushing a button to let the machine take care of the fabric. A woman who is selling knows what she has to do herself; and, therefore, when she talks to her customers, she thinks: How is this particular product going to affect this particular customer?"

Maurice Cohen, president of Lechmere Sales, Cambridge (Mass.), agrees that under some conditions women can sell just as well as men. He does have some reservations about women selling consumer electronics: "Some of the technical aspects would be a problem."

But perhaps the last word should come from a woman. Gaynell Fivel, owner-manager of Paul's TV and Appliances, La Marque, Tex. (her husband runs their Galveston store), does most of the selling; and the store sells only consumer electronics. "When we started, we were primarily service, and I was acquainted with the service side. Although I'm not capable of servicing, I know how sets work, what the features are, and what they do. Half the men who come in do not know the technical aspects themselves; the other half have a basic knowledge, but it is on the same level as mine.

# The trouble with women

The objections to women on the sales floor generally have nothing to do with their selling ability. "We don't have any women selling appliances," says Steve Feinstein, Forest City Materials, Cleveland (Ohio), "only because we cannot find any who can work the terrible hours. We're open 86 hours a week—and the top men are willing to work the peak hours, plus the follow-up that is necessary."

"You do have problems with women," says Myers, "but with a good woman salesman they are problems you can live with. For example, a woman who sells a portable television may have to get a salesman to load it into the customer's car; you can't ask a woman to lift a 60-lb. portable. The salesman who is helping the woman may miss his 'up' and this will cause resentment."

"Women are a little more temperamental," says Eunice Hancock, Mission TV and Appliances, San Juan Capistrano (Calif.) "They will not take criticism the way men do."

Also, during a sale, women have a problem that men do not seem to share: "When you are selling a couple, you've got to be careful not to exclude the husband," says Mrs. Losley. A man, apparently, will often resent being left out of a conversation between his wife and the saleslady, where he would not resent being left out of a conversation between his wife and a salesman. And, the wife must not think the saleslady is flirting with her husband.

# The ideal lady salesman

Almost everyone MERCHANDISING WEEK interviewed said he would hire a woman to sell major appliances; and Mrs. Fivel said, "I would hire a woman in preference to a man." But what characteristics would these potential employers seek?

"You need someone who is mature, preferably married," says Ross of Wards.

"She would have to have sales experience, although not necessarily in appliances," says Myers. "She would have to be mature—over 40, married, stable, have raised a family. This woman knows all about washing clothes, and is particularly good at selling cooking appliances".

"I personally would hire a good saleswoman any day of the week," says Mrs. Kenny. "We would have to discuss it with the sales force, but I don't think they would object to the right person. I'd look for a career woman, a good salesperson with sales experience."

The importance of a career woman was mentioned by Mrs. Anlauf: "We would hire a woman, but it would have to be someone who is willing to work for a long time, not just someone who is going to work a year or two. After that, the qualifications would be the qualifications of any salesman: interest in people, ability to talk easily."

"We would hire a woman, but she would have to be an extrovert," says Mrs. Hancock. "I would look at her appearance to see if she is neat and would keep the store neat. I want to know her likes and dislikes: If she says, 'I just hate television,' she's out. I'd want to know her marital status, if she's happily married, and if her husband approves of her working. I'd want to know the children's ages, because if they've got little children, it's no good."

"I don't think it matters whether a woman is young or old—although 25 is too young," says Mrs. Losley. "What matters is that she has kept house. There are so many working women these days, and a woman sales person has much in common with them."

Mrs. Fivel says she would look for "someone who could meet the public, someone with a personality that would let her talk to people. Sales experience would be helpful, but not necessary."

Perhaps the final word in a discussion of women should come from a man. Says Arnold Myers, echoing the words of other retailers around the country: "If I could *find* more qualified women, I would hire them."

