

MERCHANDISING WEEK

DECEMBER 19, 1966

EDITED FOR THE APPLIANCE, CONSUMER ELECTRONICS, AND HOUSEWARES INDUSTRIES /50 CENTS/VOL. 98 NO. 50/



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a look at gross mistakes and other errors**

The NHMA National Housewares Exhibit is the place for people whose business is Housewares

Trade exhibits have grown to be of increasing importance to the total marketing picture for nearly all industries. And of special significance is the personal contact they provide between buyer and seller, as the ultimate tool in communications.

This is more true of the NHMA National Housewares Exhibit than of any other trade show. Twice a year, the many facets of the sprawling Housewares Industry gather to assess their roles in an increasingly important segment of the nation's economy.

The Housewares Industry in the United States has recorded an accelerated dynamic growth since the end of World War II, with annual retail sales that will approach \$11 billion by the end of 1966. At the same time, the NHMA National Housewares Exhibit has become the world's largest and most comprehensive trade show devoted to the products of a single industry.

Each show, more than a quarter-million products of more than 1,200 housewares manufacturers are displayed in the half-million-square-foot capacity of Chicago's McCormick Place, largest modern exhibition hall in the world. Each show, a total audience of approximately 50,000 industry buyers, merchandisers and producers examine these products first-hand.

The NHMA Exhibit provides a central meeting place where manufacturers of housewares can gather, display their

products, exchange ideas and discuss their mutual problems with retailers, wholesalers and all the other varied segments of the industry.

The NHMA Exhibit offers a unique opportunity for personal contact between buyer and seller that is not possible in any other medium. There is nothing more exciting and stimulating than people meeting people. Nor is there anything more conducive to dollars-and-cents sales!

Trade exhibits offer the perfect setting for buying and selling. The market literally comes to the buyer at a trade show. He can "scout" the entire industry in a matter of days. He can see everything produced by the industry—both products and ideas—almost as well as if he were a captive visitor to

the thousands of individual factories.

Buyers come to a trade show not only to see but to learn. The modern exhibit, therefore, is as much a place of education as a market place. Exhibits help make better merchants. They make friends today who will be customers tomorrow.

Come to the January 1967 NHMA National Housewares Exhibit to see *all* the products and *all* the ideas of the dynamic Housewares Industry. Come to learn new marketing trends which may mean the difference between profit and loss in *your* place of business.

But more importantly, come to the NHMA Exhibit for face-to-face communication with all the people whose business is Housewares.

46th



NATIONAL HOUSEWARES EXHIBIT

January 16-20, 1967

McCormick Place – Chicago



NATIONAL HOUSEWARES MANUFACTURERS ASSOCIATION, 1130 Merchandise Mart, Chicago, Ill. 60654

□□□□ **A still brighter color tv picture?** That possibility was held out to the industry last week by the Chicago Dial Co., which was sampling tube manufacturers with "opticolor"—a new glass filter plate containing a rare earth (neodymium oxide). Tube manufacturers could laminate the 1/8th-inch glass filter plate to the surface of existing color picture tubes to further enhance brightness and contrast. The amount of increase in brightness would depend on the individual tube maker, but it could range as high as 30% to 40%, according to Chicago Dial. Molybdenum Corp. of America is supplying the rare earth; Pilkington Brothers Ltd. of England supplies the glass.

At the weekend, tube makers were carefully analyzing the development. Privately, few were expressing little more than routine interest in what one called "this refinement." "What bothers us," one manufacturer said, "is that the picture using this process does not seem to show up to the best advantage under fluorescent or natural light."

□□□□ **A portable 8-track cartridge tape player** is being introduced by Olympic. The unit, which may be the first of its kind, has solid-state circuitry and a bat-wing speaker system. It will be available in two models, at \$99.95 and \$119.95.

□□□□ **A 10-transistor radio for \$11.95** will be shown by Arvin at the Housewares Show next month. The gift-packed radio operates on a 9v battery.

□□□□ **Singer is test-marketing a color tv set** in New York and Los Angeles, and plans to hit the national marketplace with the 18-inch [old 19] tv set soon. So far, about 300 Matsushita-made sets are being advertised under the Singer label at \$399.95. The set comes in a walnut cabinet with an automatic degausser. Early next spring, the company will take a further step in home electronics when it replaces its 5-inch [old 6] black-and-white portable with two new portables: a 9-inch at \$119.88 (\$39.88 extra for a battery pack) and a 12-inch at \$89.88.

□□□□ **"There is not going to be a recession,"** predicted Robert O. Fickes, president of Philco-Ford Corp. last week. "The new year will see neither a recession nor

a continuation of the 1966 boom," he said, "but rather a slowing of the growth rate of the economy." Fickes also predicted that the color tv boom would continue and pegged 1967 color sales at 6.7 million units while black-and-white sales will decline to 6.3 million units. He also forecast, assuming more normal weather conditions, the second best year in air conditioner sales: a healthy 2,950,000 units.

At Admiral, president Vincent Barecca also foresaw no recession next year, but did predict a slowdown in the nation's spectacular economic growth rate.

□□□□ **Hong Kong transistor radio exports** to the U.S. hit the 6.7-million-unit mark after 10 months, reports the Hong Kong Dept. of Commerce and Industry. Average F.O.B. price fell 72¢ to \$2.60 per unit.

□□□□ **Another record year for appliances** is forecast for 1967, despite fewer housing starts and reports of a downturn in consumer spending. Distributor shipments in all eight appliance categories will gain, according to the National Electrical Manufacturers Assn.; dishwashers will lead with an expected rise of 14.1%. NEMA predicts 1967 shipments will hit \$2,218,097,000, surpassing by 4.2% the 1966 total of \$2,128,350,000. The estimated 1966 total is expected to top 1965 by 6.8%. NEMA's figures follow:

PRODUCT	Number of Units (add 000)			Percent change	
	1965	1966	1967 (Forecast)	66/65	67/66
Refrigerators	4,678	4,685	4,840	+ 0.1%	+ 3.3%
Food Freezers					
Chest	439	420	430	- 4.3%	+ 2.4%
Upright	672	645	645	- 4.0%	-0-
Total	1,111	1,065	1,075	- 4.1%	+ 0.9%
Ranges					
Free-standing	1,250	1,315	1,385	+ 5.2%	+ 5.3%
Built-in	773	675	675	-12.7%	-0-
Total	2,023	1,990	2,060	- 1.6%	+ 3.5%
Storage water heaters	1,088	1,020	1,045	- 6.3%	+ 2.5%
Dishwashers					
Portable	411	530	610	+29.0%	+15.1%
Built-in	795	925	1,050	+16.4%	+13.5%
Total	1,206	1,455	1,660	+20.6%	+14.1%
Food waste disposers	1,345	1,400	1,525	+ 4.1%	+ 8.9%
Dehumidifiers	210	235	245	+11.9%	+ 4.3%
Room air conditioners	2,510	3,200	3,300	+27.5%	+ 3.1%

□□□□ **The next issue of Merchandising Week** will appear Jan. 2, 1967.

Corning follows GE, integrates direct and distributor lines

Corning Glass has integrated its direct-sell Centura dinnerware line into a new single sales and marketing organization that also will service its Corning Ware and Pyrex Ware lines.

Centura dinnerware has been handled by a separate sales organization since Corning entered the dinnerware field several years ago. Confirming trade reports, Corning officials said the line would continue to be sold directly to franchised retailers. The Corning Ware and Pyrex Ware lines traditionally have been profit plums for distributors.

The new move at Corning follows close on the heels of a similar move

at General Electric, again combining both direct and distributor lines under one organization (MW, 5 Dec., p.5).

"When Centura tableware was first introduced," explained Corning's James H. Bier, general manager of the consumer products division, "it needed the special attention of a special sales force. But now that Centura has become established, it should be presented along with all the other quality products in the Corning line to which it relates."

Better service to retailers and distributors will result, Bier added, from a "substantially enlarged sales force."

Distributors handling the Corning Ware and Pyrex Ware lines have been hoping for some time that Corning would end the direct-sell and give the line to them. Corning's statement, however, stressed that Centura would remain on a direct-sell basis even though Corning has been testing the line through distributors in the Oklahoma area.

Under the new Corning setup, D. R. Cotton, formerly manager of distributor sales for housewares, becomes sales manager for housewares and tableware, and B. B. Kinter, formerly manager of retail tableware sales, becomes manager of retail sales planning.

Corning's sales specialists (demonstrators) will also move into an integrated program, MERCHANDISING WEEK learned from trade sources. The sales specialists will now sell all three lines: Centura, Corning Ware, and Pyrex Ware. Formerly, the Centura specialists did not sell the other two lines, and vice versa. Corning declined comment.

Corning has faced a problem in the distribution of its Centura line from the very beginning. In some department stores, it is carried by the china-and-glassware department while in others it is carried by the housewares department along with Corning Ware and Pyrex Ware.

We're making the same

Keeping it is a

1962

Quality product line

Authentic styling, distinctive design, fine furniture finishes, outstanding engineering and performance, deep-running features. Fully competitive at every price level to meet all customer needs . . . in volume.

Predictable profits

Prices based on fast-floor markets, then applied across the nation. They are realistic "go" prices, fully discounted. Planned profit is actual profit.

Selective distribution

Through a limited number of quality dealers who want profit in the line, value on the floor.

One-sheet pricing

No fear of buying a Sylvania product at a wrong price. Or selling to a customer at a noncompetitive price. Sylvania dealers buy right and sell right.

Prestige merchandising

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GT&E backing

Behind our program is General Telephone & Electronics. A multi-billion dollar corporation. A leader in electronics, communications and research . . . and growing.

For another New Year, our policy stays the same. And again, we make our annual resolution—that nothing we have ever done before will be good enough again.

We will continue to do all the things that assure that our Sylvania franchise is the finest, offering maximum opportunity for profit and growth.

Of course, you can be sure our product line will continue to excel in elegance and performance. Right now, in virtually all markets, you can see the new, highly merchandisable drop-ins for our largest color TV line (295 sq. in. viewable picture area). And we're showing our new "Dynamic America" line of family-size color TV (226 sq. in. viewable picture area).

Old Year's Resolution.

matter of policy.

1967

Quality product line

unchanged

One-sheet pricing

unchanged

Predictable profits

unchanged

Prestige merchandising

unchanged

Selective distribution

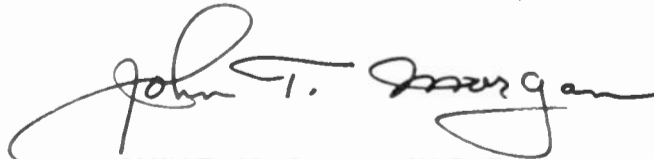
unchanged

GT&E backing

unchanged

As an astute merchant, I'm sure you realize you will need a predictable profit line in 1967 and beyond. We may be very compatible. If you feel you might like to grow with Sylvania . . . let's discuss it at our Open Houses. Really, we're nice people to do business with. Ask any Sylvania Dealer.

Best Wishes for the New Year,



JOHN T. MORGAN, PRESIDENT
SYLVANIA ENTERTAINMENT PRODUCTS CORPORATION



SYLVANIA

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For names of nearby suppliers of Japanese made color and black and white TVs, tape recorders, radios, phonos and hi-fi, contact:

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□□□□ **Santa brings with him new sales records** this year, but retailers are not getting all they may have hoped for. Total retail sales for the week ended Dec. 3 jumped 11% over the previous week to more than \$6.6 billion, according to the Commerce Dept. However, the year-to-year gain was only 3%—the same as the average for the four previous weeks and less than half the 7% average gain so far this year. Many economists predict that by the end of the year this figure will reach 8%, the rate of increase achieved in 1965. Although official government forecasts have not yet been released, some Washington economists feel that the rate will be lower next year.

Department store sales showed a stronger advance. During the week ended Dec. 3, sales totaled \$790 million, compared with \$623 million the week before (the previous record for weekly department store sales). But here, too, the week's sales figure was only 2% over sales of \$774 million in the comparable week in 1965. For the year, department store sales show an increase of 12%.

Adjusted retail sales in the month of November dropped 1% from the previous month—the second decline in two consecutive months—as personal income advanced at the slowest pace since early summer. Government figures last month showed the second straight drop in wholesale prices in about two years. All in all, the economy may yet slow down sufficiently to head off a still-possible income tax increase.

□□□□ **Manufacturers are growing less optimistic** about the sales outlook for next year—and more concerned about rising inventories. A survey conducted by the Commerce Dept. last month shows that, despite an anticipated sales gain in durable goods of \$2.2 billion during next year's first quarter, companies holding 22% of over-all factory inventories thought their stocks were "high" as of Sept. 30. In that month, inventories reached their highest in relation to sales since the end of 1960, when the last recession ended.

□□□□ **Look for a consumer protection drive** in Congress next year. Senate Commerce Committee Chairman Warren Magnuson (D-Wash.) said earlier this month that he will seek comprehensive consumer protection, including committee staff surveillance of industry and federal agencies and use of the consumer subcommittee as a forum for an exchange of views between consumers and businessmen. New or strengthened laws involving appliances and electric housewares could result, if he succeeds.

□□□□ **Laws to deal with bigness** as a phenomenon in itself are needed by the federal government, according to A. Everette MacIntyre, a member of the Federal Trade Commission. MacIntyre says that the government should have statutes—in addition to existing antitrust statutes—designed especially to cope with the problem of superconcentration and called for "empirical research" to determine its effect on particular markets. He also indicated that he was against a blanket limit on advertising budgets of large firms. Such an across-the-board measure is thought to be under consideration by the Justice Dept.

