MAY 22, 1967

MERCHANDISING WEEK

EDITED FOR THE CONSUMER ELECTRONICS, APPLIANCE, AND HOUSEW ☐ READ BY THE RETAILERS ☐ A BILLBOARD PUBLICATION ☐ PRICE 50 CENTS VOL. 99 NO. 21

NEXT WEEK

A report on new dimensions plastics are destined to bring to consumer electronics merchandising

GENERAL ELECTRIC REFRIGERATORS OFFER YOU...

"Some

"Get-something-extra" SALE

New 'No Frost 15' with Auto-Fill Icemaker-PLUS WHEELS!

MODEL TBF-15D—14.6 CU. FT.
LOW-PRICED AT ABOUT

$299.95

Subject to fair trade where applicable. Prices may be slightly higher in the West.

BONUS FEATURE AT NO EXTRA COST... It's on six sturdy wheels—refrigerator rolls out for easy cleaning. Adjustable "base stops" fix it to the floor...so it never strays out of position. Exclusive from GE!

- **AUTO-FILL ICEMAKER** refills itself automatically; no more filling and spilling of ice trays. First time ever in this model!
- **BIG 14.6 CU. FT. CAPACITY.** Refrigerator section has plenty of shelf area, includes slide-out shelf.
- **BIG ZERO-DEGREE FREEZER** holds up to 145 lbs. Jet Freeze Ice Compartment freezes cubes extra fast, protects ice trays.
- **NO DEFROSTING EVER** in freezer or refrigerator.
- **FITS FLUSH AGAINST WALL.** No coils on back to take up space or collect dirt.
- **CHOICE OF COLORS:** New Avocado, coppertone, white. Right- or left-hand doors.

Quality service wherever you live.

HURRY! QUANTITIES LIMITED!

GENERAL ELECTRIC

This ad appears in LIFE on newsstands June 5th and July 10th, and in SATURDAY EVENING POST on newsstands June 20th.

thing extra"

'No Frost 15' with Auto-Fill Icemaker—plus wheels...backed by an all-out advertising and promotion campaign!

It's not just another no-frost model, but an *extra-special* refrigerator with the sales appeal of an Auto-Fill Icemaker and a *bonus feature at no extra cost:* It's on wheels! It rolls right out for easy cleaning!

Model TBF-15D is specially built to offer you and your customers SOMETHING EXTRA at an extraordinarily low price. It's available right now—in limited quantities.

To help you cash in on this sensational sales maker, colorful, exciting big-space SALE ads in LIFE and THE SATURDAY EVENING POST will be telling your customers about this remarkable value.

And there's a whopping big package of display and merchandising aids, including newspaper ad mats—so you can tie in with the No-Frost Promotion of the year!

Get set now to participate in this great SALES push—and watch how SOMETHING EXTRA shows up in *your* sales figures!

TBF-15D Refrigerator-Freezer will be prominently featured in full-color spread in LIFE on newsstands May 29th.

Variety of newspaper ad mats for effective tie-in with an aggressive national advertising campaign.

GENERAL ELECTRIC

Colorful display materials provide you with SOMETHING EXTRA at the point-of-sale.

This little  device is making big news in radios.

It's the Panasonic capistor (actual size shown). New. Unique. Small though it is, the capistor could give your sales a good-sized boost.

It makes possible two new kinds of radio tuning that are easier—and more accurate—than the old fuss-by-hand method.

Why? The capistor is a new type of solid state device, which avoids the drawbacks of mechanical tuning. Lets a radio tune itself *electronically*.

Your selling job is literally a soft touch. You can demonstrate Panasonic's two new types of electronic tuning with one finger.

Electronic memory tuning.

Only in Panasonic capistor radios like the R-1500 AM portable (below at left). Pre-select your favorite stations. Then, to tune in, just press a button. The radio "remembers" your choice—pulls in your program instantly. Electronically. *Precisely.*

Electronic automatic tuning.

Only in Panasonic capistor radios like the new RE-1125 AM table/desk model (below at right). Ends guessing, fumbling, grappling with knobs. Touch the auto-tuning lever. Zzzzip—the tuning arrow moves automatically to the next station on the air. Delivers your strongest signal clean and clear, in a split second.

Talk to your Panasonic representative about our capistor radios. And the other exclusives in our '67 line. And our full profit margin for the dealer.

You'll see Panasonic provides pleasant sales surprises—in many sizes.

PANASONIC®

EASTERN SALES/PANASONIC NEW YORK
43-30 24th St., Long Island City, N.Y. 11101 (212) 973-5700

MID-WEST SALES/PANASONIC CHICAGO
4615 N. Clifton Ave., Chicago, Ill. 60640 (312) 784-2200

WESTERN SALES/NEWCRAFT, INC.
8692 Wilshire Blvd., Beverly Hills, Calif. 90211 (213) OL 5-5160

HAWAII/MATSUSHITA ELECTRIC OF HAWAII, INC.
205 Kalihi St., Honolulu, Hawaii 96819. Phone 852-928

□□□□ **Waste King will get a financial booster shot** from its merger with the Union Corp. Industry analysts regard the purchase of the home goods manufacturer, with an annual volume of $30 million, by the $20-million-volume firm of diversified manufacturing interests as a much-needed source of adrenalin for the former's ailing profit condition. Waste King, which produces food waste disposers, dishwashers, and gas and electric cooking equipment, reported operational losses for the 9-month period ending Mar. 31. The acquisition is the ninth for the Union Corp. since 1963. Waste King management will be retained, and the company will operate as an autonomous subsidiary of the parent.

□□□□ **Gibson's new line has new prices—2.5% higher,** on an average, than those for its 1967 line. The major appliance division of the Hupp Corp. is the third manufacturer to hike prices since May 1, following General Electric-Hotpoint and Whirlpool. Laundry equipment, ranges, refrigerators, and air conditioners will be affected, with increases ranging from 2% to 7%. Gibson announced its decision concurrently with its 1968 line introduction in Washington, D.C.

The line includes three new side-by-side refrigerator-freezer combinations, the first of their kind from Gibson. The units measure 31 7/8 inches wide, and all have 19-cu.-ft. capacities. Prices range from $398.80 to $469.

□□□□ **Hitachi's new stereo mini-radio**—billed as the industry's smallest 17-transistor, AM-FM, solid-state unit—was unveiled last week. The radio, called the Traveler, will be placed on the market for Father's Day promotion at a suggested retail price of $79.95, complete with AC adaptor. The Traveler has swing-out extension speakers, four IF stages, built-in AFC circuitry, and provision for external speakers. Total weight of the new mini-radio, including batteries: 4½ lbs.

□□□□ **A new video tape recording concept** has been introduced by Newell Assoc. Inc. The research and development corporation has developed a prototype recorder using a 3-inch b&w monitor and an automatic stereo tape changer based on its concept: the Newell Principle. According to the company, recorders using the new principle would have an extremely simplified tape transport with only three basic rotating parts. Both the vtr and stereo changer would be self-threading and would not require cartridges or flanged reels. Instead, they would use "reelettes," spools less than 2 inches in diameter, to provide up to 44 minutes of play. The first vtrs produced would probably cost about $1,250, according to Chester Newell, president, "but are expected to sell for under $500 within the next few years." Production models of the automatic stereo changer would sell at under $300, he says. General Recorded Tape reportedly has secured rights to duplicate the reelettes. Rights to manufacture the recorders, says Newell, are being let to "major electronics corporations."