# New! From Hotpoint! The Side-Mount air conditioner.

# For horizontal sliding windows

Hotpoint dealers lead again—in a market that's hardly been touched. The Hotpoint Side-Mount is designed to fit windows that slide open and shut horizontally. Similar to the Hotpoint super-quiet U-Mount, the condenser air system and compressor are outside the window, leaving only cool, quiet comfort in the room. Here's a new, growing, profitable market just begging for the right air conditioner. Why not tap it?

ACAS 61–5800 BTU, 15 Volts, 7.5 cmps.

ACAS 81–3800 BTU, 115 Volts, 7.5 amps. ACAS 92–9000 BTU, 115 Volts, 12.0 amps. (shown above)

# And for double-hung windows The U-Mount—in 1967 with capacities to 11,000 BTU's

Here's almost a complete line of 115 Volt air conditioners in themselves. Four different models—from 5800 BTU to 11,000 BTU capacity. An exhaust air feature on all but the smallest. Quietest cooling because the noise is locked outside the window. Here's the one customers will buy. Here's the one with added volume for greater profits.

Call your Hotpoint representative, today.

MODEL ACA 61



first with the features women want most



See Hotpoint appliances on the Tonight Show, NBC-TV, starring Johnny Carson

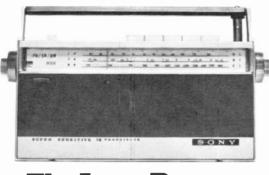
HOTPOINT-GENERAL ELECTRIC COMPANY · CHICAGO, ILLINOIS 60644



**The Grabber** 

This sleight-of-band Sony has 3 ways of pulling programs out of the air, and it does it at astonishing distances. We'll be surprised if it doesn't pull Christmas shoppers in off the street too. And if you can get them close enough to look inside the set and see the latest circuitry triumph of our 1,000 dedicated engineers, they ought to buy it. We did.

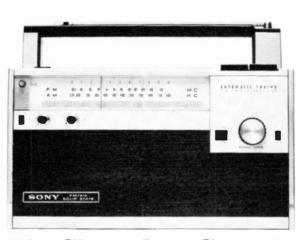




**The Long Ranger** 

Like The Grabber, only more so. This one makes sedentary people portable and sends far-out listeners farther out. With this Sony the sound of home is anywhere you happen to be. Funny thing about the tuner—other manufacturers want us to sell it to them. We had to say no. Our fiercely possessive 1,000 engineers.

12-transistor FM/AM/SW receiver TFM-117 WB



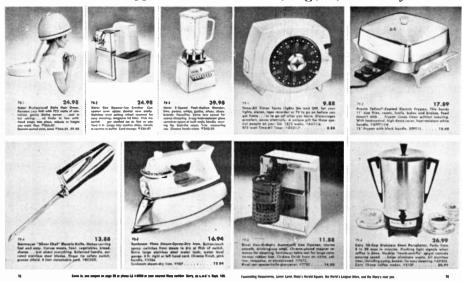
### **The Shrunken Console**

For expanded listening. This one sounds like a whole roomful of expensive audio equipment, which it is. It just happens to be in a little box with a handle. This Sony has automatic tuning, and our engineers still laugh inscrutably when asked how they made an electric micro-motor that moves the needle across the dial without creating interference. We know a company that also makes a radio with automatic tuning. Spring motor that you have to wind up. That's how it goes.

17-transistor FM/AM receiver 7FA-70W

# The competition doesn't laugh at our funny names. Anymore.

Famous Name Appliances make wonderful gifts from Macy's



Macy's turns over a new leaf, for a new look in its Christmas book

# Macy's ads, catalogs follow 'open' style set in displays

Macy's New York is upgrading its housewares catalogs and newspaper ads much in the same manner that it previously upgraded its retail store displays.

Macy's New York—under Herbert I. Wexler, vice president and hard goods administrator—has been a leader in trying to eliminate the cluttered look from the housewares sales floor (MW, 10 Jan., pp.20-21).