Mid-winter lines: a changing mix and more promotional prices

It was clear last week that color tv is going to be a more promotional product this spring. Set makers laced mid-winter introductions with more 18-inch [old 19] portables and added 20-inch rectangular [old 21/22] sets, while enriching the under-\$500 part of their lines.

Always competitive Admiral hit with 20 color models under \$500 and

included roll-about stands as part of the suggested list price in both color and black-and-white portables. The company also pushed hard with remote control, offering it in 13 color models for a \$100 step.

The new rectangular 20-inch color set [old 21/22] which Motorola is already selling with great success, is getting important attention.

In the face of the January 1 effective date of the Federal Trade Commission's ruling on tv screen size measurements, MERCHANDISING WEEK will in all cases use the viewable diagonal in describing the 1967 sets. To distinguish these new screen sizes from measurements formerly used, MW will print the former over-all diagonal measurement in brackets after the new designation. **Example: 23-inch [old 25]**. This policy will be continued until the new screen sizes have been firmly established throughout the industry.

ADMIRAL

With 47 color tv models in its new mid-winter line, Admiral last week priced 20 of the sets under \$500, a healthy increase over last fall's lineup, which contained only seven sets under that figure.

The company also added a host of new features in its black-and-white tv line, including "instant play" (no waiting for picture or sound) and a dark plastic screen: "sun shield."

In addition, Admiral went to market with tape cartridge players for the first time: an 8-track home unit, at \$79.50, which can be used in conjunction with stereo consoles or color combos, and a portable cassette unit (MW, 31 Oct., p.3) priced at a low \$59.95.

Admiral's color tv line—which includes 13 models with remote con-

trol—kicks off at \$379.95 with an 18-inch set [old 19] in a walnut-grain cabinet with a degausser. The new 20-inch rectangular leader comes in at \$419.95 and offers the same basic features as the 18.

The 22-inch lineup [old 23s], reduced to three models—two consoles and a table unit—is all at open list.

The 23-inch line [old 25] opens with a \$499 black metal table model; 23-inch consoles [old 25] start at \$499.95 in a grained finish. The 23-inch combo line [old 25] is priced from \$795 to \$1,100.

The expanded b&w tv line opens with a 12-inch [old 13] portable at \$79.95. Instant play and sun shield features enter the line at \$85 in this size. Admiral 14-inch models [old 15s] start at \$89.95 with instant play, and,

with sun shield, start at \$95. The 16-inch line [old 17] opens at \$99.95 with the instant play feature; the sun shield feature is added at \$109.95.

The bread-and-butter 18-inch line [old 19] opens at \$119.95, features instant play and three stages of IF.

Admiral also has included its instant play feature in its 20-inch leader [old 21] at \$149.95.

Admiral is including roll-about stands in its leader prices—not only for 18- and 20-inch b&w sets, but also for the 18-inch color leader and three step-up, 20-inch color sets.

The roll-about stand is included with the 22-inch [old 23] b&w leader table model at \$169.95. All eight new 22-inch b&w models come with instant play.

The console phono line has two new additions. The leader is an FM-AM combo with four speakers in a walnut-grained, 48-inch cabinet with a suggested retail price range of \$148-to-\$159.95. The step-up model has a solid-state amplifier plus FM stereo radio at \$189.95.

The new radio line includes seven new FM-AM sets starting with an open-list 10-transistor set. The next model with afc is priced at \$24.95. Admiral also has FM-AM portables at \$29.95, \$34.95, and \$199.95. The AM-only leader is a gift-packed, 8-transistor set at open list. Next model is a 10-transistor set at \$9.95.

The table radio line includes six plug-in transistor sets starting at \$14.95, and three tube models at open list.

MOTOROLA

Motorola plunged deeper into tinyvision last week, introducing a 9-inch solid-state portable at a list price of \$99.95.

The set, a new screen size for the company, features three stages of IF, a transformer-powered chassis, 9,500v of picture power, and uses 23 Motorola transistors and nine diodes. It weighs only 13½ lbs. and measures 8½ inches high, 12½ inches wide, and 9¾ inches deep.

The new tinyvision leader and the \$109.95 step-up version operate on line current or for six hours on an optional extra-cost battery. The optional battery pack includes a car-

rying case and battery charger. There is also a regulator cord kit for use in automobiles, which is available at extra cost.

Motorola believes the tinyvision category will continue to grow next year. Tinyvision will account for about 22% of the industry's black-and-white tv set sales this year, according to William E. Boss, Motorola's manager of tv products, and should grab about 32% of the b&w mix in 1967.

The company is making no changes in its 12-inch series, but has touched up the 15-inch [old 16] models. The leader has a redesigned grille area,

comes at an optional list of \$112.88. The redesigned step-up model is priced at \$119.95.

In its mid-winter b&w tv line, Motorola also moved more deeply into solid state. The 60% solid-state chassis with the X/11 solid-state signal sensor—introduced last summer in the high end of the line—now makes its first appearance in lower price ranges. The lowest priced 18-inch [old 19] model with this chassis is priced at \$139.95. There is a step-up model at \$149.95.

The 18-inch [old 19] leader with three IF stages and an etched circuit board—Motorola also started back-

ing away from hand-wired circuits last summer—carries an optional list price of \$129.95.

The 20-inch [old 21] line of portables has been cut to a pair of models. The leader with the 60% solid-state chassis carries a list of \$159.95. The new step-up unit, in a grained-walnut finish on metal, comes in at \$169.95. The \$179.95 model has been eliminated.

The 22-inch [old 23] leader console in a redesigned cabinet is priced at \$189.95. At \$199.95, Motorola is offering three new versions in Early American, Italian Provincial and French Provincial.

SYLVANIA

Sylvania landed with both feet last week in what could be the hottest new category in color tv next year: the 20-inch [old 22] rectangular screen size.

Sylvania is going with nine new sets ranging from table models to consoles in what it calls the family-size series, starting with an ebony metal table model at \$429.95. At \$439.95, there is a vinyl-clad model in champagne. At \$449.95, the choice is vinyl-clad cabinetry in walnut or maple.

Six consoles with the new picture tube, all in furniture-styled grained-hardboard cabinets, open with a Contemporary model in mahogany or walnut at \$499.95.

At \$519.95, Sylvania is offering Early American in maple and Scandinavian in walnut. At the top of the 20-inch console line, the company has French Provincial in cherry and Italian Provincial in butternut.

The new color tv leader, an 18-inch [old 19] set, comes in an ebony metal cabinet at \$379.95.

Sylvania also added five new 23-inch [old 25] consoles, all in grained-hardboard cabinets, starting with a Contemporary model in mahogany at \$579.95. This line takes \$10 steps, topping off with three models—Italian, French, and Spanish Provincial—at \$609.95.

The black-and-white tv line has been augmented by three new 18-inch [old 19] portables. The new leader model in a gray plastic cabinet has a suggested list price of \$119.95. At \$129.95, Sylvania offers two new

flavors—ivory and ebony—and pre-set fine tuning. At \$139.95, the set has a wood-grained finish. Clock-timers and stands are optional extras on all portable and table models in color and b&w.

Sylvania is putting a new chassis, the Deluxe Color Bonus chassis, in the color drop-ins. The 24,000v chassis incorporates what Sylvania calls an extra high power transformer and shunt regulator. The new sets, like all Sylvania color models, use the Color Bright 85 picture tubes.

WESTINGHOUSE

Westinghouse flew deeper into Jet Set country last week, introducing two new dark-glass screen sizes, and coming up with three new compact color tv models.

The new 18-inch [old 19] models head the list of Westinghouse color sets. Pushing compactness, Westinghouse 18s come in cabinets measuring 19-3/16 inches deep, 26 inches wide, and 18¼ inches high. The lead-

er, in black and chrome, is expected to retail for under \$400. The step-up 18, with illuminated pop-up channel numbers and a hideaway door for little-used controls, will come in off-white for about \$420.

The new 23-inch [old 25] in beige and gold will sell for about \$450. The cabinet on this set measures 20 inches by 27 inches by 17-5/16 inches. A base leg assembly on this

model is offered as an optional extra.

The new black-glass sets—a 9-inch transistor model at \$130, and two solid-state 20-inch [old 21] versions at \$190 and \$240—joins the 18-inch [old 19] and 11-inch [old 12] Jet Sets in the Westinghouse line.

The new 9-inch set weighs less than 12 lbs. and will operate either on line power or with an optional battery pack. Westinghouse is also offering

as optional equipment an auto/marine tv antenna kit, an auto cigarette lighter plug-in, and a mounting bracket for cars.

The company is also dropping in two new instant-on portables. The 20-inch [old 21] sets start with a model in antique gold, with a swing-down handle, for under \$160. A deluxe solid-state model enters the line for about \$210.

□□□□ **Westinghouse's first two-way dishwashers** will hit the market in January, marking the company's first entrance into the convertible dishwasher market. Each of the four models, which are priced from \$180 to about \$270 or \$290, has the capacity to handle 16 table settings for 12 settings with pots and pans, and each contains a caddy for detergent storage. Also new from Westinghouse: a 10-model 1967 refrigerator line with three features new for Westinghouse—a new interior lighting system, rollers on seven of the models, and cantilevered shelves on nine of the 10 new models. The Panel Glow lighting system employs a series of incandescent lights behind a white diffusing panel to illuminate the back and corners of the refrigerator. The shelves are supported from the rear wall of the refrigerator and can be adjusted to any position to accommodate large items, such as watermelons or turkeys. The line, which includes nine no-frost models, is priced from about \$200 to \$500.

□□□□ **AHAM will have a Government Committee** by Jan. 1, according to D. D. Danforth, chairman of the board of directors for the Assn. of Home Appliance Manufacturers. The committee, which will consist of Washington liaison officers from AHAM member companies, as well as a handful of general management executives, will study past industry action in government relations and recommend future steps.

□□□□ **A GE Appliance Center in Minneapolis** was the idea of owner Warren Helebrant, who moved to a 3,400-sq. ft. store from a much smaller store across the street. Helebrant, who carried several lines before the change, is happy with the one-line concept. He now carries GE white goods and home entertainment products, no housewares. He services electronics and uses factory service for major appliances. Helebrant's is the only GE Appliance Center in Minneapolis.

□□□□ **Fisher has a compact module with an IC.** The unit, which will be available early next year, is an AM-FM radio with a top-mounted, 4-speed automatic phonograph. Stereo speaker systems will be offered as optional equipment. The integrated circuit in the module replaces 10 transistors, 7 diodes, and 11 resistors.

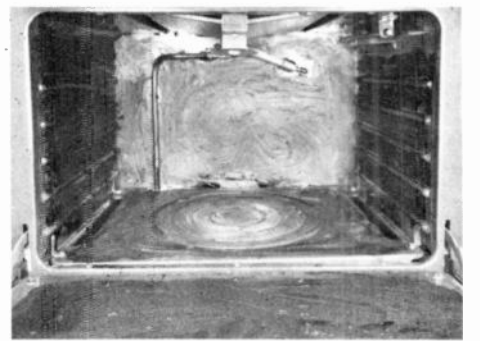
□□□□ **Five color sets head RCA's 1967 drop-ins.** The five 23-inch [old 25] sets range from the Glenview all-wood asymmetrical lowboy at open list, to four furniture-styled models—all with doors—at \$795 each. The single addition to the black-and-white tv line is a 22-inch [old 23] promotional all-wood console at open list.

The six new stereo phonograph drop-ins include a portable phono with stand at about \$80, two all-wood consoles in Danish and Early American styling at an optional \$279.95 each, and two \$329.95 step-up models in Danish and Early American styling. Also new to the phonograph line: a promotional all-wood stereo phonograph at open list.

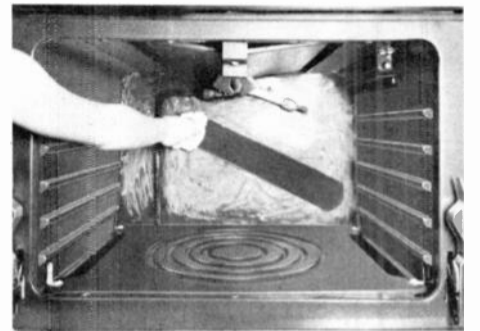
There are two new drop-ins in the radio corner: the Music Box, an AM-FM table model leader, which can be promoted at \$24.95, and the Goliath, a 6-transistor pocket portable at open list.



Modern Maid gas self-cleaning oven



Interior of gas self-cleaning oven before cleaning cycle begins . . .



. . . ash being wiped off after cycle

Gas range makers' Yule yippees: the first self-cleaner coming

The gas appliance industry is "turned on" as a result of the introduction of the first self-cleaning oven in a gas range. With electric self-cleaning ranges popping up in more lines, and sales beginning to move, the gas industry has been feverishly trying to produce a self-cleaning unit to put some life into sales and remain competitive with the electric industry.

The big surprise was not that a company had developed a gas unit, but that it was not one of the big guns in the industry—a Magic Chef, Caloric, Tappan, or Roper. Roper and its customer, Sears, have been pressing for a gas self-cleaner to complement Roper's electric version, as have all the other range manufacturers.

The gas self-cleaner comes from Modern Maid, one of the old-timers in the business. Modern Maid, which just this year changed its name from the Tennessee Stove Works, was founded in 1904 and is a family-owned company that has annual sales of over \$10 million.