□□□□ **The economic picture may get worse** before it gets better, according to a panel of financial editors at last week's Annual Credit Congress, in Chicago. The panel generally agreed that those who foresee a business upswing in the second half may be disappointed.

Harold B. Dorsey, author of the *Washington Post's* "Investment View," indicated that the current period of recession may be only a prelude to bigger economic declines, as private product emphasis gives way to government production for defense purposes. J. Roger Wallace, associate editor and economist of the *Journal of Commerce*, suggested that the last part of 1967 might bring a "moment of truth," as competition, domestic and foreign, heightens severely in the U.S. marketplace. According to William Clark, financial editor of the *Chicago Tribune*, business may find some help in the second half from a slight pickup in home starts, but the assistance will not be enough to offset a "down year" for the U.S. economy.

□□□□ **Major appliance factory shipments fell 3%** in April, while the 4-month total through Apr. 30 of 1967 was nearly the same as the corresponding period in 1966, according to the Assn. of Home Appliance Manufacturers. Total shipments for April dipped to 1,830,400 units, while those for the first four months remained close to last year's approximate figure of 7,167,000. In breakdowns by appliance, room air conditioners proved to be the biggest seller: 587,900 units were shipped in April, up 59%, and 1,918,100 were shipped during the 4-month period, up 45%. Not faring so well were electric ranges, down 16% for the month, 33% for the period; refrigerators, down 18% and 12%, respectively; and automatic washers, down 23% and 8%. Dryers and portable dishwashers fell in shipments for April, but rose for the 4-month period.

GE launches a search for 90,000 problem color tv sets

The General Electric Co. is modifying approximately 90,000 large-screen color tv sets (18 inches and up) because of X-radiation problems.

The sets involved—which have already been sold to consumers—were produced between June, 1966, and February, 1967, and may emit soft X-radiation in excess of desirable levels, the company said.

The emission—from the regulator tube—is directed toward the floor and not at the viewer. The picture tube is not involved, GE explained.

"Nationally recognized radiological health experts have confirmed preliminary company findings," a GE spokesman said, "that the emission has not been sufficient to cause harm to viewers."

GE's plan: the company is mobilizing its entire distributor-dealer organization to locate purchasers of these sets. The GE field service organization is already contacting those consumers who bought these color models since last June and will make in-home modifications without charge. GE hopes the program will be completed by the end of July, and wants set owners to contact dealers or servicemen if their sets have not been modified by that time.

The modification involves the replacement of the regulator tube and adjustment of the set's power supply. General Electric says its own quality control test uncovered the X-radiation problem.

The company emphasized that no black-and-white units, no Porta-Color models, and no sets purchased before June, 1966 are involved.

GE also took the additional step of notifying the National Center for Radiological Health (NCRH) of its problem.

"Studies made by the Center of several tv sets during the past six months did not give rise to concern," according to James G. Terrill Jr., director of the NCRH. "All of the sets tested gave off radiation well below the limits (.5mR per hour) recommended by the National Council for Radiation Protection.

"As of now, there is no evidence in NCRH to suggest that any tv receiver manufactured by GE, or tv sets made by other companies, have excessively exposed viewers of tv sets."

Sets currently in dealer and distributor stocks will be modified at no charge before being sold to the public. GE would not estimate how many sets at these levels of distribution would have to be modified, but did say that 18-, 20-, 22-, and 23-inch color units may be involved.

Merchandising Week is published by The Billboard Publishing Company, 165 W. 46th St., New York, N. Y. 10036. Subscription rate: annual rate, $6; single-copy price, 50c. Second class postage paid at New York, N. Y., and at additional mailing offices.

Philco-Ford opens its

diamond jubilee

at Las Vegas

WASHINGTON NEWS

□□□□ **A National Commission on Product Safety** seems well on its way to approval by Congress this year. The bill—co-sponsored by Warren G. Magnuson (D-Wash.), chairman of the Senate Commerce Committee, and ranking Republican Senator Norris Cotton (N.H.)—has a minimum of opposition. It failed to win approval in the last Congress only because of a last-minute rush for adjournment.

The measure, already through the Senate Commerce Committee, would create a 7-man commission to identify those categories of household products that present an unreasonable risk of injury. The commission, which would have $2 million to conduct its study, would report back by Jan. 1, 1969, on the degree of self-regulation in the industries involved and the adequacy of current laws.

Magnuson identifies some of the product areas to be investigated: electrical appliances, home workshop equipment, power lawn mowers, stoves and heating devices, and a variety of relatively new products ranging from glass-fiber curtains to non-returnable bottles.

□□□□ **A tax increase of major proportions**—even larger than the 6% surcharge proposed by President Johnson earlier this year—may be in the making. The reason simply is that costs of the war in Vietnam are rising—and at a far more rapid rate than most Administration officials had anticipated.

The latest word is that prosecution of the war will cost some $5 billion more than had been expected in the fiscal year starting July 1. This would leave the government with a budget deficit in excess of $15 billion, something that even those who advocate massive federal spending to boost the economy find difficult to tolerate.

The only answer in sight is a substantial tax boost on both individuals and businesses. The Administration will make its move later in the year, when, it hopes, fears of a recession will have disappeared.

□□□□ **The appliance industry will be relatively free** of scrutiny by the Federal Trade Commission (FTC) in fiscal 1968, if current FTC plans hold. Chairman Paul Rand Dixon unveiled his long-range plans in just-released testimony before a House appropriations subcommittee—and he makes no direct reference to the appliance industry.

Dixon does mention forthcoming investigations into the pricing of tv tubes, alleged resale price maintenance by several furniture manufacturers, tying agreements in the sale of office equipment, and below-cost selling by steel companies. These and other potential inquiries are mentioned to support the FTC's request for funds for the fiscal year beginning July 1. They are not necessarily all-inclusive: the Federal Trade Commission can start a new inquiry at any time.

□□□□ **Cheaper products from abroad** will be the result of successful Kennedy Round international trade negotiations at Geneva—although the lower tariffs will be some time in coming. The average duty reduction negotiated by the 53 nations (which represent approximately 80% of international trade) amounts to 33%. Importers certainly will be able to reduce their prices by that amount when the agreement goes into effect—within the next year or so. More than 60,000 products and commodities, including consumer hard goods and components, will be involved in the reduction.

Daddy Morebucks

Wouldn't it be funny if he needed a bigger bathtub this Summer?

It all began with a rumor that reached the man's ears.

The story went that those dealers who handled Channel Master products had a pretty good deal.

That the radios—the tape recorders—the portable radio-phonos—and the walkie-talkies—were jam-packed with quality and terrific performance.

And that a lot of the jam was rubbing off on the dealers' hands as mighty sweet profits.

(Sweeter than anybody else's in the electronic entertainment field).

So the man went hook, line, and sinker for Channel Master.

Next thing he knew he was swimming in money.

That's when non-Channel Master dealers became jealous and started calling him Daddy Morebucks.