**Macy's has achieved eye-appeal** at retail by moving dramatically into the shop merchandising concept and by eliminating some of the long, tiered display fixtures that typify so many housewares departments. They replaced the old fixtures with small, round tabletop displays that helped give an "open, airy" feeling.

Through an equally simple—but somewhat courageous program — Macy's is succeeding in "opening up" its advertisements and making them more attractive, and, hopefully, more effective. The program appears to be working.

In revamping its retail displays, Macy's was forced to sacrifice a bit on assortments in order to gain in terms of eye appeal. But with more than an acre of selling space at the Herald Square store, Macy's could well afford the small sacrifice—and no doubt, could afford it better than any other retailer.

Macy's is sacrificing space—as it did in displays—this time to add eye

appeal to its catalog and newspaper ads. A spread on electric housewares in the new Christmas catalog (above) dramatically points up the difference, when compared to a spread in an earlier catalog (below). Macy's is using only four or five items to a page, rather than cramming in six or eight items.

The result is more impact for the items shown.

Macy's also is using a better grade of paper for its catalogs than it previously did. This has improved the over-all appearance of the catalog, has improved the quality of reproduction, thus has added eye appeal to the products pictured. Wexler first used the better grade of paper in a hard goods catalog.

Macy's is singling out items, too, for a full-page ad treatment—especially in electric housewares. A series of full-page ads has singled out certain new products, including Ronson's Cook 'N Stir blender, the Westinghouse Steam/Press Valet, and Salton's new bun warmer, which is termed a "Breadwinner" in the highly effective ad.

Macy's is proving that one-time ads and catalogs that are anything but cluttered can pull results—not only in immediate sales, but also in helping a store build an over-all image: that of offering customers new and exciting housewares products in tasteful surroundings.



Here is how Macy's formerly crammed products into its catalog

□ □ □ □ **The Christmas countdown officially opens** today, and housewares buyers will be looking for some quick signs of that banner sales season they have committed for. Although over-all sales activity in the pre-Thanksgiving period has been slower than a year ago, most buyers move into the Christmas season with sales generally above the year-earlier period. This is due largely to a strong spring and summer season, particularly for seasonal goods.

Still, there are mixed reports and mixed feelings as to how good Christmas 1966 is going to be for the housewares industry. Most buyers had anticipated sales increases above the 10% level. There are reports that some large chains already have started to hold up or cut back (in one case, by one third) planned reorders for Christmas 1966. For one reason, most stores bought more heavily than usual, since they had expected wider shortages of goods to materialize.

 $\Box$   $\Box$   $\Box$  Slowness and some shortages, too, have made for a mixed picture in the housewares industry. On one hand, housewares buyers have been complaining they cannot get enough of certain items, largely the best sellers in half a dozen manufacturers' lines. On the other hand, buyers have reported slowness and sluggishness in over-all sales activity during the pre-Thanksgiving period. There is little doubt that most housewares manufacturers already have rolled up record Christmas sales; now retailers and distributors must move the goods that have been piling up.

Some shortages should be eased, as both GE and Westinghouse settled strikes at housewares plants last week. The walkouts had affected GE's toothbrushes and clocks and Westinghouse's Steam/Press Valet already a sales winner—and its percs, among other items.

□ □ □ □ GE's Sahloff sees a fast 1967 sales start after a banner Christmas season for the housewares industry. Willard H. Sahloff, vice president and general manager of GE's housewares division, predicts Christmas volume this year will show a 15% increase for the industry over the corresponding period last year. "Retail stocks of many items are not adequate to meet the expected unprecedented Christmas demand, and a complete inventory sellout will give the industry a fast start next year," Sahloff noted in his annual year-end prediction report. Sahloff said the electric housewares industry should surpass the economy's predicted growth rate of 8% for 1967. "Even with record-setting volume in 1966, we have no hesitation in predicting an industry sales increase of 10% next year. New models, new products, and new businesses, which are in an advanced development stage, will help assure more exciting conveniences for consumers in the year ahead," he said.