A mock-up of the unit was on display at the recent National Assn. of Home Builders Show in Chicago. The unit was not ballyhooed in pre-convention literature or at the show itself—leading some in the industry to wonder about the unit's capabilities. It is understood, however, that the American Gas Assn. wanted to show the unit at its booth, but did not because it was only a mock-up and Modern Maid did not want to reveal how the unit operated. Nevertheless, it is understood that AGA directed convention attendees to the Modern Maid exhibition booth to see the unit. AGA has tentatively approved the unit and final approval is imminent. To insure secrecy, Modern Maid has built, at an estimated cost of \$10,000, its own test lab, which simulates AGA laboratory conditions. AGA technicians are slated to come to the Modern Maid facilities in Chattanooga, Tenn., at the first of the year.

How the gas self-cleaner works. The nature of the self-cleaning process is the same as its electric counterpart. Intense heat decomposes the

caked-on grease and dirt in the oven cavity and reduces this material to a fine ash. Temperature in the oven reaches 950 degrees during the two-hour cycle.

The Clean-A-Matic cycle is initiated by turning a knob on the control panel that turns on the gas burner, the exhaust blower, and the indicator light. Because of a self-contained ventilating system (dubbed Vent-Pak), the company claims that heat in the kitchen during the cleaning cycle is less than from normal baking operation in a conventional oven—without the use of fans. The Vent-Pak flue discharge system pulls heat through an exhaust fan to the outside. The company claims that the cost is about 5¢ worth of gas for each cleaning, compared to about 11¢ for an electric model.

A key feature that will undoubtedly be translated into a strong competitive point will be the fact that the gas self-cleaning oven does not have to be locked during the cleaning cycle. And the cycle can be terminated prematurely if the oven is needed for other use. This is possible, says the company, because the oven is continually venting the by-products of combustion at the same rate that combustion occurs. Modern Maid says that a door-latching mechanism is required on electrics by Underwriters Laboratories models because of the "possibility of an explosion caused by the sudden introduction of oxygen if the door is opened."

Modern Maid should know about electric self-cleaning problems, because, in addition to the gas 30-inch eye-level and slip-in models (which require the vent hood as part of the Clean-A-Matic feature) the company is introducing the same to models in electric versions with self-cleaning ovens. The self-cleaning ovens in the eye-level units are located at the bottom of the range.

Modern Maid, which primarily sells to and through builders and some utilities will begin producing the ranges in February. According to a spokesman, the company will probably increase its merchandising programs with utilities.

NEW YORK CITY

test case for fair-trade

Despite all the ballyhoo that greeted its recent rebirth in New York, fair-trade has proved to be no miracle drug—only an aspirin for the profit ills plaguing the highly competitive New York metropolitan market.

While fair-trade is generally considered to be "working" in New York's marketing jungle—for major appliances and home electronics, as well as for housewares—this is largely because the trade's standards, or expectations, have been lowered.

Attitudes are changing toward fair-trade now that manufacturers, distributors, and retailers have had a fair chance to give fair-trade programs a new try.

Even for the smaller dealer, who must compete with giants such as Macy's, E. J. Korvette, and Abraham & Straus, fair-trade no longer means salvation for the retailer's profit structure. At best, it can help bring order to a tangled market. By itself, however, it provides no quick or easy key to improved profits.

Fair-trade, therefore, is being cast as just one more marketing tool—or alternative—open to the manufacturer.

Manufacturers who are fair-trading in New York City and elsewhere do so largely because it is to their competitive advantage to do so. The "true" believers are either dying out—or becoming more open about their motives.

"We fair-trade," says Bill Smith of Knickerbocker Sales, the Motorola distributor in New York, "to give the retailer a better reason to sell us. If we insure him a certain profit, he's more likely to encourage his salesman (with spiffs or what have you) to push our product or to switch a customer to it, if necessary. Of course, now that all home electronics manufacturers except RCA and Zenith fair-trade in this city, we have to pile on more promotions and sales aids to make the dealer sell the features of our product."

What the market will bear is the major consideration in fair-trade pricing—and in any company's decision to fair-trade in the first place. Profit margin or no profit margin, a Magnavox or Japanese color tv cannot be priced too far above the magic names in color: RCA and Zenith.

And in housewares, Sunbeam's consigned Vista line must contend with brand-name non-price-protected lines—as well as with Sunbeam's own regular "open" line. In majors, GE must find some way to compete with non-fair-traded Norge and Whirlpool.

Non-fair-trade manufacturers point out that, in the fast, fluctuating marketplace of New York, only non-fair-traded lines have the freedom to juggle prices as the situation demands. And the recent stir that greeted Admiral's cut in tv and console prices would seem to bear them out. Admiral's move—which may have been only an attempt to adapt to a sales season that was good, but fell short of industry expectations, or to compensate for its own high-end-heavy product mix—was interpreted as a drastic and major pricing measure.

And, in some cases, it was drastic. In New York, the margin on the Admiral leader model color set dropped below 16%, although pricing on the rest of the line was more profitable.

Fair-trade does provide a choice—for retailers as well as for manufacturers. And many retailers have chosen to push the fair-traded lines—undoubtedly influencing many a manufacturer to climb aboard the fair-trade bandwagon.

But fair-trade is far from the

by Amei Wallach and Ed Dubbs

only factor responsible for bringing increased price stability to the New York City marketplace.

In major appliances, in home electronics, in housewares, the proliferation of model numbers has helped to improve profits by blunting the consumer's ability to comparison-shop prices. Distributors, for the most part, lodge the greatest complaints about proliferation of product lines. Retailers have a bigger orchard to cherry-pick.

Other factors have contributed to the tentative price stability and newly improved profit situation in the New York City area. There is a New Consumer—with more money to spend and a taste for quality goods—who has triggered the growing number of trade-up sales in majors, home electronics, and housewares. Ironically, however, one of the biggest stumbling blocks facing the retailer is the fact that the profit structure is, in many cases, less satisfactory at the high end of the line than in the middle or even low end.

True, pricing stability has come to the New York market; but it is difficult to assess how much credit actually goes to fair-trade. In essence, fair-trade is merely a state-legislated machinery enabling manufacturers to use the courts to force retailers to hold the line on pricing.

Many a non-fair-trade manufacturer—with the help of the vaguely defined "selective distribution"—is accomplishing the same thing. But without legal backing.

Still, the voices of fair-trade supporters remain loud throughout the land. "Fair-trade, if properly policed, is the best thing there is," contends Morris Sobel, treasurer of Sunset Appliances.

But fair-trade is not always properly policed; and that has created a double-edged sword, which can as readily work against both the retailer and manufacturer as it can work for them.

What price fair-trade?

The crux of the fair-trade quandary for manufacturers is this: while fair-trade is meaningless unless well policed, policing is extremely expensive and troublesome to carry out.

Some major appliance and home electronics manufacturers even feel that it would be impossible to enforce fair-trade nationally. Unlike housewares, which are usually portable and price-ticketed, majors and home electronics suggest a wealth of ways for a retailer to price-cut: he can overpay for trade-ins; write up a deposit when there is none or inflate the deposit when there is; or he can undercharge for installation—to name just a few of the fair-trade dodges in practice.

Manufacturers who police strictly—and in New York, Motorola, GE, Fedders, and, lately Admiral, enjoy high reputations in this regard—do so at great cost and effort.

Knickerbocker, the Motorola distributor, maintains 40 to 50 women on its books to police its 1,100 outlets and, at the moment, has eight

Biggest price cut on COLOR TV in years

Tremendous savings on the most wanted Admiral Color Tv

All in one! Admiral's Color TV, with Color Fidelity Control and easy Slide Rule Tuning, Stereo FM, AM/FM Tuner and Amplifier, Admiral-built Record Changer and 8 Admiral Quality Speakers—all encased in a beautifully-styled Danish modern cabinet.

OVER 30 DIFFERENT MODELS TO CHOOSE FROM

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ADMIRAL REDUCES COLOR-TV PRICES

Cuts Made on "Fair-Trade" List for 18 Models Sold in the New York Area

COMPETITION IS NOTED

Company Says It Is Acting to Meet Reductions by Other Manufacturers

By WILLIAM D. SMITH

The Admiral Corporation has lowered its "fair-trade" price on 18 color television models in the New York metropolitan area, a spokesman for the company said yesterday.

The reductions apply only to retail purchases in the New York area, the only local area where Admiral sets its prices at "fair-trade" prices. No other models have been made in which...

SUNSET

ALL STORES OPEN 9 A.M. TO 10 P.M. TILL CHRISTMAS

fair-trade

continued

violation cases before the New York State Supreme Court.

And L&P Electric, the Fedders distributor, spends an average of \$25,000 a year on its shoppers, court cases, and other fair-trade enforcement action. Since 1962, the Fedders distributor has sued 30 to 40 retailers, beginning with one of the biggest fishes of all: E. J. Korvette.

Although it is not a subject distributors are happy to talk about, obviously few of them are eager to sue Korvette—especially if it is their biggest customer. Korvette was Fedder's biggest customer. The distributor sued anyway, won the case, but lost the account and has never sold Korvette since.

Who violates fair-trade? Almost everyone at one time or another, contends Bob Lidsky of L&P Electric. But Knickerbocker's Smith disagrees. "There's not much violation at all unless the distributor winks at it," he says.

Of course, the small independent will always accuse the mass merchandiser of being the worse offender—and vice versa—but they are both equally guilty, according to Smith. "Sure, the little guy often violates," he says. "But once he knows you're not kidding, he can't afford to lose your account—the big chains fudge on the deal in the hope that you don't want to lose them."

"There's no question about it," says Bernie Artz, comptroller of Bressner's stores. "Policing is a problem. It's bad enough in a strong market, but when the market begins to soften a little—as it is now, or when floor-plan bills become due—it's worse. Fair-trade is meaningless in a bad market, and if it ever gets too bad, fair-trade will go out of existence."

Margins are tight as it is. Motorola executive Ted Herkes points out that products carry only a 32% to 33% margin from manufacturer to customer. "So our policy," he says, "is to make sure the dealer gets a fair profit—either by franchising selectively or fair-trading. There are many ways to skin the cat."

Just how good fair-trade margins really are is open to question. But most retailers opt for them over non-fair-trade margins.

"On the whole," says Morris Sobel, "we make about 5% to 10% more on fair-trade items like GE and Motorola than on non-fair-trade lines like RCA and Zenith." But since RCA and Zenith between them share about half the color tv market, it is usually possible for a retailer to make up in volume what he lacks in margin.

Since the early 60s, when fair-trade raised margins to 23%-and-up from the 16%-to-17% to which they had sunk, margins have not changed much. "And that's one of the problems," says Frank Perloff, president of Friendly Frost. "Margins have

CORNING WARE®, CORNING WARE® ELECTROMATICS, AND PYREX® WARE
AUTHORIZED DEALER APPOINTMENT AND FAIR TRADE AGREEMENT

As of the _____ day of _____, 196____ at Corning, New York, CORNING GLASS WORKS, A New York Corporation, hereinafter called "Corning", hereby appoints _____

HARDWARE APPLIANCE
VARIETY DEPARTMENT

NAME _____ TYPE OF STORE: _____
(Print Clearly) OTHER (Please Specify) _____

ADDRESS _____ CITY _____ STATE _____
hereinafter called "Dealer", as an AUTHORIZED CORNING WARE, CORNING WARE ELECTROMATICS AND PYREX WARE DEALER upon and subject to the terms of this agreement.

Corning and Dealer accordingly hereby agree as follows:

- TERM** — The term of this agreement shall be from the date of its signing by Corning until termination pursuant to paragraph 6 below.
- PRODUCTS** — The products to which this agreement relates, hereinafter referred to as "Corning Products" are CORNING WARE, CORNING WARE ELECTROMATICS and PYREX WARE which are produced by Corning, are identified by trademarks, brands or names owned by Corning and are in free, fair and open competition with other commodities of the same general class produced by others and which are specifically listed in Schedule A as such schedule may be constituted from time to time.
- AUTHORIZATION AND ACCEPTANCE, USE OF TRADEMARKS** — So long as this agreement is in effect and so long as Dealer lives up to Dealer's obligations hereunder, Dealer is authorized to represent that Dealer is an AUTHORIZED CORNING WARE, CORNING WARE ELECTROMATICS AND PYREX WARE DEALER and to use as selling aids the Corning trademarks, brands or names identifying Corning Products. In consideration of such authorization Dealer agrees to act as such an authorized dealer for the purpose of advertising, offering for sale and selling Corning Products to consumers at retail, subject to all of the terms and conditions of this agreement and not otherwise, and agrees not to make any use of Corning trademarks, brands or names which will in any manner injure or destroy their value to Corning.
- SALES HELPS** — Corning agrees to provide Dealer from time to time with sales literature, display materials and other selling aids as well as to cooperate with Dealer in the interest of developing Dealer's maximum sales potential of Corning Products.
- DEALER'S OBLIGATION** — Dealer agrees (1) to carry an adequate stock of Corning Products consistent with the rate of sale to consumers, (2) to display Corning Products attractively and prominently at all times, (3) to cooperate with Corning in developing Dealer's maximum sales potential of Corning Products.
- TERMINATION** — Either party may terminate this agreement at any time by giving ten (10) days' written notice to the other and it will be terminated automatically by Dealer's bankruptcy or by his decision to discontinue dealing in Corning Products. No termination of this agreement shall relieve Dealer of the obligations specified in paragraphs 7 and 8 hereof.
- RIGHT OF REPURCHASE** — For the period of thirty (30) days from and after receipt of notice of termination by either party or from and after Corning's receipt of actual knowledge of any other cause effecting termination, Corning shall have the right to purchase from Dealer at Dealer's original invoice cost Dealer's entire inventory of Corning Products at the time of receipt of such notice or knowledge.
- FAIR TRADE AGREEMENT** — As to each state and as to such sales where it is lawful so to agree (but not elsewhere or otherwise): (1) Dealer will not (except as specifically permitted by statute) directly or indirectly advertise, offer for sale or sell Corning Products at prices less than those now or hereinafter designated and set forth in Schedule A as such schedule may be constituted from time to time exclusive of all applicable sales and use taxes. Such schedule may be amended or supplemented upon ten (10) days' written notice by changing prices or by adding or deleting items. (2) Dealer also agrees not to sell or transfer Corning Products to any reseller unless such reseller has agreed to maintain Corning's Fair Trade prices and to require any reseller to whom he may resell to agree that he will not in turn resell at less than Corning's Fair Trade prices stipulated in such Schedule A. (3) Except as authorized by Schedule A or any amendment thereof or supplement thereto (a) the offering or giving of anything of value by Dealer or any reseller in connection with the sale of any of the products in Schedule A or (b) the offering or making of any concession in connection with any such sale or (c) the sale or offering for sale of any of the products in combination with any other merchandise shall constitute a breach by Dealer of this agreement.
- APPLICABLE LAW** — This Authorized Dealer Appointment and Fair Trade Agreement entered into between Corning and Dealer at Corning, New York is governed by the laws of the State of New York. The Fair Trade Agreement set out in paragraph 8 hereof shall apply only to sales at such times as this agreement shall be lawful as applied to intrastate transactions under any statute, law or public policy in any state in which such sales are to be made or to which such products are to be transported for sale. In other states the Fair Trade prices are merely suggested as possible resale prices which may or may not be adopted for sales in those states in the sole discretion of the Dealer.
- ENTIRE AGREEMENT EFFECTIVE DATE** — No change in the printed terms of this agreement shall be of any force or effect. This agreement shall become effective upon Corning's receipt of actual knowledge of any other cause effecting termination, Corning shall have the right to purchase from Dealer at Dealer's original invoice cost Dealer's entire inventory of Corning Products at the time of receipt of such notice or knowledge.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