If you'd like us to be your Sugar Daddy this Summer, drop your Channel Master distributor a line.

Wouldn't it be funny if you needed a bigger bathtub?

What a wrap-up! If any Channel Master transistor radio, tape recorder*, or walkie-talkie proves defective within **120** days, we will **replace** it instantly, free of charge. (If any other brand can match this statement, we'll throw in the towel.)

*Except Models 6430, 6431.

Daddy's playmate: Model 6436, 15 transistor 4-Band Portable. Left to right: Model 6464, Portable Tape Recorder (battery or AC). Model 6453, Disco-Take 2-speed FM/AM Radio/Phono-Port. Model 6554, 100 mw Walkie-Talkie. Model 6448, Micrette-7 Radio.

CHANNEL MASTER

ELLENVILLE, NEW YORK

□□□□ **The steady march of integrated circuits:** Philco-Ford will show an IC color console at its sales convention this week in Las Vegas. The IC will be used in the remote-control system, the first such application for integrated circuitry in this area. RCA is already using ICs in the audio stage of tv sets, and Electrohome has just introduced them in the automatic fine-tuning control of some new models. Among Electrohome's suppliers: Texas Instruments and General Instruments.

Philco-Ford is also reportedly introducing a dozen tape recorders, including 8-track cartridge players and cassette player-recorders. Suggested retail prices will range from $75 to $200. The company will also show its first line of transceivers, priced from about $20 to $90.

□□□□ **A Service Technician Development Program** has been started by the Electronic Industries Assn. (EIA) to recruit, train, and upgrade electronics technicians for retailers and service companies in the industry. The EIA described the program as "an effort to provide adequate service support for the increasingly numerous and complex products of the consumer electronics industry." Henry T. Paiste Jr., former vice president for service at Philco-Ford, has been named program initiator and consultant.

In a related area, Admiral reported that a record 6,250 service technicians attended its electronics service clinics between June, 1966, and May, 1967. Most of the seminars were headed by the company's field engineers or graduates of the Admiral Electronic Service Training Center, in Bloomington, Ill. Admiral plans to offer personalized training to retailer servicemen before the end of the year.

□□□□ **Magic Chef plans a June "Sell-A-Bration":** a range campaign for dealers to mark the 50th anniversary of the introduction of foundry heat range-component production and the beginning of mass-manufacturing techniques in home appliances. The promotion—which will feature six new coppertone range models with chrome tops—will be emphasized in tabloid mailers, price stickers, and newspaper ad mats.

□□□□ **Side-by-side, self-cleaning convenience** comes to electric built-in ovens with the introduction of a new unit from Thermador. Either of the two ovens in the side-by-side arrangement may be set for cleaning, while the other is used for regular oven cooking. Like Thermador's other self-cleaners, the new model features a single-blower exhaust system. The side-by-side has a suggested list of $736.75—plus the doors, which are sold separately and at various prices.

□□□□ **GE has introduced its first 1968 color tv set.** The new 18-inch table model (M260BN) features automatic fine tuning and carries an open list price. GE's first 18-inch color table model, introduced last year, offers a few more features than the new unit, and has a suggested list price of $399.95.

□□□□ **You can now take your portable radio swimming** without getting it wet. Westinghouse will package two transistor radio models (902P6GP and 914P8GP) in a sphere-shaped, polyfoam float, called Beach-Buoy. The waterproof, buoyant container is nine inches in diameter, and can also be used as a beach ball or to keep a watch dry.

Teenagers examine the furnishing

"Basic Beauty" poses with hair dryer

Electric's become a special event at Co-ed's Design Happening

A Design Happening is *Co-ed* magazine's title for a pilot program devised to lure Young America into the department stores—and into the often-neglected housewares and radio-tv departments. The *Co-ed* campaign combines the fashion, beauty, and home furnishings items familiar in storewide promotions with the electric products so often ignored in these events.

When the program is packaged, outlined, and shipped off to between 150 and 200 department stores this fall, radio-tv and housewares buyers would do well to try to get in on the act.

Here's how the happening worked at the National Design Center, in New York City, last week:

The 100 girls who attended were greeted with hip music from a General Electric portable phonograph, psychedelic lights and four vignettes presided over by models selected from local high schools.

The vignettes combined furniture, fashion, and electrics keyed to four different themes: the Beautiful Sport showed a director's chair, a bear rug, a pant suit, and a GE transistor radio; the Storybook Heroine had wicker furniture and voile print dresses (no electrics here, but a portable phono or electric hairbrush would fit in well); the Basic Beauty included a window seat, a button-down dress, and a Westinghouse hair dryer; and the Now Girl displayed vinyl cushions, a Pepsi bottle vase, and mini dresses (with room for, say, a cartridge tape player). The narrator told the story and showed supplementary slides, while the high school girls acted out suitable characterizations.

At the end, each girl received a shopping bag filled with manufacturer brochures, information on the products shown, and a "taste test" to help her determine which of the four types most suited her fancy.

Door prizes tied in with electrics, too. One was a Westinghouse hair dryer.

Electrohome designs 1968 line with a touch of tomorrow

Integrated circuits (ICs) are one power behind Electrohome's 1968 stereo and tv line. ICs are everywhere—even in places that IC pioneers like Arvin, Andrea, Fisher, GE, Panasonic, Philco-Ford, RCA, Scott, Sony, and Westinghouse have not put them before. With Electrohome's line introductions, ICs appear for the first time in automatic fine tuning sections of color tv sets: 12 of 15 color sets contain an IC in this section.

In the stereo console line, ICs crop up in the FM stage: 16 of 20 stereo consoles contain at least one IC each; two of the 16 use two each.

New uses of ICs are all part of Electrohome's futuristic thinking in design and engineering. In design, this approach is reflected in the Circa 75 series. Star of the series—a circular console shown last year as a prototype of things to come in the Seventies—has been engineered and produced for the 1968 marketplace.

Called the Circa 703, the console comes in natural walnut or oiled teak, measures 36 inches in diameter, and is priced at $599.95. It will be marketed with two optional modern black chairs with speakers in the wings. When the Circa 703 is hooked up to the chair speakers, the sound is audible only to a listener seated in one of the chairs. Each chair will retail at $299.95.

New in design, too, are three stacked armoires in French Provincial, Early American, and Spanish styling. The top sections of the armoires—or hutches—contain complete stereo systems for the consoles; each hutch retails at $699.95. The bottom sections of the armoires—either matching music storage libraries at $199.95 each or matching color tv consoles—serve as the base on which the hutch is stacked to form the completed armoire.

Also new in 1968: Electrohome's first 20-inch color set, which will retail at 599.95.

Circa 703 console with Sound Chair

The trouble with color tv: probing past errors, predicting future gains

The awful muddle created by an unexpectedly soft color tv market this year effectively points up some lessons for the future. The most astute analysis thus far of the color tv sales pattern has been presented by David J. McCarty, market research manager for the RCA Sales Corp. Presented here are the pertinent points on the current situation, excerpted from a speech McCarty gave before the American Statistical Assn., in New York City, in late April.