 $\Box$   $\Box$   $\Box$  **Corning expects a heavy demand** for Pyrex items as a result of price increases from 7% to 19% on 22 items, effective Jan. 1. Corning officials said they will make "every effort to ship all Pyrex Ware orders on the basis of the present price schedule."

Corning last raised prices on Pyrex in November, 1965. A company spokesman said no price increases on the Corning Ware line are planned at present.

# An old Sears pro is helping the independent grow

Sears-proven merchandising philosophies are working for more than 1,300 not-so-independent hardwarehousewares stores that fly the Pro Hardware banner in the U.S. and Canada.

Pro Hardware is the brainchild of Paul Cosgrave, who was schooled in retailing at Sears, Roebuck & Co. and other large chains. His close associates insist Cosgrave taught Sears "how to do it."

In a dozen years, Cosgrave has built Pro Hardware into an international chain of more than 1,300 hardware-housewares stores served by 28 regional distributors. The organization has offices in Stamford, Conn.; it has no warehouses of its own. And it plays down buying.

Emphasis is on merchandising rather than buying. "We buy nothing," Cosgrave stresses. "We merely negotiate." He believes buying—which he tends to classify in the bookkeeping area—is overrated in importance. that too much time is devoted to it and not enough to merchandising.

"We put emphasis on turnover," Cosgrave adds. He is a bug on stock control, viewing it as one bright area where retailers can greatly improve their profits.

The average retail hardware store is out of stock on 25% of its basic merchandise at all times, Cosgrave points out. And none is doing better than 20%.

Therefore, a retailer doing \$100,-000 in business loses \$20,000 in sales simply through a 20% shortage of stock. And this means \$6,400 in lost profits at 32% margin.

Basic to the Pro way of doing business is an inventory control program that Pro headquarters works up for both its distributors and its dealers. The dealers then adapt the inventory control system-which consists of a breakdown as elaborate as any keyed to electronic data processing-to their own use.

Cosgrave likes to tell the story of one Pro dealer who has two 16-yearold schoolboys doing his buying on basic stock items by taking inventory and reordering on a regular basis. Cosgrave elaborates:

"We say: 'Mr. Dealer, you are wasting your time buying thumbtacks. You should be selling, managing, promoting, advertising. Why waste your talents?'"

Besides agreeing to establish an

inventory control system, dealers franchised by Pro Hardware must also agree to support the Pro advertising program. This includes setting up an annual advertising budget for each individual store. Pro recommends that 3% of total store volume be set aside for advertising and promo-

need to commit only  $1\frac{1}{2}\%$  of total sales dollars to this area.

(Although Cosgrave declined to outline Pro Hardware headquarters' source of income, it is understood that most of its resources come from the sale of advertising and promotional material, which it prepares for franchised dealers and distributors. Even so, it is said, the cost of this material to Pro members is considerably below what it would cost them to prepare the material themselves. Cosgrave stressed that Pro Hardware "takes no inside discounts," and makes nothing from the private-label PROven lines which it coordinates.)

Cosgrave likes to compare Pro with the IGA chain of independent grocery stores, rather than to identify it with any other dealer-member group-such as Cotter or Ace-in the hardware-housewares field. The Pro setup is not unsimilar to the



tion. However, some Pro's identifying logo stores-because of their size-may

independent resident buying - merchandis ing offices that serve the department store field. Like these offices, Pro holds meetings for its distributor-members during the Housewares Shows in Chicago, and generally receives the same chain deals offered to the department stores.

Emphasis still remains on advertising, promotional, and merchandising help--rather than buying. Cosgrave concedes, however, that Pro Hardware probably has not taken full advantage of the \$275 million in buying power it claims its 1,300 dealers represent. In the future, more emphasis indeed may be placed on buying; but primary effort, Cosgrave insists, will always be directed toward effective merchandising.