STORE NAME _____ CORNING GLASS WORKS

BY _____ BY _____
(Signature of sole proprietor, corporate officer or partner)

TITLE _____ TITLE _____

HEADQUARTERS NAME _____
(If Applicable)

ADDRESS _____ CITY _____ STATE _____

This contract covers above store. Additional retail outlets of same company must be specified individually on back of this sheet or covered in separate contract.

SUBMITTED BY _____ SIGNED _____
(Wholesaler) (Signature of Sales Manager or Officer)

CA-16-9-62

stayed the same while the cost of business has gone up."

There has, however, been some fluctuation. "I'd say margins are down in stereo, up in color," says Smith of Knickerbocker. But in the present market with heavy inventory at retail—especially of secondary color tv brands—even the margins on color are shrinking somewhat.

How retailers play fair-trade

Retailers are sometimes unpredictable when it comes to their attitudes toward fair-trade.

Image is important; and the store's image—or need for an image—at any given time plays a role in the retailer's attitude toward fair-trade.

Macy's provides an example. In New York City, Macy's has been the leader in cutting liquor prices—even to the point of going to court to fight for the public's right to reduced liquor rates.

The fight has helped Macy's to reinforce its reputation as a price-competitive store; and, this Christmas season, it certainly has not hurt the store's liquor sales (a good percentage of which, incidentally, is in profitable private-label brands).

But Macy's signs fair-trade contracts and pushes fair-traded lines outside the liquor field. So it is a matter of image—or real public service—that makes Macy's fight liquor pricing, while holding the line on Corning and other hard goods.

The discounter's view of fair-trade also is changing. There are the die-

hards who insist that a discounter would ruin his reputation if he carried any fair-traded lines. There is the middle-of-the-road view that a discounter should only carry fair-traded lines when customers demand them (Corning, for example, and, perhaps, GE's consigned light bulbs). And then there is the discounter (or promotional department store) that not only holds the line on fair-traded merchandise, but also on lines that are price-protected through "selective distribution."

Vornado is fighting Corning in New Jersey, charging the manufacturer and its distributors with restraint of trade because they discriminate against the Two Guys stores and their close distributor, Leeds-Fox. Corning is fighting for its right to refuse to sell to customers who refuse to sign fair-trade contracts.

But barriers are being broken down for fair-traded lines in discount stores. Not even discounters want to send their customers to another store to purchase, for example, the popular Corning Ware line. And besides, the 40% markup is attractive.

The effectiveness of fair-trade, however, is being doubted and doubted—and doubted—by manufacturers as well as retailers. In majors and home electronics, a high percentage of the manufacturers who fair-trade in New York do not fair-trade anywhere else. The decision by Sunbeam and GE to consign the Vista and Universal lines points up their distrust of fair-trade. Consignment is

a costly marketing method, which only the rich can afford. But it does guarantee that no one will cut the price on the distributor or retail level; and it will keep the trans-shipper from stirring up pricing in a fair-trade market.

Custom-making a mass market

New York is a good market for testing fair-trade programs because it is surrounded by fair-trade states: New Jersey, Pennsylvania, and Connecticut. But such is not the case across the country, where a fair-trade state may bump a non-fair-trade state.

The lack of national fair-trade since the 1950s has discouraged many a candidate from instituting fair-trade policies.

Marketing in the hard goods industry is moving more and more from a national program to a market-by-market program. In New York City, in major appliances and consumer electronics, it is the distributor or the factory branch that sets the price (with at least unofficial approval of the supplier, of course). In housewares, pricing is increasingly being decided on a market-by-market basis. The same is true for majors and home electronics across the country.

Most manufacturers want to give their retailers the highest markup possible under the market's local conditions. If volume and turnover are maintained in a market with a 35% markup, so much the better. But if competitive conditions—a la Sears and the discounters—make it a 25% markup market, the retailer will get less.

There is nothing new in this, of course; but more and more firms are adopting a local pricing program and are adapting their marketing programs to local conditions. The localization of marketing programs has stirred up another pricing problem:

A manufacturer, for example, may feel he is not getting his share of the business in market X. So he beefs up his program for that market, probably offering deals he could not afford to provide for retailers on a national basis. But in one, two, three, or even a half dozen or so markets, he can afford to write off the program. (One national distributor concedes he is constantly concerned that his men in Kansas City may find out what deal his men in St. Louis are able to provide for retailers. "If they found out, they would clamor for the same deal.")

For its "selective distribution" Royal Lady line of electric housewares, Westinghouse has printed price sheets that show the retail price at 20% markup, at 25% markup, and at 30% markup. Retail buyers know in which of the three markup markets they operate: Westinghouse just provides the guidance. Some fair-trade manufacturers, of course, fair-trade their lines at 10%

Consignment is the best method—the surest method—of price protection. But those using consignment selling will not concede—for legal reasons—that consignment is a price-protection tactic; they label it only as a method of selling their merchandise. GE fair-trades its consigned Universal line; fair-trade is the legal price-protection tactic; consignment is merely the means of selling it.

But consignment is expensive, and, while GE can afford it in housewares, the manufacturer could not afford it as easily in major appliances and color tv. There are retail buyers who would like to see GE consign a line of portable radios; but there are no indications that the company will take on this added marketing expense—especially in these days of tight money. Most major appliance, home electronics, and housewares manufacturers feel they have gone far enough with floor-planning or extended dating programs.

Direct-sell is being used somewhat effectively as a price-protection method on merchandise such as Proctor-Silex's Starflite electrics. Direct-sell also has helped Magnavox to become a profit plum for some department stores, as well as providing the firm with an "elimination-of-the-middleman" advertising approach.

Exclusive distribution is being used by some housewares manufacturers who seek to go the route of major appliance/home electronics manufacturers by working with fewer distributors, even working with exclusive distributors in each market. The multiplicity of distributors handling a given line in a given market has enabled housewares retailers to shop for price and, therefore, has encouraged price-cutting at retail.

So, whether moving toward direct-sell or dealing with exclusive distributors, manufacturers have been able—to a large extent—to "clean up" their distribution patterns, helping to increase price stability.

"Selective distribution" is what a growing number of manufacturers swear by, claiming they can accomplish the same thing under this system that they can with fair-trade—and have more flexibility at the same time. (Fair-trade implies a single price in all fair-trade states.)

"Selective distribution is so nice," concedes one manufacturer, "because it is so vague."

Fair-trade opens the door for the manufacturer to bring all its price-protection moves out into the open and seek the protection of the courts. Its effectiveness depends entirely on how long and hard the manufacturer polices its program. Corning's fair-trade program is highly effective—although not 100%—while other programs vary in degree of success. Corning, of course, has benefited from its lack of competition—until recently—in the glass-ceramic cookware field.

Once a manufacturer has gone on fair-trade, it is difficult to go off—even if market conditions change. Corning would cause a storm if it dropped fair-trade; Admiral caused a stir when its distributor lowered fair-trade pricing in New York City. What would have happened if it had abandoned fair-trade completely?

Fair-trade can win a manufacturer retail loyalty; but it can also box him in.

below list in some markets and 15% below list in other markets, depending on local marketing conditions.

The legality of all this is apparently hard to pin down. A number of manufacturers feel they are safe as long as they offer the same deal to all retailers in the same market. A legal question, however, might arise in the peripheral area where two markets overlap. But market-to-market marketing programs can be disguised as test-marketing programs. The ways are there to accomplish the marketing goal.

The growth of spot television commercials, the renewed strength of Sunday newspaper supplements, and the increase in manufacturer-placed newspaper ads have encouraged manufacturers to put advertising and promotion on a market-to-market basis, rather than relying entirely on national media. Even the national magazines have been forced to follow the marketing decentralization trend by offering regional and metropolitan editions; and the local television stations clamor for additional locally sold time slots on programs such as the *Tonight* and *Today* shows.

Pricing—dealer cost as well as retail—depends more and more on local marketing conditions.

Price protection by any other name . . .

Once again, it has become popular to be profitable in the hard goods business. And price-protection programs—although often limited in scope and effectiveness, and below the old standards of profitability—are gaining momentum.

In housewares, practically every major manufacturer has adopted a two-line approach: one price-protected line and the other "open" to free market conditions. In major appliances, manufacturers play with model numbers—a sort of custom-made approach to mass merchandising, but, nevertheless, somewhat effective in blunting price comparisons.

Minimum co-op pricing policies have been adopted in all three industries—following, here, the lead of the housewares field. And often minimum co-op pricing is set on a market-to-market basis, rather than written into a national program. Retailers do not mind going into the newspaper with no price at all (if pricing undercuts the manufacturer-set minimum below which it will not cooperate on a newspaper ad). Nothing can be more embarrassing than to be caught at a higher price than a competitor on a model that you are both pricing in the same newspaper. Only the price-protected lines—under fair-trade or "selective distribution" (or private labels)—are making the catalogs or mailers.

Fair trade and the law

From the time that fair-trade became a state-by-state option, its legal history has been a turbulent one, with various states enacting, modifying, and voiding their own local fair-trade laws. And, in between, there have been sporadic efforts to enact a federal law. In 1963 and 1964, a National Quality Stabilization bill created some stir on Capitol Hill—and in the nation—before it was defeated. In effect, the bill was an attempt to change the emphasis from price protection to name-brand protection; it stressed the manufacturer's right to protect the image of his product and brand name from the detrimental effects of price footbaling and loss-leader selling.

For the past few years, there has been a lull in the push for national fair-trade legislation; but it looks as though the quality stabilization fires are ready to flare up again. Last month, John W. Anderson, president of the Quality Brands Assn. of America—the group that most actively promoted the Quality Stabilization bill—telegrammed its supporters, requesting "strong organization for the early introduction of a Quality Stabilization bill for enactment next year" in its original form.

As before, the National Appliance & Radio-TV Dealers Assn., along with many manufacturers, will probably support the bill—which may well be led again to Capitol Hill by Sen. Thruston Morton (R-Ky.). But this time, the National Assn. of Mass Merchandisers—set up largely to oppose fair-trade—will not be there to fight the bill. Roger Courtland, the association's executive secretary, has announced that, effective Jan. 1, the organization will become inactive. He cites two reasons for the decision: With the Johnson Administration—like the Kennedy Administration before it—opposed to the bill, it stands little chance of passing. And, Courtland says, mass merchandisers seem indifferent to any concerted effort at the moment. "Their image is changing, and they're disorganized," he says. "If the Quality Brands Assn. is smart, this is the time for it to strike."

Meanwhile, this is the fair-trade picture as it exists today—subject of course, to change:

States with fully valid fair-trade

The 20 states below maintain the constitutionality of non-signer clauses. Even if no contract has been signed, it is unlawful for a retailer to cut a supplier's fair-trade prices once he has had notice of these prices.

Arizona	Illinois	New Hampshire	Rhode Island
California	Maryland	New Jersey	South Dakota
Connecticut	Maine	New York	Tennessee
Delaware	Massachusetts	North Carolina	Virginia
Hawaii	Mississippi	North Dakota	Wisconsin

Non-signer states

In these 19 states, the non-signer clause is unconstitutional, although fair-trade is legal. A retailer is not bound to maintain fair-trade prices unless he actually has signed a fair-trade agreement with a supplier.