Let's imagine, if you will, that the time is Jan. 1, 1965. The economy is rolling along in high gear, with very few doubts as to the future, and these rise only because of the many months of expansion which have already taken place. The economists are telling us that we don't need to worry about these few doubts. The large escalation in Vietnam, the possibility of higher taxes, big inflation, and other gloomy considerations have not yet begun to enter the picture. And our tv business has just come through one of the most successful fall selling periods of all time. Color tv in particular has sailed right through the traditional sales dip in November without even so much as a slight pause.

There is a definite limitation on the industry's capacity to produce color picture tubes and an unknown ability to assemble the sets, even if the picture tubes are available. Saturation of U. S. households on Jan. 1, 1965, stands at just about one in 20 families in the U. S. owning a color tv set. There is good promotion at the dealer level, distributors are active, sets are reliable, servicing is adequate, and programming in color is being increased continuously. And all the factors together add to a picture of a boom emerging in color tv.

David J. McCarty was named market research manager for RCA Sales Corp. in 1961. He is also serving on the Council of Marketing Directors for the National Industrial Conference Board.

From a forecaster's standpoint it added up to the need—a very pronounced need—for a fresh look at the long-term demand curve of consumers' purchases of color tv sets. And this brings me to the first component of our methodology of forecasting tv sets.

Many years ago we began the construction of a very crude model, which reflected the cycles and patterns of tv set purchases by those people coming into the market for the first time, those people re-entering for their first replacement, as well as re-entering for a second, a third, or fourth time. It also included sales for institutional demand and public places like schools, hotels, motels, hospitals, etc. The model we were using in 1965 differed from the one we started out with many years ago. In the early 1950s, it was assumed that people would trade in their old set on a new set and there would be a big replacement demand and there would also be a fairly easily defined second set or multiple set demand. Such was not the case. We have learned since, through survey work, that most people "slide into" second set ownership. That is, they don't trade in their old set—they merely put the old set in another room and become multiple set owners simply by purchasing a new main set. The reasoning, as it turned out, was that new sets have a brighter picture and this is really what people want. In addition there are people who do actually go out to buy a new second or multiple set—a set that will not be their main set. Actually, there are a great many of these people, but they are in the minority and it is very difficult to define them as such in any kind of survey. So what we have done is merely group all people who have already had at least one set into one category and call them "re-entry demand."

In early 1965, we began the construction of a new long-term market demand curve made up of these components that I have just given you. We knew from our surveys that color tv ultimately was likely to reach somewhere between 85% and 90% saturation—at least, this is what all our surveys indicated when we asked the respondents "Did they intend to buy color someday or not?" We made one very basic assumption—the one that we think still stands the test for some nearly 2½ years of hindsight. Our assumption was, and still is, that it would take roughly 10 years to reach this level of saturation. If you consider that color tv was introduced in 1955 and corresponded to the introduction of b&w in 1946, then to reach a saturation of 85% to 90% by 1975, it would take you 20 years to do in color what it took 11 years to achieve in b&w. This is nearly double the amount of time that it took for b&w and it does not appear unreasonable since the service provided was not new, the price of color tv was much greater, and problems in general were much more complex in getting color started than for b&w.

At any rate, if you draw a standard growth curve beginning from where we were in 1965 to a saturation level of some 85% to 90% by 1975, it really doesn't make very much difference in the first few years whether you reach ultimate saturation in 1974, in 1977, or 1978, just as long as the year you reach it isn't as far off as, say, the year 1990. The annual volume to be anticipated for the years 1965 to 1970 remains fairly constant. On a chart you have to spread out your curve over a great many years to affect the early years to any great extent.

Now, when we drew this curve our eyes really began to open. We knew that the industry was faced with a problem in capacity—that we were going to need additional plants, additional facilities for picture tubes and small receiving tubes, as well as for the assembly of sets. The problem at this time was how to present a story based upon this kind of analysis and evidence, but with no actual sales results to date with which to support our contention of his tremendous upswing. We knew any company able to put in place additional capacity to produce these quantities would reap many, many millions of dollars of additional sales and profits, as well as a potential competitive advantage.

Some of the tools or inputs that we now consider and use as if they have been with us all our life were, back in 1965, relatively new inputs. I am thinking of the Trendex survey of consumer purchases: a quarterly survey involving some 72,000 telephone interviews. I am referring to a dealer panel that we operate, our consumer-intent-to-buy surveys, as well as the wealth of information supplied to us by our particular trade association, the Electronic Industries Assn.

There was an almost continuous upward trend in the percent of households purchasing color tv each quarter in 1964 as reflected by Trendex. The only reason it wasn't a constantly *upward* trend was the fact that the second quarter is historically a low quarter. In the fourth quarter of 1964, better than 1% of the households in the U. S. did purchase a color tv, which gave us a total of 2.14% for the year. By extrapolating the month-by-month pattern we knew definitely that an imminent color tv boom was in the making. After the first quarter of 1965 results were in, indicating a near doubling of the percent of households purchasing color tv compared with the first quarter of 1964, our conclusions were even more justified.

There is no doubt as to the accuracy of the long-term demand curve now. But by the same token, we have learned some new things in the last 18 months. We have learned that no product is impervious to economic maladjustments. We learned that any industry whose capacity to supply is less than demand is most certainly vulnerable to substantial problems. When you are operating under these latter conditions, you don't really know where that demand level is, and this is the condition we faced throughout 11 of the 12 months of 1966. We learned that a delay in getting new production facilities on line can result in complex problems later on when the supply of your product suddenly exceeds demand. We have learned that not having records of dealer sales and inventories for the industry can be quite a problem. This point is one that bears further explanation.

The industry has faced a situation similar to the one of the last six or seven months only one time before in its history. And this was back at the outset of the Korean War. When the Korean conflict began in June of 1950, it was but five short years following World War II and the memory of product shortages was still very much with us. Korea brought on a rash of shortage fears that produced an inventory buildup that was completely unrealistic. In our industry, we have had factory inventory statistics, we have known what distributor inventories were, but at the time of the Korean conflict, we didn't know what dealer inventories were. Dealers kept right on buying in anticipation of a shortage that was never to come. The results were inevitable. Dealers suddenly realized that there wasn't going to be a shortage. The day of the realization can almost be pinpointed to an exact day, when almost unanimously dealers began saying: "No more goods, there won't be a shortage. I've got plenty, we can't afford to take any more."

Manufacturers in our industry found that you don't make small mistakes in this area—there are only big ones. The year 1951 went down as a somewhat less than satisfactory year simply because the industry had failed to recognize that what they were producing and selling to their distributors and dealers was not being purchased at the same rate by consumers.

In 1966, there was the same kind of buildup of dealer inventories, though not as severe. This inventory buildup was also not recognized soon enough and it came at a critical time in the model year. Thirty-one percent more consumers purchased color in the fourth quarter of 1966 than in the fourth quarter of 1965. The same comparison—1965 vs. 1964—showed an increase of 120% for 1965 over 1964. We didn't really expect to duplicate that increase, but we did look for considerably more than 31%. Had there not been high interest rates, had there not been a substantial rise in the cost of living, and had there not been fear of a rise in the income tax rate, it is likely that there would have been at least an increase of 75% over 1965. The consumer purchase rate for color tv reached 2.95% in the fourth quarter of 1966 compared to 2.25% in the fourth quarter of 1965. These percentages refer to the percentage of the Trendex sample reporting that they had purchased a color tv set within the last three months. So, while substantial numbers of consumers did purchase color tv in the fourth quarter, the boom that had been forecasted didn't come off. Good business—yes, but not quite a boom.