The Pro theory may be summed up as follows: International identification, plus mass advertising program, plus store modernization, plus stock control, equal a competitive edge for Pro dealers.

The mass advertising program for 1967 has been enlarged with national ads scheduled in Life, Look and Better Homes & Gardens magazines. In addition, two 16-page catalogs and a series of 12-page circulars are set.

Store modernization is an impor-



After national Christmas ads (left) comes 1967 first-quarter program

tant aspect of the Pro program, as it is with most dealer-member groups. Each of the 28 Pro distributors has a "store engineer" on his staff to help retailers.

Pro's private-label (Cosgrave prefers the term "protected-label") activity covers 48 items or lines-including electric housewares. All carry the PROven label. Pro, however, is "pro national brands," and its private-label activity accounts for less than 10% of its dealers' total sales. Private labels, Cosgrave points out, are limited to high-priced competitive product categories, such as electric housewares and power mowers. Cosgrave also notes that Pro's private-label goods generally are at the high end of the product assortment, rather than at the promotional level. He says private labels will be expanded, but indicates that emphasis will remain on name brands. For one reason, Pro relies on promotional funds provided by namebrand manufacturers to help support the ad program which it offers to members.

Pro sees change for the hardware dealer, and, quite naturally, believes that the independents can only compete with the chains by joining together and adopting their proven formulas. "We're copying everything we can from Sears," Cosgrave freely admits.

A return to the general storeserved, of course, by a voluntary dealer group----is the future Cosgrave sees for the independent hardware dealer. "A good hardware store," stresses Pro's president, "is no longer just a hardware store. It is a general store."

"Within five or 10 years, hardware stores will be carrying and selling products they never believed they would be selling," Cosgrave adds. This includes automotive supplies, stationery and greeting cards, hobby products, artificial flowers, drugs and drug sundries.

"Eighty per cent of the purchases made in a hardware store," Cosgrave believes, "is either made or in-fluenced by a woman."

Volume also will increase. Cosgrave notes that the average Pro store does \$150,000 in volume each year. Within five years, this will increase to \$250,000, he predicts.

Cosgrave's track record already is well PROven. -Ed Dubbs

**Cosgrave looks to Europe to expand Pro's influence** 

Pro Hardware expects to make a plunge into the European market probably next year. Pro already serves more than 13,000 franchised dealers and 28 hardware distributors in the U.S. and Canada, and has most recently expanded into Hawaii.

Paul Cosgrave, president of Pro Hardware, indicated his firm is "exploring" the European market and may enter into a consulting role with a European group or "may go independently" and set up its own Protype franchise system for European hardware dealers.

Cosgrave indicated he has had a number of talks with European representatives, both here and abroad.

A European base of operation would also open up a new service for American Pro dealers: that of providing them with European buying

imported housewares-hardware of products. Cosgrave conceded this is one likely byproduct of any move into Europe, but stressed it would "come later."

Pro also expects to add to its U.S. coverage next year, by setting up Pro franchises in an area not now covered by an affiliated distributor; Cosgrave declined to spell out the new territory. Pro, however, has major coverage in all areas except

Florida, Texas, Southern California, and the Upper Midwest. Cosgrave is known to have ruled out the Upper Midwest-where Cotter and Ace are strong-because "everyone already has been signed up" to one type of group or another.

Pro also expects to add field men during 1967 to provide a closer liaison between Pro headquarters in Stamford (Conn.) and its distributors and dealers spread across the

#### PROven growth performance in the U.S. and Canada

Year	Number of distributors	Number of stores
1960	6 distributors	300 stores
1962	13 distributors	500 stores
1964	22 distributors	900 stores
1966	28 distributors	1.300 stores

U.S. and Canada. Cosgrave himself, along with one or two other executives, is now doing most of the traveling about the U.S. Cosgrave conceded that at first he will spend much of his time setting up a European operation and must free himself from some travel in this country.