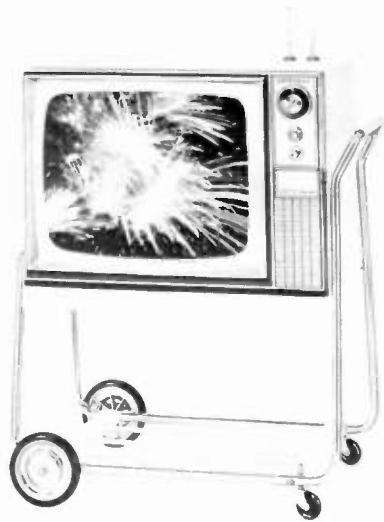
Arkansas	Indiana	Minnesota	Pennsylvania
Colorado	Iowa	New Mexico	South Carolina
Florida	Kentucky	Ohio	Washington
Georgia	Louisiana	Oklahoma	West Virginia
Idaho	Michigan	Oregon	

States with no fair-trade

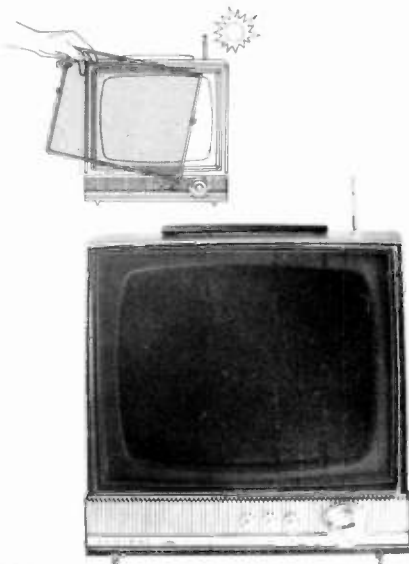
These 11 states and the District of Columbia have no fair-trade laws at all, and it is illegal for a manufacturer to enforce fair-trade here. Suggested list prices can serve as a guide only.

Alabama	Montana	Nevada	Vermont
Alaska	Missouri	Texas	Wash., D.C.
Kansas	Nebraska	Utah	Wyoming

Cover photo courtesy of The New York Convention & Visitors Bureau Inc.



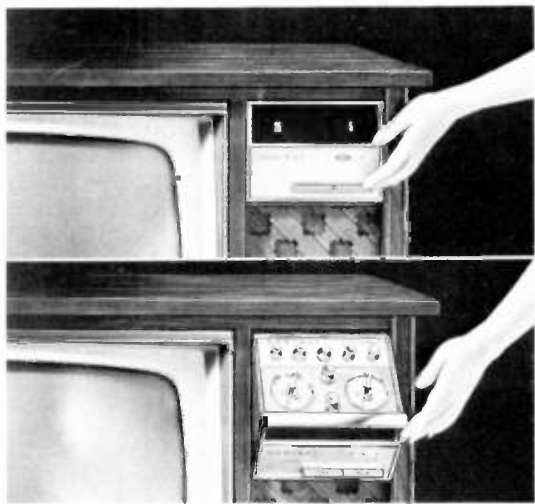
1. New Admiral 19" Color TV with matching cart and Color Sonar!



2. New Admiral "Sun-Shield" TV with snap-on black-glass screen!



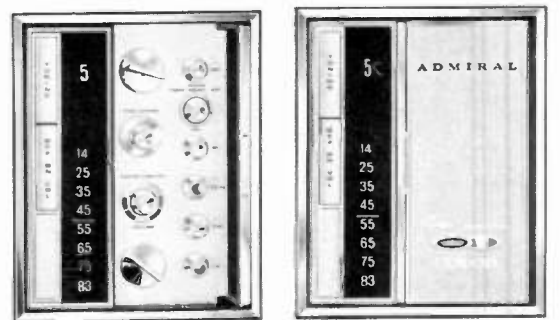
3. New Admiral 19" B&W "Instant Play" TV with Sonar and matching stand!



4. New Admiral Tilt-Out Control Center® with Power Tuning for Color TV!



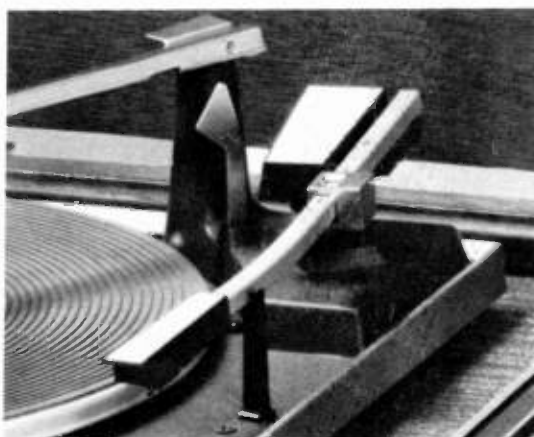
5. New Admiral Color Sonar, the full-function remote control!



6. New Admiral Hideaway Control Center with Power Tuning for Color TV!



7. New Admiral "Flight Deck" Solid-State Stereo, an industry first!



8. New Admiral Vari-Gram Tone Arm with solid-state cartridge!



9. Admiral Color Fidelity Control (pat. pend.) with amazing selectivity!

Ideas that move merchandise come from

Nine
demonstrable
and profitable
reasons why you
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Admiral
Distributor's
Open House!

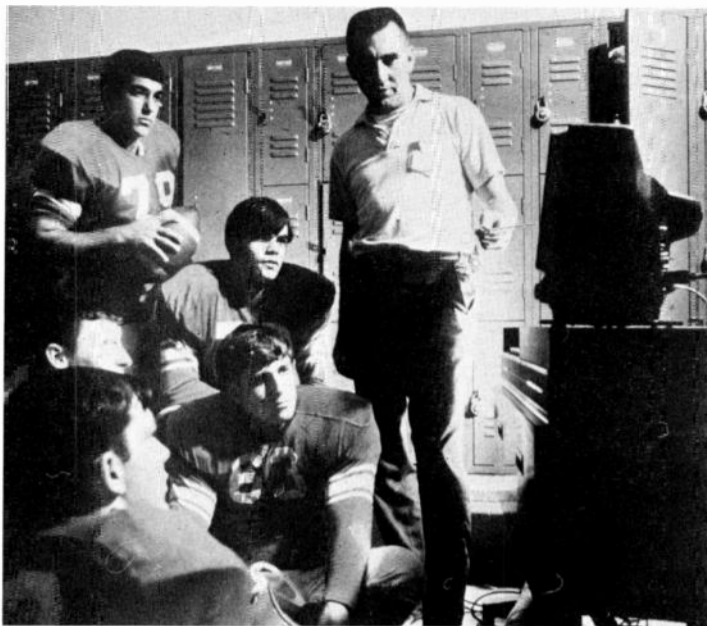
Call him for
exact dates



Admiral®



MARK OF QUALITY THROUGHOUT THE WORLD



In sports, the vtr has come out swinging. Football, bowling, and golf teams are all using the units. (GE photo)



Dentists and lab technicians receive instructions on video tape at a clinic in New Rochelle, N.Y. (Ampex photo)

vtr is...

... finally finding itself. In industry, in business, even in sports. For actors, for retailers, even for politicians. Still not a consumer toy — nor priced like a toy — the video tape recorder is making its mark as an educational and training tool. Predictions of video tape recorder sales for 1967 are being revised upward. GE, for example, forecasts that 6,000 units will be sold in the first quarter of next

year. This prediction is for non-broadcast-type video tape recorders. Ampex, on the other hand, says, "In 1966 we estimate that total sales of video tape recorders of all kinds and makes, plus magnetic tape itself, will amount to approximately \$100 million throughout the free world. In five years the field should grow to more than four times that size."

Ampex adds that approximately 5,000 non-broadcast-type video tape recorders have been delivered in the past year. This is more video tape recorders than were built in the prior 10 years, the company notes.

The optimism with which these glowing predictions are made is based upon the fact that the vtr has found an ever-expanding market—outside the home.

Ampex, for example, backs up its rosy predictions with a nearly endless list of applications—and variety of customers—for its video units. The forward-looking retailer will study the Ampex list for ideas in lining up his own sales prospects. An early plunge into the vtr market will mean valuable experience in marketing a unit that is destined to become a potent consumer product within the next half decade.

On Ampex's list:

—Students at New Trier High School in Winnetka, Ill., and six ele-

mentary schools in New Trier township receive instructional programming over a four-channel tv system through which a vtr feeds material.

—Future teachers of mentally retarded children learn the latest instructional techniques with the aid of video tape recorders at Minot State College, Minot, N.D.

—Students in the Los Alamos, N.M., school district draw from a visual library on a wide variety of subjects prepared on video tape. Video tapes are prepared by the district and played back on video tape recorders located at 10 schools.

—More than 75 schools throughout New York state draw widely varying instructional tapes from a state programming center at Albany.

—Rookie salesmen are trained and seasoned sales people brush up on their techniques at the Indianapolis-based Pitman-Moore division of Dow Chemical Co. Pitman-Moore also plans to use video tape in management training and in teaching new employees the operation of its production equipment.

—More than 1,000 agents of Allied Van Lines, Broadview, Ill., learn sales techniques at company seminars throughout the country with the aid of lessons recorded on video tape. Tapes are produced without the

aid of professional consultants or hired talent.

—New advertising sales managers, Yellow Pages salesmen, and telephone saleswomen act out their roles before vtr cameras at the San Francisco and Los Angeles regional offices of Pacific Telephone and Telegraph Co. Performances are recorded on video tape for immediate playback and critique by the salesman and by his fellow trainees.

—Apprentices and operators are trained in the operation of new and converted machinery at the Bleached Board Division of the West Virginia Pulp and Paper Co., Covington, Va.

—In addition to varied training uses, tours of remote plant locations are offered visitors via video tape recordings by the public relations department of the Olivetti-Underwood Corp., Hartford, Conn.

—Surgical procedures are recorded on video tape at St. Joseph's Hospital, Syracuse, N.Y. The tape is available for immediate playback for on-the-spot diagnosis and later display of entire operation for teaching purposes.

—Physically handicapped children learn to read, write, and talk with the aid of video tape recordings, and parents observe video recordings of their children's progress at Children's Hospital School, Eugene, Ore.



School teachers are using the vtr—particularly in science labs, speech departments, and driver education courses. (GE photo)



A course in art instruction is recorded on video tape for future use in the classroom. (Ampex photo)



Sales executives—Here from Muzak—tape sales training programs on video tape recorders to send to salesmen in the field, franchise holders, or dealers. (Sony photo)



Politicians take to tape: Governor Pat Brown of California studies Ronald Reagan on video tape. Both candidates utilized a vtr. (Ampex photo)

—Engineers at Cummings Engine Co. Inc., Columbus, Ind., are keeping up with latest in combustion research theories in series of weekly lectures videotaped by professors at the University of Wisconsin.

—Doctors at the Alcohol and Drug Addiction Research Foundation of Ontario at Kingston (Canada) are video taping interviews with alcoholic patients. Tapes of significant behavior are played back to the patients to help them realize how they act under the influence of alcohol.

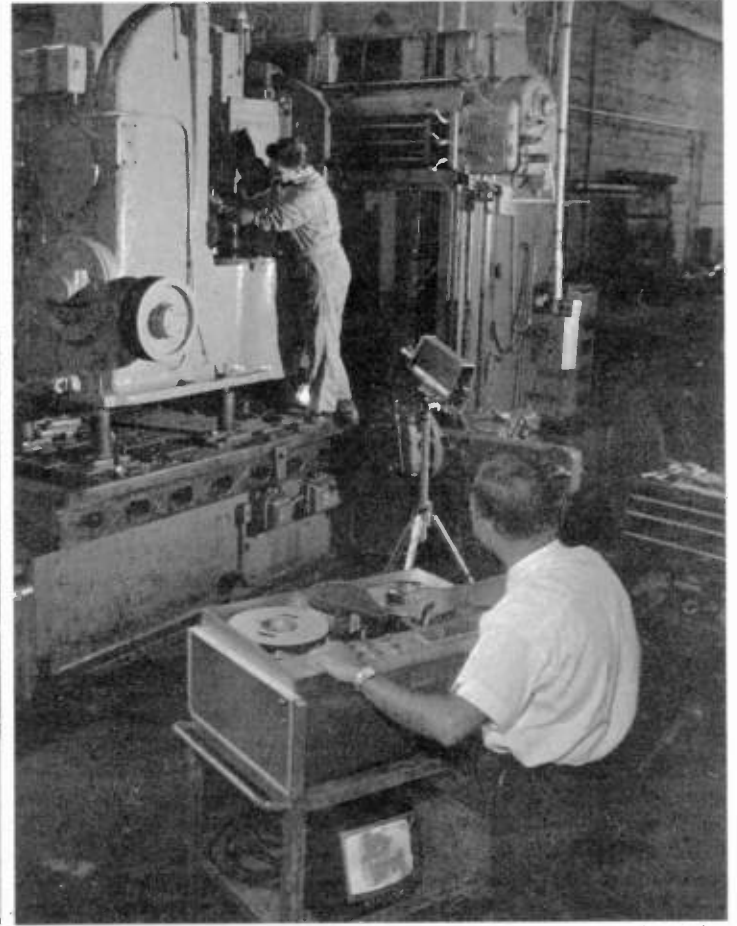
—The Miami (Fla.) police department has adopted video tape recording to modernize its suspect-identification routine. Lineups of suspects are recorded and the tapes may be replayed for viewing by late-arriving witnesses. Also, images of frequently arrested persons can be video taped and stored.

—Weekend golfers get a second look at their strokes moments after driving off the tee at any of Arnold Palmer's golf schools across the country.