The result was that again dealers suddenly realized that their inventories were building because factories were pouring goods out at an unprecedented rate, distributor inventories were also building. All in all, the situation told the individual dealer he had better cut back on his buying, reduce his inventories and adjust to the current sales conditions. Again, you can almost pinpoint the day when this transition occurred. It was approximately 10 days prior to Christmas. And from that point until the present time, dealers have been reducing inventories while manufacturers have been continuing to use up the raw materials already purchased and completing the work-in-process inventories that had been started prior to the curtailment of dealer purchases.

If you have the idea that all t came as a complete surprise, you only partly right. We made an adju ment in the 1966 forecast last sum mer and we substantially reduced th forecast for 1967 last fall.

First, the University of Michigan survey of consumer confidence, you will recall, pointed sharply downward last May and reached the lowest level since 1958. Then, our own continuing survey of consumer buying intentions for color tv was sharply down in September. And finally, the actual consumer purchase rate measured by Trendex showed the month of September, 1966, just even with the month of September, 1965, instead of the sharp increase we had anticipated earlier.

We had long since begun to be apprehensive about the economy in the last quarter of 1966 and we reported that concern to management.

On Feb. 21, 1966, we issued a report which said: "We think it prudent to be increasingly aware of the very keen balance we find in the economy today. Nearly five years of uninterrupted expansion, however, has within it the seeds of a downturn and Vietnam is providing the fertilizer. These conditions demand an ever more watchful eye on economic indicators when planning capital production and expense commitments."

On June 10, we said: "The softening is already apparent and the last quarter of 1966 will not see the extreme peak which was previously anticipated. If this is true, it could be a blessing since the succeeding correction would not be as severe."

On Sept. 16, we said: "The RCA Sales Corp. market research position is neither as severe nor as delayed as the forecast of our economic consultant. The adjustment is expected to come sooner, be less extreme, and have a shorter duration."

And finally, on Nov. 2, we said this: "For the past several years, the most important ingredient in any sales forecast has been market re-entry, mix, production, and other factors which are not directly associated with the economy. It has been sufficient to cover the influence of the economy in an indirect manner. This forecast is different. Now the major effect on sales of home entertainment products in the short-term and the ensuing resumption of a long-term trend will be the influence of the economy. This influence will not only affect total categories in an up or down sense, but will affect product mix as well."

Well, it happened. Industry inventories have risen at the factory level, as well as at the distributor level, subsequent to a considerable rise at the dealer level. Dealers have curtailed their buying even in the face of a continued strong response from consumers. Throughout the industry, dealer and distributor pricing generally have gotten back to the more traditional patterns. The consumer again has freedom with regard to his choice of model and he is not forced to wait long to get the model he wants or be required to accept a substitute.

A bleak outlook? Not at all. Color saturation has scarcely reachd 20%, with at least 40 million homes without color tv. And since when is a 25% increase in volume had. That is how much more dealers have bought this year compared to last year. And consumers in the first quarter bought 47% more than they did in the first quarter of 1966. Dealer inventories have been reduced by at least 200,000 sets since the first of the year. The February Michigan survey of consumer confidence turned up once more. And, finally, our economists are telling us to look for a strong rebound in the last half of 1967 because of: lower interest rates; better availability of money; abatement of price inflation; housing starts rebound; Social Security payments; 5%-7% increase in wages; continued government spending; refunds of income tax payments.

Our fundamental job as forecasters is to detect the turns as they occur and report these turns to management in time for their planning to be modified. But there are times when what you detect is so contrary to current conditions that you can't gain as much lead time as you'd like. 1966 was a classic case in point. At the very same time our indicators were beginning to warn us, dealers and distributors were calling for more and more goods.

All of which brings me to my main point today. We have in our industry two serious needs if we are to improve our forecasts. First, we need a practical connection—a statistical bridge, if you will, between the sales of our product with some economic indicator. The one that we do have relates the sales of home entertainment electronic products to discretionary spending power and works fairly well except for the fact that price changes do not produce commensurate changes in unit volume. Here is what we are doing about that problem. We have become a sponsor of the University of Pennsylvania econometric model and we hope that in the next year or two one of the very valuable spin-offs of this model will be our own simulation model of the home entertaiment electronics industry.

Only one need that I can see surpasses the need in our industry for the statistical relationship between the economy and our unit volume, and that is the need for frequent-reliable-timely dealer sales and inventory reports. The electronics industry had a program at one time providing these data and during that period there were fewer problems. It is true that the times when these data are of critical importance are few, and looking at the future today, it is hard to see when another situation such as Korea, or such as what we have recently experienced will happen again. But as I said before, any industry that is operating with its capacity to produce less than demand is vulnerable and this is the period when all guidelines, all the benchmarks need to be watched most carefully. It is particularly mandatory to watch the final sale of your product. It's all well and good to have dealers screaming for your merchandise and to have your distributors begging for more goods, but if the consumer is not buying them in as great a quantity as you believe he is, there is most surely a day of reckoning ahead. If only the dealer could be persuaded that one of his responsibilities over and beyond advertising, displaying and selling goods is providing timely, consistent, and accurate marketing information. It is hard to see how the need for these data can be disregarded very much longer.

Now, finally, what about 1967 and 1968? Despite my tone, let me assure you that indicators of consumer demand point to purchases approaching the 7-million color tv set level in 1967! And this figure most surely will continue to rise in 1968.

We have not changed our long-term demand curve for color tv. All we have done is to recognize that there will be short-term fluctuations around that curve and the recent past just happens to be one such on the low side of the curve. There can be no doubt that there will be compensating fluctuations on the high side.

If it had another name, would it be as good a dishwasher?

Sure it would.

But who'd believe it without the KitchenAid name?

The KitchenAid name on the outside of our dishwasher has come to be about as important as the special features inside.

A lot of people say they buy KitchenAid dishwashers simply because "they're the best."

While other folks get a little more specific. "A KitchenAid dishwasher?" they say. "It stands for quality." Or dependability. Or good performance.

And they're all absolutely right, you know.

So what does all this mean to you? Our good reputation makes it easier for you to sell a KitchenAid dishwasher.