Promotions also are being increased for next year, including the addition of Better Homes & Gardens to its national advertising program for 1967. Pro Hardware began advertising in Life magazine in 1965 and added Look to its schedule for this year. Both also are included in the 1967 advertising program. Pages also are being added to the tabloid circulars Pro headquarters prepares for its franchised dealers. The printing process also is being upgraded, with more full-color illustrations.



A BILLBOARD PUBLICATION VOL. 98 NO. 48/NOVEMBER 28, 1966

#### EDITOR & PUBLISHER

Walter R. Browder Phone: 971-2616; area code, 212

MANAGING EDITOR Donald S. Rubin Phone: 971-2995; area code, 212

PRESENTATION & PRODUCTION EDITOR B. H. Schellenbach						
Associates: Dorothy	Joan B. Antoine Miller (Chicago) Ronald D. Wind					
Assistants: Louis C.	Lucy Schmolka Keiler (Chicago)					
Consultant:	Jan V. White					
SENIOR EDITOR	Martin R. Miller Phone: 971-3502					
Senior Associate Edito	Phone: 971-2234					
Associate:	Wallis E. Wood					
Assistants:	Wallis E. Wood Phone: 971-3488 Bruce Pfau Phone: 971-3487 Amei Wallach Phone: 971-3214 Judy Kunzelman Phone: 971-2335 artin Steingesser Phone: 971-2337					
Assistants:	Phone: 971-3488 Bruce Pfau Phone: 971-3487 Amei Wallach Phone: 971-3214 Judy Kunzelman Phone: 971-2235 artin Steingesser Phone: 971-2337					
Assistants:	Phone: 971-3488 Bruce Pfau Phone: 971-3487 Amei Wallach Phone: 971-3214 Judy Kunzelman Phone: 971-2235 artin Steingesser Phone: 971-2337 Joan Bergmann					

**ADVERTISING DIRECTOR** 

H. Sherman Davis Phone: 971-2646; area code, 212

BUSINESS & PRODUCTION MANAGER Marie R. Gombert Assistant: Joan C. Cooley Phone: 971-2947; area code, 212

#### DISTRICT MANAGERS

New York 500 Fifth Avenue New York, New Yo Phone: 971-3586;		
Pittsburgh 1430 Washington Pittsburgh, Pennsy Phone: 343-5466;	Road vlvania—15228	4
Midwest	Edward J. Brennan John J. Cherry	
188 West Randolp Chicago, Illinois— Phone: CE 6-9818	oh Street 60601	
South Central 266 Capital Boule Nashville, Tenness Phone: 244-1836;	ee37219	
West Coast	Pete Heine Dick Blase	

MERCHANDISING WEEK (formerly Electrical Merchandising Week) is published weekly by The Billboard Publishing Company.

COPYRIGHT © 1966 by The Billboard Publishing Company; all rights reserved. Title registered () in U.S. Patent Office. Quotations on bulk reprints of articles available on request. The contents of this publication may not be reproduced either in whole or in part without consent of copyright owner.

EXECUTIVE, EDITORIAL, CIRCULATION, AND AD-VERTISING OFFICES: 330 West 42nd Street, New York, N.Y. 10036. Telephone: 971-2616; area code, 212. Printed in Chicago, Illinois-60607.

SUBSCRIPTIONS to Merchandising Week are solicited only from retailers, distributors, and manufacturers of home goods products. Position and company connection must be indicated on subscription orders. Publisher reserves the right to refuse non-qualified subscriptions. U.S. subscription rate for individuals in the field of publication: \$3.00 per year. U.S. subscription rate for all other individuals: \$10.00 per year (single copies, 50¢, except Annual Statistical Issue, \$2.50). Foreign rates on request.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service, and subscription orders to Fulfillment Manager, Merchandising Week, P.O. Box 430, Hightstown, New Jersey-08520, Change-of-address notices should be sent promptly; provide old as well as new address; include 21P code number. If possible, attach ad dress label from recent issue. Please allow one month for change of address to become effective. UNCONDITIONAL GUARANTEE: The publisher, upon written request, agrees to refund the part of the subscription price applying to the remaining unfilled portion of the subscription if service is unsatisfactory.