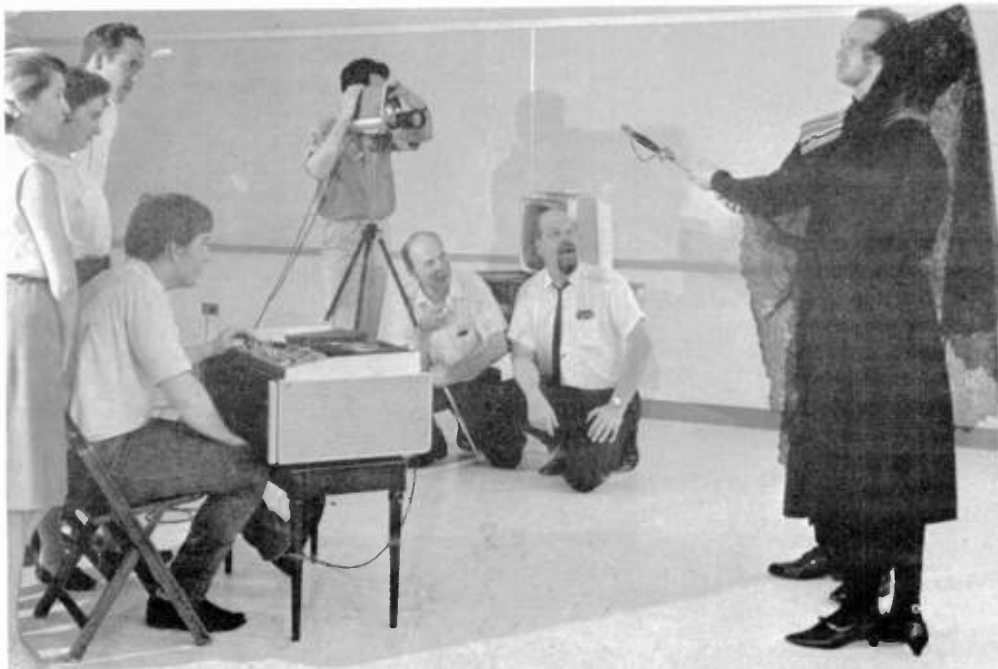
—College football coaches at five Southwest Conference schools analyze game action during the game with their own "instant replay" in the press box. In most cases, two recording systems are used, one for offensive plays, one for defensive, with assistant coaches studying replays in the press box. —Bruce Pfau



Servicemen on the USS Corul Sea use a video tape recorder to make entertainment programs. (Ampex photo)



Factory training is possible with the vtr: a San Francisco firm prepares tape for replay to employees. (Ampex photo)



Rehearsing on tape—here at the Oglebay Institute Opera Workshop in Wheeling, W. Va.—gives singers a chance to evaluate their performance. (Ampex photo)



Recording a sales meeting on vtr for agents not able to attend is demonstrated by Pacific Northwest Insurance Co. in Portland, Ore. (Ampex photo)

protect your investment

Getting products to market is as nerve-racking as Liza crossing the ice.

Especially, in the appliance, consumer electronics and housewares industries.

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So get your products across the ice floes safely. Advertise in Merchandising Week, the great protector.

MERCHANDISING WEEK

*edited for the appliance,
consumer electronics
and housewares industries*

A Billboard Publication



This is make-or-break week for Christmas and January, too

Going into the final sales week before Christmas, housewares buyers remain optimistic but are reshaping their estimates—not only for final Christmas sales figures, but for the 1967 first-quarter outlook. A report on both aspects follows:

COUNTDOWN TO CHRISTMAS:

The calendar provides the biggest encouragement to housewares retailers, as they move into the final selling week before Christmas.

The bright spots of this Christmas season are Friday, Dec. 23, and Saturday, Dec. 24, which will provide one extra shopping night and one extra shopping day—compared to last year, when Christmas fell on a Saturday and most stores closed early on Friday evening.

For many a housewares buyer, that extra night and day may well mean the difference between falling behind last year's record-breaking sales and bettering them. Buyers, for the most part, remain confident that they will come out ahead—but probably not as far ahead as they had originally anticipated.

The dark spots have been the early weeks in December and the pre-Thanksgiving period, when volume for many a housewares outlet fell behind the pace set one year earlier. There is little doubt that the Christmas season began later this year, even though most big stores tried to start it earlier than ever before. For many retail outlets, the Christmas season—that magical pickup in sales—did not really get under way until last week.

The sales picture as of late last week shaped up as “good but not

spectacular,” judging by reports from across the country that are filtering into chain and resident buying offices in the New York City area. Last Monday and Tuesday were strong sale days following heavy weekend advertising, and the pace was expected to continue through this past weekend, picking up even more this week.

The sales picture is mixed for many buyers, who, on one hand, cannot seem to get enough of certain items, and, on the other hand, cannot seem to build up sales momentum behind other items that should be doing better.

The over-all inventory picture is on the heavy side going into the final sales week—even though, in some cases, stores have held up or even cancelled some planned reorders. “I'm afraid I'm going to be out of stock on all the best sellers and stuck with all the dogs,” confessed one buyer whose honesty deserves nameless protection.

Generally, this is the picture—as pieced together from interviews with chain buyers: Christmas volume probably will go over last year's record-breaking level; but the increase will be much smaller than the one recorded in 1965 over 1964, and somewhat smaller than the one anticipated for this year over 1965.

LOOKING AHEAD TO JANUARY:

The upcoming January Housewares Show is expected to underscore a marketing trend that has been happening gradually over the last few years: the July Housewares Show has replaced the January Show for major product introductions.

New items for January, for the most part, are expected to fall into the “fill-in” category. There will be new product designs and, undoubtedly, a few product innovations; but generally manufacturers are expected to round out their product assortments. Sunbeam, for example, is beefing up its toaster line with three new models; and GE is seeking to cement its position in irons with two new models.

Unquestionably, buyers will be seeing new blender models—the high-ticket sales success of the Christmas season, replacing the somewhat faltering slicing knife which apparently is leveling off as a staple. The personal care/health and beauty product category also will enjoy plenty of new product attention—with undoubtedly more facial saunas, more water-pulsating dental hygiene units, more massagers, more combs and brushes, and more refinements on the hair dryer.

Open-to-buy in January will be good—but tempered, to some extent, by the final outcome of the Christmas season. In many a product category—from toasters to blenders,

plastic housewares to hair dryers—retailers will find their inventories low, if not close to being sold out. In other product areas, their open-to-buy position will not be as strong.

Much, of course, depends on what happens this final sales week before Christmas. On seasonal goods, the open-to-buy positions will be extremely good after another record-breaking season this year for power mowers and other garden and outdoor products. Snow throwers, of course, make for a different story: Buyers in some sections of the country are fearful that consumers who have already purchased throwers may return them unused if snow does not appear soon.

A fast 1967 start is being predicted by many industry sources—from GE's Willard H. Sahloff to a number of retailers and merchandise managers. The fast start, however, is being tempered in other quarters, as retailers and distributors note the slowdown in retail sales during the past two months; the layoffs in the auto industry, and even the major appliance field; the tight money situation affecting new home construction; and, of course, the effect of the prolonged Vietnam conflict on the nation's economy.

Tempered optimism—if a phrase is needed—probably sums up the housewares situation, as the industry looks beyond Christmas.

□□□□ GE is beefing up its iron line in an effort to retain sales leadership in the all-important product category, which is expected to top 10 million units this year. Sunbeam, in particular, has come on strong in the iron product category during the past two years, undoubtedly to the point where GE marketing executives—and probably Proctor-Silex, too—are becoming concerned. And, last July, Westinghouse made a major innovation—the Steam/Press Valet—in the home-travel ironing field. Despite its high \$20 price tag, and the fact that it is available in only a limited number of markets, the Steam/Press Valet has been a sales winner this season. Westinghouse is sure to have some competition in the product area—at least by spring.

□□□□ GE adds permanent press iron settings to two new models to be introduced at the January Housewares Show. Spray-steam model F-91 and dry model F-54 WT both feature the permanent press setting for touch-up ironing. The F-91, at \$20.98 list, features a power spray, 39 steam vents, a water window, a black cordset, and a handle with blue trim. The F-54 WT, at \$12.98 list, is styled with a white handle and blue trim and features a non-stick soleplate.

GE also is introducing a new high-end electric kettle and two new cordless clocks in its International decorator series: Tropicana, in a driftwood motif, and Bavaria, designed in “folk art reminiscent of pastoral Germany.” Both clocks list at \$35.

□□□□ GE will use a touch of nostalgia to feature its iron leadership—dating back to 1904—at the Housewares Show next month. The company's exhibition booth will show a collection of antique irons and fabrics of other eras.

GE's first-quarter marketing program for housewares includes: a \$3 cash consumer refund on the purchase of any GE toaster during March or April, (tied in with General Foods' Toast 'Ems); three price cuts—the FS-1 fire starter, down from \$12.95 to \$9.98 list, the FL-11 flashlight, down from \$14.98 to \$12.98, and the T-142 toaster, down to \$20.98; a new display “product talker” for the T-15 toaster; a new iron catalog; limited-quantity specials on the F-66 iron, at \$11.98 list, and portable mixer M-17, at \$10.98; and a White Sale program for blankets.

□□□□ New York reps honor three merchandisers: Henry Morrell, of S. H. Kress; William Noering, of Abraham & Straus; and Moe Straussburger, of Leeds-Fox, the distributor tied closely to Vornado (Two Guys). All three were finalists in the first annual Merchandiser of the Year luncheon sponsored by the New York Housewares-Hardware Representatives. Top honors went to Morrell, an “old-timer” with many friends in the housewares business, who will be going to his 46th Housewares Show this January. Bill Noering has been with A&S for about 30 years, and reportedly runs the most profitable, yet price-competitive, electric housewares operation in New York City. And Moe Straussburger is credited with building Leeds-Fox into a powerful distributor, and for making the entire Vornado organization the competitive factor it is in the housewares field.

□□□□ **The display look of the future is the past;** this was evident at the National Assn. of Display Industries Show in New York City last week. Art nouveau will come on strong for spring, 1967—probably first in ready-to-wear interior and exterior retail displays, because department stores devote more window and interior display space to r-t-w than to home furnishings. Nevertheless, art nouveau is almost sure to make its mark in home furnishings—especially in housewares, where nostalgia (MW, 31 Oct., pp.42-43), is being viewed with increased merchandising potential.

□□□□ **Spring's display look is a romantic one.** Colors are bright but toned down—all very late Victorian-Edwardian plush—and geared to graciousness.

For the housewares department, the romantic approach is easily adapted. Gourmet cookware and gift housewares take on a new aura in the intimate atmosphere of an Edwardian dining room. One display possibility is showing modern stainless steel cookware against lush cut velvet.

□□□□ **Bubble baths and bathtub gin** will get a strong play, as the '20s and '30s—a la *Vanity Fair* and Lorelei Lee—are recalled in display. The slick, flapper look is a natural in the bath shop, picking up where this season's "wet look" left off. So is ready-to-wear's use of flag-waving colors—blue (navy and all its cousins), plus any other bandwagon-bright shade—which call to mind the days of the Jazz Age. Beaded shower curtains and tassel tie-backs are perfect for a jazzy pitch.

□□□□ **Outdoor goods under a flowered gazebo** provide housewares retailers with the "right" setting for a new display and merchandising approach. The outdoors, too, is going more elegant and easy—as a symbol of the gracious, leisurely summer living of the nostalgic past. A gazebo setting is adaptable to either the retail sales floor or a newspaper display ad.

□□□□ **African drums are also beating** on the display path. Primitive prints will explode on the r-t-w scene, and the African jungles that display designers envision can also be a natural scene for housewares' colorful story . . . and a chance for the industry to play a part in fashion's "total look."

Watch outdoor goods switch from the past Polynesian look to a more African approach—in name, even if not in actual design.

□□□□ **Cosco has a new department store program** built around its Gold Award line, which will be offered on a "selective distribution" basis. The Gold Award program is in addition to the regular Hamilton Cosco line and its promotional Styler line. Cosco will be showing 23 new items this January in the housewares and juvenile furniture product areas. The new housewares lines incorporate the tray table, shopping cart, and laundry accessory equipment business that the company acquired through its recent purchase of Cal-Dak. New high-end bar stools, tray table sets, and card table sets highlight the Gold Award line. Cosco is also introducing the Cradlette—an all-purpose, molded-plastic cradle for children, which will retail at \$9.95.



The pyramid-cover of the electric skillet (right) turns into a stirrer.

A copper pyramid stores a stirring cooking secret

Copper takes a tip from modern architecture and emerges as a new, pyramid-shaped electric skillet with a top that can be inverted and placed into an electrified vibrator stand for mixing gravies and dressings. The Teflon-coated skillet is one of a trio of prototype products that the Copper Development Assn. (CDA) will show to buyers at the January Housewares Show in conjunction with its retail-level Copper Corner promotional program.

The skillet prototype is in keeping with the current trend to no-stir, no-watch cooking that the housewares manufacturer is trying to bring to the housewife. Witness—Ronson's Cook 'N Stir blender and GE's FC-1 food cooker. And Westinghouse has built an automatic stirrer into a range.

Looking ahead to 1967, CDA plans to continue and expand the three-year-old consumer-oriented program. The selection of CDA prototype products now stands at 12, with more in the drawing board stage; and the number of participating retailers is also increasing.

Stressing the kinship between the

lively arts and housewares and decorative accessories design, CDA is at work on a traveling exhibit of copper housewares built around a collection of four copper and copper alloy sculptures that were commissioned by Revere Copper and Brass Inc.