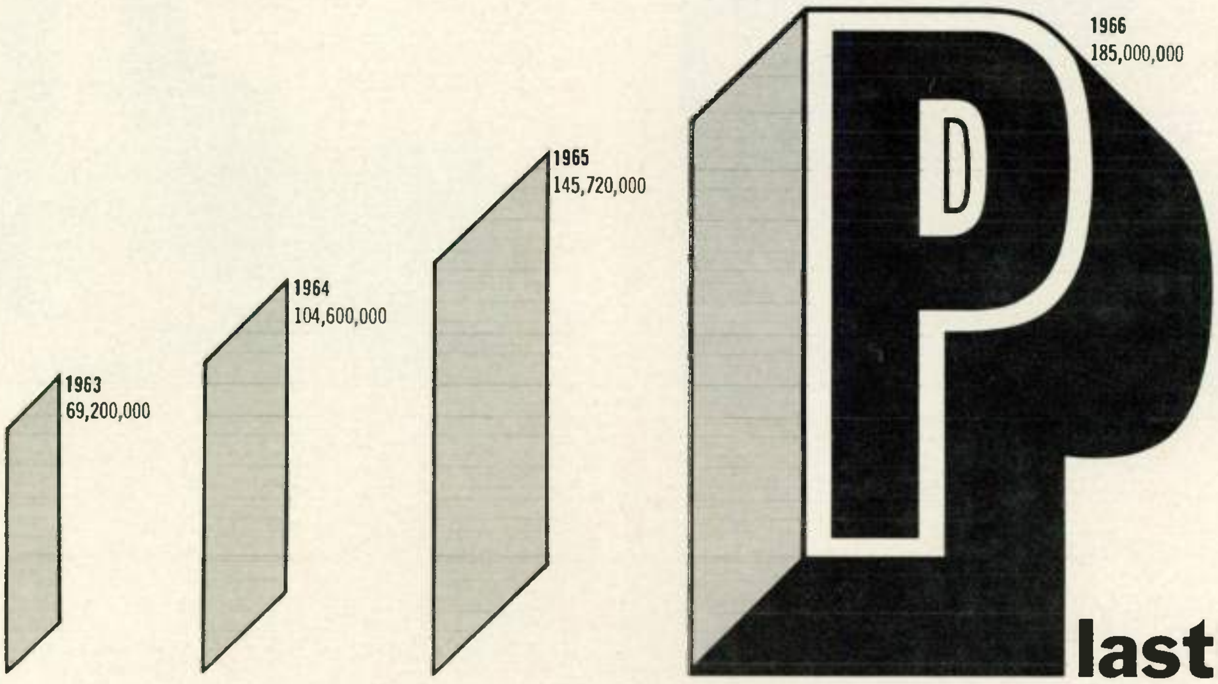
And when you sell a quality appliance like KitchenAid, it's going to reflect on your good name, too. Favorably, of course.

That's why we'd never make our dishwasher to be sold under any other name.

There's only one KitchenAid dishwasher. We make it. And you can really sell it. KitchenAid Dishwashers, Dept. 7DP-5, The Hobart Manufacturing Company, Troy, Ohio 45373.

KitchenAid®
Dishwashers

By the makers of Hobart commercial dishwashers and food waste disposers.



Plastics in major appliances: the sweep of inevitability

By Martin R. Miller

Cover expressly designed for Merchandising Week by Jan V. White

The changing balance of materials in majors: plastic shapes up bigger and bigger

Year	Major Appliance mfr. sales (in units)	Growth % (over previous year)	Steel Sales to maj. app. industry (in tons)	Growth %	Plastic Sales to maj. app. industry (in lbs.)	Growth %
1966	27,545,700	+ 4.05	1,893,266	+ 6.28	185,000,000	+ 26.95
1965	26,456,090	+ 6.44	1,781,346	+ 2.33	145,720,000	+ 39.31
1964	24,869,500	+11.49	1,740,833	+ 6.63	104,600,000	+ 51.16
1963	22,307,000	+ 5.85	1,632,513	+10.00	69,200,000	—
4-Year Growth:		+23.48	4-Year Growth:	+15.97	4-Year Growth:	+167.34

Source: Merchandising Week's Annual Statistical Report.

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

Note: Polyvinyl chloride not included in 1964, 1963; cellulosics not included in 1963. All years excluded plastics used for insulation. Source: Society of Plastics Industry Inc.; Modern Plastics, a McGraw-Hill Publication and Merchandising Week estimates.

The use of plastics in major appliances today will affect all of the industry's tomorrows.

A number of manufacturers maintain that the use of plastic in appliances is only in its early infancy, a few producers say plastic is about to reach its maturity; but all agree that increased use of plastics in major appliances is inevitable.

Furthermore, as plastics move from use on product interiors to more visible design applications on product exteriors, and as plastics generate more merchandise hoopla, the following five changes are coming into much sharper focus:

(1) Major appliances produced in 1970 will contain one-half billion lbs. of plastic—excluding foam applications —according to manufacturers and resin producers. With predictions moving up and down as fast as women's hemlines, this conservative 1970 prognostication would well be outdated by next year, when plastics will certainly pierce the 200-million lb. mark. (For a close look at the four-year growth pattern of plastics in relation to its major competitor, steel, see the table at left below on this page.)

(2) Retailers still do not realize the extent of plastic use in the merchandise they sell; in many cases, they continue to promulgate the 15-year-old myth that plastics are a cheap and less-than-reliable substitute material. Retailers must exorcise this outdated belief and they must do it soon.

(3) Products will increasingly undergo some subtle and some not-so-subtle changes in design that could lead to new configurations and new outward appearances. Because of these changes, retailers will be able to offer customers more features incorporated in what may turn out to be essentially new major appliances.

(4) Manufacturers who do not, or can not, tune in to the possibilities opened by plastic and to the manufacturing process changes needed to produce these components in product lines will find themselves falling behind their forward-thinking counterparts. By 1970, some of the laggards will be out of business.

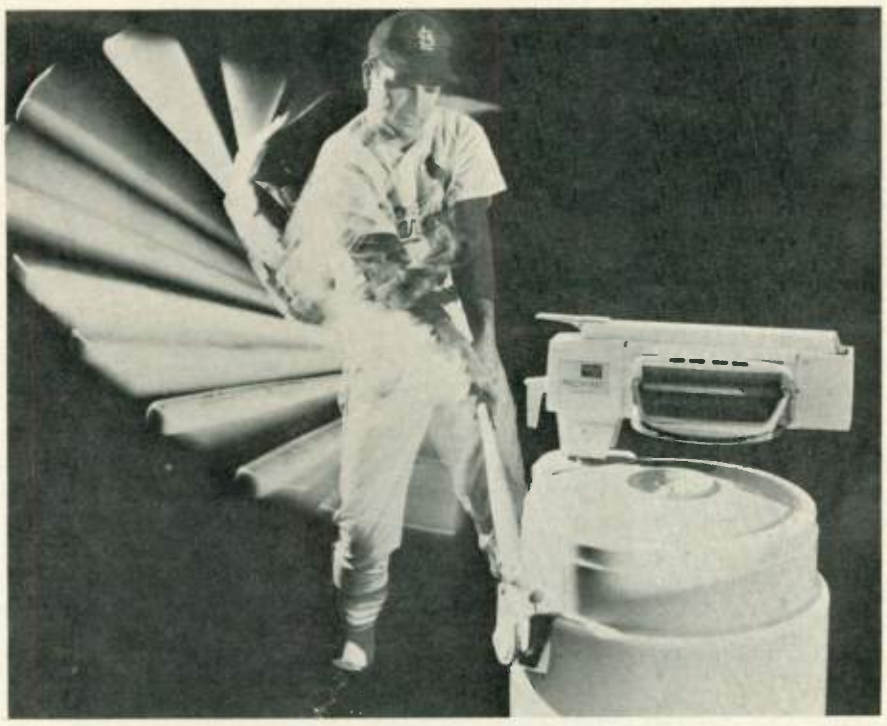
(5) The servicing end of the industry will be affected. On the one hand, retailers who have found service operations a boon to their over-all profit picture will begin to feel the squeeze that comes as a result of longer lasting plastic parts.