POSTMASTER: Please send form 3579 to Fulfillment Manager, Merchandising Week, P.O. Box 430, Hightstown, New Jersey—08520.



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

# REMINDER

# Except for genuine hardship cases, volume mailers must pre-sort by Zip Code on or before January 1, 1967

The Zip Code deadline is January 1, 1967.

After that, only mail that is properly Zip-coded will be eligible for Second Class and Third Class Bulk rates. Unzipped mail will be accepted *only at the higher single piece rate*.

If you have not Zipped yet, you had better start right now!

Plenty of help is available. Both the U.S. Post Office and many private companies in the "mail sector" have already helped thousands of companies to Zip their lists quickly and efficiently. To help speed up your Zip conversion:

- 1. Call your local Postmaster. He will advise you on ways and means of converting to Zip, and show you how the Post Office can supply the Zip numbers you need for a nominal fee of only \$1.50 per thousand.
- 2. Talk to your lettershop, addressing equipment salesmen, computer firms and other mail-oriented suppliers. They have developed many ingenious methods for Zipping lists at minimum cost to you.

#### Zip Code is here to stay!

Most businessmen clearly recognize that only through the modern Zip Code system can the Post Office hope to offer low bulk rates. But many are also learning to their surprise that Zip Code offers additional benefits to them.

During Zip conversion it is easy to clean your list of duplicate and dead addresses. Zip filing order makes "look-ups" quicker and easier. Zip Codes are already speeding mail deliveries, and a number of businesses find that Zip territorial divisions are useful tools in marketing, sales and other unexpected areas.

### IMPORTANT

Extensions will be given to mailers who can demonstrate that they have made a substantial effort in good faith to comply with the deadline but are unable to do so because of circumstances beyond their control. To apply for a hardship extension, contact your local Postmaster at once. Do not wait until the last minute.

Remember: Zip Code means better postal service at lowest cost to you. There are and will be problems for all of us to solve. But we can be sure of one fact: January 1 starts a whole new era of postal efficiency and economy that will benefit your government, your customers and your business.

> Contributed by this magazine as a public service in cooperation with The Advertising Council



9000 Sunset Boulevard

Los Angeles, California—90069 Phone: 273-1555; area code, 213

# Regina makes more sense because it makes more dollars.

Regina builds exclusive, saleable features into every product...to satisfy your customers' demand for quality... your demand for high-margin items that sell in volume.



Regina Electrikbroom<sup>®</sup>— Only lightweight with the patented Rug Pile Dial. Only lightweight with a removable Dirt Cup empties like an ashtray. No expensive dust bags to buy. Regina Rug Shampooer/Polisher— 400 Watt motor, Dual Torque Power, (the only polisher powerful enough to sand floors). New Touch-O-Matic Dispenser. New Super-Shield internal double insulation. All <u>metal</u> die cast housing.



Regina Upholstery Shampooer—The original home electric upholstery shampooer that does a professional cleaning job for next to nothing. Pays for itself after only one use. Buffs furniture and cars, too!

Regina Brush 'n Beat— Revolutionary new upright that's half the weight of old fashioned uprights. Powerful brush and beater bar for deep-cleaning action. The first major advance in uprights in thirty years.

Regina Power-Flite Portable —Features cannister type motor, two stage power booster fan. Super suction air movement whooshes in three hundred and forty feet of air per minute. Regina Shoe Polishers— The only complete line of electric shoe polishers hand-held and floor mounted —a model to satisfy every customer.

Features sell merchandise. We know it. You know it. Regina belongs on your floor...<u>now</u> more than ever before. The Regina Corporation, Rahway, New Jersey **REGINATION**