Also included in the trio—which was designed by Witte & Leong Associates, of Princeton, N.J.—is a heating/lighting unit. Suspended from the ceiling, the unit radiates infrared heat to warm food set below; it also doubles as a light fixture. Underneath the warmer, CDA suggests using a three-unit, Teflon-lined server. Hexagonally shaped with removable tops, the copper units can be clipped together or used separately as casserole dishes.

Response to the earlier CDA consumer prototypes—which include a stacking canister set; a brass-trimmed toaster that folds out for use as a Teflon-coated grill; and a Teflon-lined skillet with a decorative bottom—has been favorable. Several manufacturers are now considering plans to produce some of the original nine prototypes. —Irene Kanfer



Food in the casseroles is warmed by infrared heat from the fixture above.

FLOORCARE NEWS

□□□□ **Look for more color to decorate vacs** in 1967, as floor care manufacturers seek to brighten up their product lines. Eureka-Williams reportedly will be showing colorful new vacs at the January Housewares Show; and Shetland, it is said, will drop in two new designs in its Fashionables lines of canister vacs.

Manufacturers are discovering that if the consumer is undecided on which of several vacs to purchase, she increasingly is being swayed by color and style—providing all other factors, such as price and cleaning power, are essentially equal. Hoover's color switch in canister vacs reportedly has helped the firm's sales.

Although other manufacturers are not as willing as Shetland to go all out with a Fashionables approach in canisters, most are recognizing the importance of splashing the lines with bright colors.

□□□□ **Look for the floor polisher to come alive** in sales and promotion during 1967, as manufacturers individually—and, perhaps, collectively—get behind the product that has never lived up to its potential. Shetland, for example, is planning to put major stress on its floor polisher line in a stepped-up advertising program for next year. The campaign, while attacking liquid waxes, will play up paste wax—and the paste-wax pads that come with Shetland polishers—as providing long-lasting shine.

Sunbeam will play up carpet cleaning for a new line of "floor conditioners" that provide a special, high rpm speed for producing dry foam. Sunbeam will show four new polishers—all with the special high speed, and two of them with an additional low speed for floor polishing. One model, which will be promoted solely as a rug shampooer, will carry a "full-margin retail price" of under \$30.

Regina Corp., another major floor polisher manufacturer, also is talking up its polisher line; the company believes the product category can do much better than a million unit sales a year.

Then, too, the Vacuum Cleaner Manufacturers Assn. (VCMA) is considering an industry-wide promotion behind floor polishers (MW, 5 Dec., p.5).

□□□□ **Look for new marketing programs in vacs**, as manufacturers seek to make their lines even more important to their retail accounts and distributors. Most floor care manufacturers have adopted every marketing trick in the book—from rebates to seasonal specials, from consumer premiums to dealer trips.

Look, too, for one additional manufacturer to go the exclusive distributor route by working through fewer, but well-chosen, distributors who will push and promote the line in their areas. The "Rome-ing" among distributors and direct-sell activities reportedly are over for this particular floor care producer.

□□□□ **Key moves:** ARMSTRONG CORK appoints Thomas M. Van Metre general sales mgr for the consumer products division; Lloyd E. Foster is named assistant general mgr and director of marketing for the company's international operations . . . W. J. HAGERTY & SONS names Claude L. Ashby controller . . . REGINA names Robert Godwin regional sales mgr for the West Coast; John E. Sheppard becomes sales rep for the Florida territory.



"It's good business to help colleges"

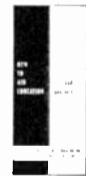
"The greatness of America stems importantly from our many fine educational institutions, and industry is critically dependent on their graduates.

"The du Pont Company hires a large number of college graduates each year. As these employees gain business knowledge and experience, they supply tomorrow's need for managers and leaders of our Company.

"In 1966 we will grant \$2,200,000 to 213 colleges and universities in all parts of the nation to help them educate leaders of the future. This represents the largest grant in the 48-year history of the du Pont Company's Aid-to-Education program."

Lammot du Pont Copeland, President,
E. I. du Pont de Nemours & Co. (Inc.)

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Design educator Jay Doblin:
The McLuhan of the design world?

Enter the "minor appliance" kitchen, where "minor appliances"—as opposed to major appliances—do all the food preparation.

"The pot is the burner," explains Jay Doblin, who is to industrial design what Marshall McLuhan is to the communications media.

Doblin is director of the Institute of Design at the Illinois Institute of Technology, in Chicago, where the minor appliance kitchen was created as a student project. It was financed by a grant-in-aid from the Sunbeam Corp., a major manufacturer of minor appliances.

The minor appliance kitchen was born out of the belief that the kitchen—as it exists today—is badly organized, and that appliances are too conspicuous.

"How to get rid of it" should be the design question facing industrial designers in the appliance field, Doblin maintains. "She (the consumer) should have fewer appliances and they should be invisible—unobtrusive," he explains, realizing he will endear himself to few major appliance manufacturers or, for that matter, retailers.

"There is probably no greater systems mess than the preparation of food in the home," Doblin believes.

Consumer research is the bible for Doblin, who likes to express consumer tastes in chart form and categorize consumers in terms of "progressive stimulus" (a Camel smoker, for instance) or "passive security" (a Kent smoker).

In researching the kitchen, Doblin and his students found there are "three major categories of items in the cooking system: food, information, and equipment. Food comes in a wide assortment of types and sizes prepared and unprepared, packaged, and unpackaged, etc. Information in the form of recipes is available to the housewife from a multitude of sources. The equipment in most kitchens lacks real control in such areas as temperature and timing.

"The appliances are not designed for food or for the information."

"Tried and true" cooking results from the lack of coordination among

food, information, and equipment, Doblin believes. The housewife rejects the infinity of possibilities and settles for the "Tired Twenty." "Our studies show that the average housewife serves about 20 different meals—she has a few pat breakfasts, a few lunches, and a dozen or so dinners that are 'tried and true.' The housewife knows the kids will eat them; they invariably turn out well because she has prepared them so often—and Dad goes along with them, too."

Out of this research, the minor appliance kitchen was conceived. The kitchen is organized into three centers: the food preparation center, the dining center, and the storage center.

The food preparation center finds the sink built into the middle of the cooking area. Here the "pot is the burner"—i.e., each electric pot is self-powered with its own controls. With the pots flanking the sink, they can be filled or washed in position with a rubber hose. In addition, lightweight foil liners are dropped into the pots and pans to reduce the cleaning problem: the liners are thrown away, the pots are flushed out in place. Metal stoppers in the bottom of each pot pull out for discarding waste directly into the disposal unit.

The eating center contains the flatware, napkins, and other table-service items in pull-out drawers. It contains an electronic oven for muffins, toast, and other table cooking.

Also included is a compact refrigerator for storing butter, cream, and other items used at the table.

The storage center has been designed as the "result of a careful inventory of many households to determine the amount and variety of foods needed. Freezer, refrigerator, and dry storage units are combined in one modular unit. There are also two dishwashers: one for everyday dishes, the other for special-occasion china and glassware. This enables the china and glassware to be washed and stored in position. The entire storage center is well-mounted at a convenient working height.

"Rather than scatter these (storage) units at random all over the kitchen and pantry," Doblin explains, "all these are brought together for easy location and inventory."

The finished kitchen, as Doblin envisions it, will have a "warmer" look than the pictured prototype conveys. Doblin suggests "Mediterranean moldings" for a "wood-grain look," and perhaps even gaslights for a decorative touch and a bit of nostalgia.

Doblin stresses "warmth" in his product design approach because he has found that the word "warm" is most often used by women to describe a product they like. If they do not like it, they often describe it as "cold." Therefore, in the minor appliance kitchen, the "clinical laboratory" approach to organization would be offset by the "warm look" of wood.

Everything is sized down in the Institute of Design kitchen: the major appliances have gone modular and are actually "minor appliances"—somewhere between electric housewares and major appliances, and fair game for both industries.

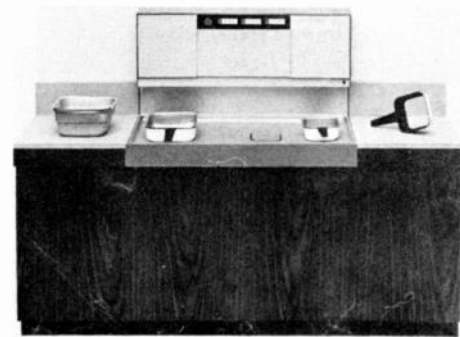
(Sunbeam Corp. officials, incidentally, have disclaimed any interest in joining General Electric and Westinghouse as a producer of both major appliances and electric housewares. However, this apparently would not rule out entry into the modular appliance—a minor appliance—field.)

Doblin is proud of the work of two students on the storage problem: their approaches are shown below.

In addition to finding that storage space is scattered impractically, research turned up the fact that something like 1,500 items are stored in the typical kitchen. "There was no organization to this, and inventory and location became difficult for the housewife," Doblin notes.

Storage gets second-class space—such as undercounter and overcounter areas, both of which are difficult to reach—in most kitchens. Furthermore, "much refrigerator and freezer space is awkward to reach and has poor eye-level," according to Doblin.

Kenneth Larson, one of the students, inventoried all the foods required to feed a family of four. He considered the categories on a square-footage basis and rearranged the



A range with disposable pots and pans



Storage center brings organization to all types of food



Centers of attraction in the minor appliance kitchen: dining, food preparation and storage

food in general storage areas, such as refrigerated, frozen, dry, and canned; then he designed a convenient eye-level modular unit that stored and inventoried everything. "The housewife could find, retrieve, or replace anything with little difficulty," Doblin says.

Another student, Edmund Kozlowski, came up with the idea that dishes and flatware could be stored where they are washed. "He found it enigmatic that they should be washed in one place and stored in another," Doblin explains. "To overcome this difficulty, he designed a double dishwasher that holds the everyday service on one side and the good service on the other. The housewife may wash either or both sets so that all are clean and handy."

The problem of pots and pans—especially the cleaning aspect—was tackled by still another student, Joe Ouye. Doblin explains:

"Although the dishwasher can easily take care of dishes, flatware, and glassware, it is unable to cope with pots and pans. In addition, there is also the problem of storing pots and pans. Commercial restaurants have solved this by hanging them on racks, but in the home it is usually solved by shoving them into clanking drawers.

"Joe Ouye solved this problem by designing a range that uses three pan holders, which snap into place on the burners. The pan holders are lined with either aluminum or steel foil in two heights, making for six

possible capacities. The liner is held firmly against the burner surface, distributing heat evenly.

"After the pan liner is used, it is simply crumpled up and disposed. Extra pan liners are stored in stacks of 50 inside the doors on the upper part of the range."

The minor appliance kitchen is not perfect, Doblin readily admits; but he believes it goes a long way toward solving some of the problems facing the housewife by bringing organization to the kitchen. "There are no means of roasting a turkey or dealing with the whole side of a watermelon," Doblin confesses. "About two or three things our family is not going to be able to deal with."

"But you do get rid of all the heavy electronic gear—the heavy machinery."

Doblin uses formulas—or equations—to express his design theories, which he has combined and entitled "the U.S.A. theory of design."

U+S+A=V: Utility, plus Sociology (or social meaning), plus Aesthetics, equal Value.

Utility is simple: it is the "measured performance" of a product.

Social meaning is more difficult, more elusive, in that it involves "ascribed symbols" that constantly change. "Tail fins come and go," explains Doblin. The social meaning of a product "fulfills a human need in self- and social-identification.

"We carry on our relationships with social symbols," Doblin adds,

citing the *Games People Play* best seller. "Role-playing is carried on with products."

Aesthetics entails the visual appeal of the product. "Ornateness has been a traditional symbol of elegance," Doblin offers as an example.

He carries his formulas further.

U=S provides an example. "Utility of the product is inversely related to its social meaning," Doblin explains—quite seriously.

Consider overalls, for example. The "subjective utility" of overalls drives down the social meaning and the value of the product. However, utility—by itself—need not reduce the value of a product; it can add to it. Permanent-press qualities might be considered a utility that adds to product value—whether in a high-style pair of pants (with high social meaning) or in overalls (with low social meaning).

"Social meaning drives up the value of the product, while subjective utility drives it down. Utility works horizontally," Doblin stresses.

STIMULUS and SECURITY types are the main classifications by which Doblin charts the American consumer. There are degrees; and the chart actually reads in the following way: "Progressive—STIMULUS—passive SECURITY—progressive." All consumers fit somewhere along this line, with the bulk in the passive area between STIMULUS and SECURITY. "Most of our society is passive," Doblin has concluded.

About women, he explains: the SECURITY-oriented woman is interested in keeping her house in order—that is her role-playing. The STIMULUS woman is self-oriented and ultra-feminine, and, therefore, will respond to a different marketing approach from the SECURITY-oriented woman.

In applying this theory to products, Doblin's research has indicated that, as noted, a Camel smoker is basically a STIMULUS consumer, while a Kent smoker is a SECURITY smoker. "A Ford Mustang is over on the STIMULUS side, while Chrysler may be doomed in the SECURITY

area." (General Motors' Chevrolet occupies the great "middle ground" that hovers between STIMULUS and SECURITY, as do Winston and Pall Mall among cigarette brands.)

"Visual illiteracy" plagues most consumers, Doblin believes; and, for this reason, many manufacturers and their industrial designers are forced to "junk up" their products with what he calls "controlled clutter."

He cites the Polaroid Swinger camera as an example. (The Swinger is the firm's low-end model, which retails under \$20.) Doblin maintains that the Swinger has nine exterior pieces that add nothing to the utility of the product but increase its manufacturing costs by 35%.

"The educated eye (for product design) has less need for the junked-up," Doblin notes.