On the other hand, manufacturers who are anxious to extend their already stretched warranties and guarantees are seeking appliances and parts that are more durable. In this way, producers can shave costs in a troublesome area, thus become even more competitive in one of the most competitive industries of all.

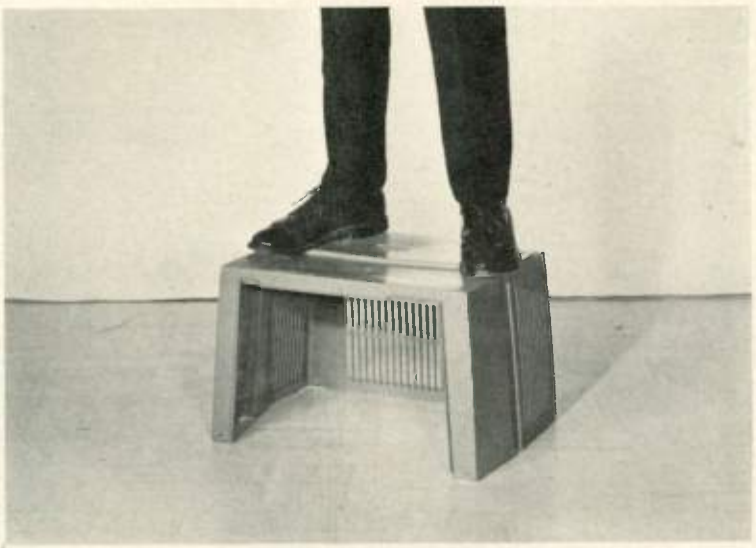
Much has been said about the need to upgrade the image of plastic before the consumer will accept it in appliances. However, the how, the who, and even the why of this public relations job is widely debated among all the interested parties. But the bickering and inter-industry jockeying over the "plastic image" will soon be academic, because increased usage of the material by manufacturers in the major appliance industry is inevitable.

Along with the spectacular flowering of plastics, of course, has come the usual trauma and travail associated with growth.

On the following pages, Merchandising Week reports on the state of the industry in perspective: what has been done in plastics so far, and what is on the way.



Centrex' plastic tub in a wringer washer was a giant step . . .



followed by GE's one-piece air conditioner cabinet . . .

Plastics in major appliances

As the major appliance industry undergoes an inner transformation and an outer face-lifting spurred by the increased use of plastics, the various elements of the industry—manufacturers, their suppliers, and retailers—all have different feelings about what is happening.

Retailers, like people who go for nose jobs, are interested only in getting acceptable results in the finished product. They are not interested in how it was done; they just want it done. They are more than willing to skip the gory details of the methods and the materials it took to accomplish the operation.

Manufacturers, their appetites whetted by the competitive edge to be gained through the increased use of plastics, are immersing themselves in the new technology. Following the lead of the automobile industry, they are dipping into plastics more and more intrepidly, while engineering plastic parts more and more carefully.

Plastics producers are engaged in a knockdown bout with the different materials suppliers—steel, zinc, and others—that have, up to recent years, had the appliance business as a private preserve. The steel industry can no longer regard plastics producers as poachers.

The steel companies are currently attempting to win back or simply maintain sales to appliance manufacturers. The most notable attempt: U.S. Steel's all-steel refrigerator (MW. March 28, 1966. pp. 14-15).

What applications are coming

Plastic applications have already popped up or will soon be popping up in almost every major appliance product category. (Since the plastics industry itself has a hard time keeping up with the myriad of resins it produces under literally hundreds of trade names, the references to plastics that follow are made in a general sense. In addition, the various plastic insulating materials, which have led to larger cabinets in less space in refrigerators and freezers, will not be discussed.)

The home laundry area is particularly active. Phenolic agitators in washers are now being replaced by polypropylene units in some manufacturers' lines. Why? As Samuel E.Q. Ashley, manager of General Electric's major appliance laboratories, puts it, "With phenolic, you can have any color—as long as it's black." Polypropylene offers manufacturers a variety of color possibilities. In addition, polypropylene can be molded more simply and quickly.

The next hot area for polypropylene will be washer tubs. Centrex, a company that used to market units under the Women's Friend label, has had a plastic tub in a wringer washer for a number of years. Centrex is now turning out some automatics with polypropylene tubs, and, according to Robert McIntosh, general manager of the appliance division, "We intend to put plastic tubs into the complete line."

The biggest boost for all-plastic tubs, however, could come soon. It is understood that Whirlpool is about ready to unveil a polypropylene tub in its laundry line. This would definitely zoom sales of plastic for use in this area because Whirlpool makes the Sears line of home laundry equipment. Hoover is also testing a polypropylene tub in its spin-drying washer-dryer.

Less spectacular—but nevertheless important—applications have also been incorporated in home laundry products. Hotpoint, for example, converted from a zinc die-cast drain pump housing to a polypropylene part.

Plastics are creeping into dryers, too. From a zero point about five years ago, each unit now uses an average of more than five lbs. of plastic. Example: Westinghouse dryers use a blower housing and duct assembly consisting of two compression-molded phenolic parts.

In air conditioners, some grilles and other parts have been made of plastic. But the big breakthrough in this expanding product category has been the GE polycarbonate housing used in one room series of its room air conditioner line.

The use of this part is significant for a number of reasons: (1) the housing is a large injection-molded part, something manufacturers have long been trying to produce; (2) GE produces the part itself; (3) the housing has gained Underwriters Laboratories (UL) approval; and (4) GE has not sold the part as a low-cost substitute for metal, but rather as a highly engineered, quality piece.

More air conditioners using some type of high-resistant plastic materials should be appearing soon. Philco has put polystyrene foam ducting into models for increased sound deadening—an obvious sales feature on the inside of air conditioners.

In ranges, the problems of producing heat-resistant plastics have held back usage. Plastic use has been limited to knobs, instrument panelling, or decorative touches. But the wider applications of plastic in ranges may be getting closer. In fact, the use of glass-reinforced plastic panels for range hoods has recently been certified by UL.

In dishwashers, another sales boom product category for the major appliance industry, the work with plastics is hampered by the need for materials that will resist detergents and heat: that is, materials that offer what has been termed "chemical resistance." GE is understood to be quite active in this product category, testing polyesters and glass-reinforced polypropylene for use in dishwasher tubs and other parts. GE already has put epoxy parts in its food waste disposers.

In refrigerators, "plastics have found a home." From initial use in drip pans, the industry has moved into more and more plastic applications. And the ultimate—an all-plastic unit—is on the horizon.

Almost all door liners already are made of plastic. Now, a number of manufacturers will follow Admiral and Kelvinator into production of plastic food liners. According to Robert A. Fall, appliance planning manager at Admiral, plastic food liners still only account for 5% of the market. But GE, according to industry sources, is ready to begin injection molding food liners for its refrigerators.

Some of the Italian refrigerators produced by Ignis—and marketed by Delmonico under its own name and private label—have a Formica-like laminate outer shell called Xilosteel.