Loving cups vs. machinery: Referring back to the consumer's use of the word "warm" in describing a product she likes, Doblin stresses that many manufacturers are missing the boat with their modern product designs. The consumer, he says, is rejecting modern design because, too often, it is too sterile—too masculine.

"She doesn't want a piece of machinery. She wants a loving cup.

"We believe in modern design," he adds, "but there is nothing warm in many modern product lines."

In housewares and major appliances, Doblin sees a disturbing design trend toward "proliferation of gadgets" on the industries' products.

He sees too many manufacturers—and their designers—working under the theory that "the more you cram into a product, the more the customer is willing to pay."

"How much garbage do you want on these things?" he asks.

Instead, the housewares and major appliance industries should be producing "higher quality appliances that are really useful." And the industries should be working to build more "social meaning" into their products.

And, if you drink to that—do it out of a loving cup!



Double dishwashers also serve as china and glassware storage cabinets

HOUSEWARES

Fieldcrest introduces a clock-controlled blanket

Fieldcrest's latest bedtime story is Reveille, an automatic blanket with an electric alarm clock in the temperature control unit (MW, 19 Sep., p.30).

The control unit shuts the blanket off before the alarm sounds; but a touch of the "Drowse-Alarm" button permits an extra 10 minutes of sleep before it sounds again.

The new Reveille blanket is available in five sizes equipped with dual temperature control for the dual-, queen-, and king-size models. It is made of 100% acrylic. The retail prices for the blanket start at



\$27.50 for the twin size models. Fieldcrest, 60 W. 40th St., New York, N.Y.

Oneida gives melamine dinnerware a new look

Melamine dinnerware will show off a new shape at the January Housewares Show. Described as the "handsomest melamine this side of china," the new 45-piece sets will feature rim-shaped dinner plates, bell-shaped dual-tone cups, extra-capacity soup bowls, and a total of 26 decorated pieces.

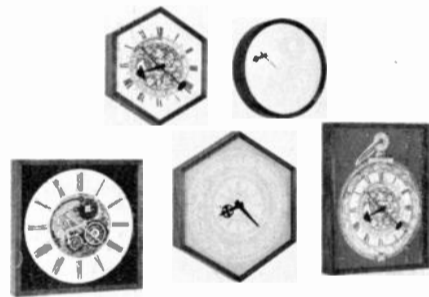
The new shape is slated for a February retail debut in four new pattern designs: Royal Blue, Venetian Splendor, Vera Cruz, and Classic Beauty. The four new designs will fit into Oneida's Deluxe line and retail at \$44.95 for a 45-piece service for eight. Oneida Silversmiths, Oneida, N.Y.



Howard Miller picks up a stitch in time

The Howard Miller Clock Co. has introduced a new collection of clocks that indicate phases of the moon, days of the month, and the hours of daylight at any given location on the globe.

Designed by Arthur Umanoff and nationally distributed by Richards Morgenthau, the clocks are in oiled-walnut cases and are available in colors as well as black and white with hard-surfaced faces that require no protective-glass covering. The clocks range from a 13-inch-diameter round to 20-inch hexagonal shape and carry retail prices from \$27.50 to \$32.50 for electric models



(battery models are priced \$10 higher). Howard Miller Clock Co., Zeeland, Mich.

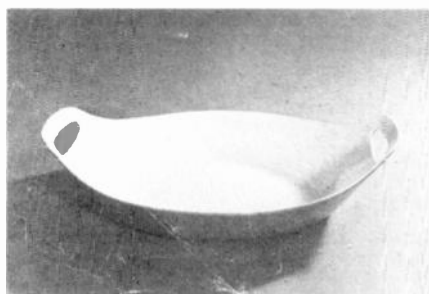
Corning Pyrex ware takes a historical fashion cue

Corning's Pyrex Hearth Group—mugs, bowls, and bake-n-serve sets—will be dressed in an Early American motif. The Hearth Group will retail from \$1.75 for mugs to \$4.95 for the 2½-qt. Brittany Blue bake-n-serve set—a deep dish with a shallow, roll-warming top. Packaging for the Hearth Group will feature a 4-color use panel; other panels on the box will carry out the Early American theme. Corning Glass Works, Corning, N.Y. 14830.



Copco prepares a gourmet cooking and serving dish

Copco will add a Spanish flavor to the January Housewares Show with the introduction of Paella, a new cooking and serving dish (MW, 21 Nov., p.30). Available in blue, orange, yellow, olive or white, the dish is 14 inches in diameter and holds 3½ qts. Made in Denmark, the porcelainized, cast-iron dish, will retail at about \$20. Copco Inc., 230 Fifth Ave., New York, N.Y. 10001.



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	October	506,899	534,387	- 5.14
	10 Months	4,614,414	4,132,011	+ 11.67
Vacuum Cleaners	October	506,899	534,387	- 5.14
	10 Months	4,614,414	4,132,011	+ 11.67
HOME LAUNDRY				
Dryers, clothes, elec.	October	201,273	184,083	+ 9.34
	10 Months	1,334,157	1,075,947	+ 24.00
Dryers, clothes, gas	October	96,633	95,023	+ 1.69
	10 Months	621,128	547,451	+ 13.46
Washers, auto & semi-auto.	October	361,669	347,757	+ 4.00
	10 Months	3,403,929	3,126,463	+ 8.87
wringer & spinner	October	45,940	49,415	- 7.03
	10 Months	452,429	493,083	- 8.25
OTHER MAJOR APPLIANCES				
Air Conditioners, room	October	80,000	18,800	+325.53
	10 Months	2,995,300	2,253,900	+ 32.89
Dehumidifiers	October	4,000	3,300	+ 21.21
	10 Months	229,200	197,800	+ 15.87
Dishwashers, portable	October	64,000	55,800	+ 14.69
	10 Months	362,700	288,400	+ 25.76
under-counter, etc.	October	89,000	64,300	+ 38.41
	10 Months	784,100	637,300	+ 23.03
Disposers, food waste	September	124,400	149,400	- 16.73
	9 Months	980,600	1,003,500	- 2.28
Freezers, chest	October	32,000	39,400	- 18.78
	10 Months	381,500	380,600	+ .24
upright	October	54,000	65,900	- 18.06
	10 Months	564,800	572,400	- 1.33
Ranges, electric	October	171,000†	163,300	+ 4.71
	10 Months	1,705,400	1,663,500	+ 2.52
Ranges, gas	October	176,600*	214,600	- 17.71
	10 Months	1,811,600	1,876,400	- 3.45
Refrigerators	October	404,000	396,100	+ 1.99
	10 Months	4,133,200	3,896,500	+ 6.07
Water Heaters, elec. (storage)	October	88,000	90,300	- 2.55
	10 Months	878,900	910,200	- 3.44
Water Heaters, gas (storage)	October	224,510	231,910	- 3.19
	10 Months	2,137,830	2,159,210	- .99
CONSUMER ELECTRONICS				
Phonos, port.-table, distrib. sales	December 2	155,999	135,055	+ 15.51
	48 Weeks	3,754,396	3,472,841	+ 8.11
monthly distributor sales	October	618,157	452,779	+ 36.52
	10 Months	2,973,001	2,840,257	+ 4.67
Phonos, console, distrib. sales	December 2	46,557	52,061	- 10.57
	48 Weeks	1,601,305	1,493,854	+ 7.19
monthly distributor sales	October	154,349	175,381	- 11.99
	10 Months	1,400,411	1,252,881	+ 11.77
Radio (ex auto), distrib. sales	December 2	341,356	383,981	- 11.10
	48 Weeks	12,467,284	11,934,649	+ 4.46
monthly distributor sales	October	1,263,059	1,546,218	- 18.31
	10 Months	10,940,874	10,289,387	+ 6.33
B&w Television, distrib. sales	December 2	143,043	155,894	- 8.24
	48 Weeks	6,537,475	7,417,425	- 11.86
monthly distributor sales	October	575,419	880,822	- 34.67
	10 Months	5,881,904	6,492,461	- 9.41
Color Television, distrib. sales	December 2	120,893	65,647	+ 84.16
	48 Weeks	4,192,231	2,459,664	+ 70.44
monthly distributor sales	October	482,956	321,919	+ 50.02
	10 Months	3,585,999	2,107,838	+ 70.13

* October Gas Range total includes: 125,800 free-standing ranges; 20,800 high-ovens; 14,200 set-ins; and 15,800 built-ins.
† October Electric Range total includes: 109,000 free-standing ranges and 62,000 built-ins.

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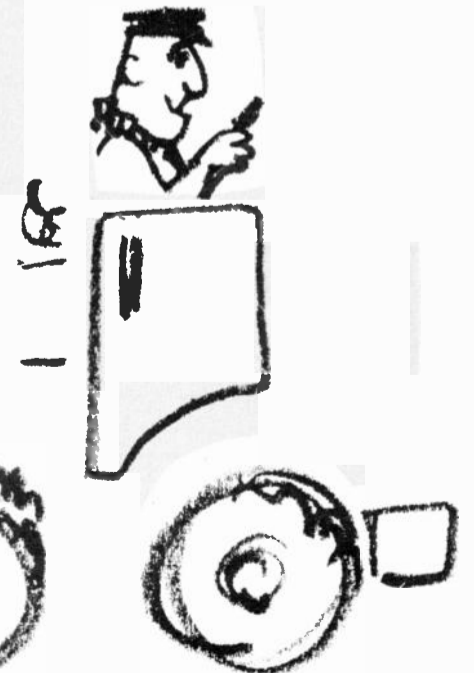
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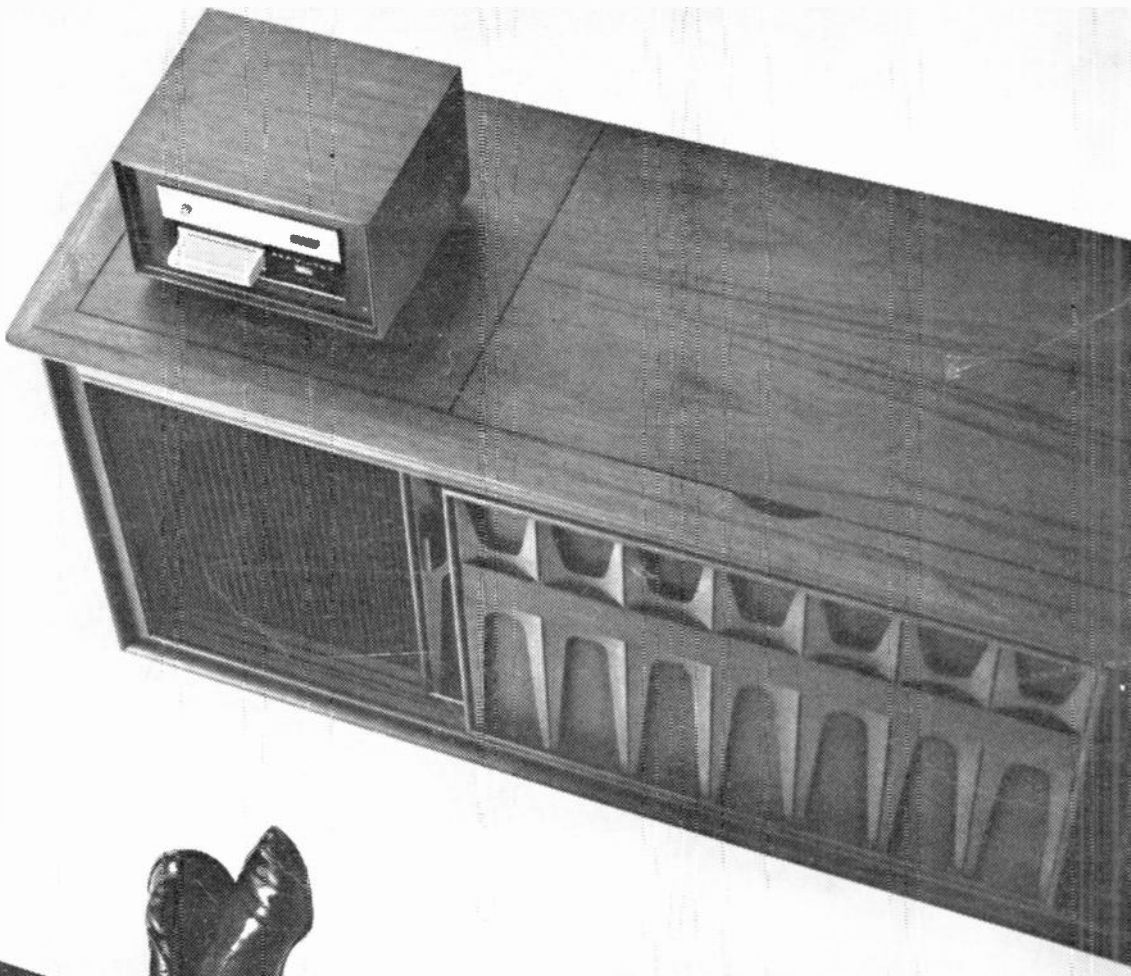
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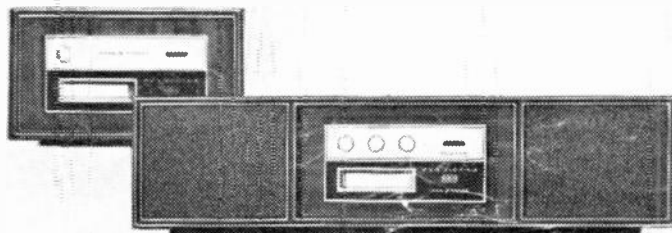
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