Delmonico is marketing the Xilosteel refrigerator without UL approval, although, according to Delmonico refrigerator sales manager, Martin Cohn, the unit is under consideration by the testing laboratory.

In other provocative developments, the Owens-Corning Fiberglas Corp. has shown manufacturers a number of appliances using their reinforced plastic application. This reinforced plastic contains glass fibers, which gives the plastic strength it would not have alone, analogous to the use of steel rods in concrete.

The "Concept" program of Rohm & Haas Co., of Philadelphia, features ap-

and the ultimate, Kelvinator's all-plastic refrigerator . . .

created by (l. to r.) Edward Von Arb, William P. Gobeille, and William E. Reddig.

pliances especially designed with exteriors executed in Plexiglas acrylic plastics (MW, 18 Apr. '66, p.7). One striking application is a refrigerator door that is alternately bronze-colored or transparent; when the interior light is on, the normally bronze-colored Plexiglas becomes transparent. The manufacturer knock against this application is that nobody wants to display the food in their refrigerator and that in-door shelf space is lost.

Some of the more futuristic uses of plastic in appliances have been outlined by J.B. McNamara, associate technical director of the Marbon Chemical Division of Borg-Warner. All-plastic refrigerators with knitted plastics that breathe and feel soft will have "unlimited design potential," including, for example, use as washable decorations, according to McNamara.

Talk of an all-plastic refrigerator concept has been buzzing through the industry during the last few years. Almost all major manufacturers have been working on units behind locked laboratory doors.

The first unit to be shown has been the Kelvinator model (see photo near right above) and the industry expects the Marbon Chemical Division to show its unit later in the year. Norge, of course, as another division of Borg-Warner, would probably market such a unit.

Even though, practically speaking, a full-sized plastic refrigerator seems a ...ng way off, the complete plastic door ...d come in the next year. Westing... sees a larger use of polypropylene ...laminates in the future. Laminates ... easy to use and new methods of ...ding decorative parts are coming. ...'s Ashley says plated plastics or ...rts coated with metals for decorative ... will be getting a bigger play in manufacturers' new lines. This feeling has been echoed by almost every manufacturer in the industry.

How the innovators feel

"This is more than a stunt to substitute materials." That comment was made by William P. Gobeille, manager of the plastic divisions of American Motors (Kelvinator), and one of the talented trio (see photo far right above) mainly responsible for the creation of the first working plastic refrigerator to be shown. Gobeille's statement sums up how most manufacturers feel about plastics.

Kelvinator's unit suggests new design and manufacturing possibilities. One example: because the refrigeration system has been reduced to a cartridge-type compartment in the lower right-hand corner of the unit, the rest of the cabinet and interior can be produced in one molding operation. Then the refrigeration system, which is housed in metal, can be inserted directly into the unit.

In addition to the plastic exterior and interior, the door is also plastic and can be produced in a number of colors and patterns—adding to design flexibility. The plastic shelves, also molded in one piece, can be removed for dishwasher cleaning.

The long-range benefit of fewer service problems is also inherent, and this adds a big plus in an area where manufacturers are thinking ahead to the Seventies. If the cartridge refrigeration system were faulty, for example, a new or substitute cartridge could be slipped in while the original cartridge was removed and serviced.

Kelvinator, which has pioneered in many plastics applications over the years—including a few plastics applications in which some retailers have been burned—feels it is ready now.

The innovators—Edward Von Arb, director of appliance engineering and research (Kelvinator); William E. Reddig, director of industrial design (Kelvinator); and Gobeille—all feel their unit could be marketed before 1970—at little or no increase in retail price differential from existing models. The application could be used in any size refrigerator.

Reddig, sometimes referred to as "the father of the revolutionary Kelvinator Originals," discussed the design aspects of the plastic concept: "The problems we ran into and think we have solved are involved in such things as where to design so that it is not objectionable in outer appearance."

Many of the tricks or ideas that furniture men have used, Reddig continued, were chosen to minimize the defects inherent in plastic—such as parting lines—while cutting the costs. "We use undercuts, for example, to achieve this. We have also combated draw problems. We can also put hinges on our cabinet now with no trouble," he added. "We feel we have the answers now."

The Kelvinator innovators acknowledge the UL approval problem. Their unit "has been discussed with UL," but not tested yet. The Kelvinator all-plastic model faces what is termed "a fuel contribution" test, which has foiled other plastic applications. Basically, this involves the amount of combustible material the plastic adds to the home.

Gobeille, however, is hopeful of solving this problem. "There are a number of avenues open to us. Some resins can be added to reduce fire hazard."

Turning to the "costing" problems, Von Arb said, "There is not very much room to lower [manufacturing] costs any more." He was referring to certain elements, such as door assemblies. But, Von Arb added, "We have the possibility [with plastic] of more flexibility with less tooling cost." Von Arb referred to the fact that square footage needed to manufacture plastic units would be less than that needed for conventional steel fabrication processes.

Elaborating on this, the Kelvinator men claim that indeed the manufacturing cost of plastic applications is coming down: a factor needed to justify the wholesale move into plastic fabrication. Gobeille claims that the cost per cubic foot, for example, of a 16-cu.-ft. refrigerator using foam is less than that of the same unit using Fiberglas and steel.

The structural properties of foam make it easier to use other plastics in combination with it; this application seems to be coming. "We know it can work," Gobeille said, and Kelvinator's figures show that costs for such an application are dropping.

These three company spokesmen agree with other knowledgeable industry leaders working in this area: plastic has passed from the infancy stage into a period of hybridization, and will shortly move out on its own—in complete applications, probably in the form of complete doors for refrigerators.

The interest, the problems

The key which some manufacturers have been reluctant to turn is initial cost. But manufacturers, faced with tremendous price pressures that have had a crushing cumulative effect on them, are dropping their reluctance to look at plastic applications.

At the same time, the over-all price of plastics has been dropping (see table on pricing trends), while the price of

Price trends of plastics used in major appliances

Material	Major uses	¢/lb.1960	¢/lb.1964	¢/lb.1966
ABS compound, high-impact	Door liners, food liners, trays (refrigerators and freezers); handles and knobs (all appliances)	49	40	39
Phenolic, molding material	Agitators (washers); handles and knobs (all appliances)	21	20½	21½
Polycarbonate	Housings (air conditioners); gears (all appliances)	—	105	90
Polyethylene, high-density injection molding grade	Trays, icemakers, bins (refrigerators and freezers)	35	20	17
Polypropylene, injection	Pump housings (washers and dishwashers)	42	25	20
Polystyrene, high-impact	Door liners, shelves, covers, trays (refrigerators and freezers)	27½	22	18
Vinyl chloride resins, general-purpose PVC	Gasketing (refrigerators, freezers, air conditioners)	18½	16	15

Source: Modern Plastics, a McGraw-Hill publication

Plastics in major appliances

steel and other materials has been rising. Some say they have had no choice, but most agree the move to plastics was coming anyway.

What are the costs? Manufacturers and resin producers agree that the initial tooling cost is still high. But if a part can be planned for use in many units and is not subject to many design changes—as might be the case with agitators and door liners—the initial cost would average out over a long period of time. For example, an injection mold for an agitator costs about $25,000; one for a whole washer tub costs between $75,000 and $100,000. But the mold can be used over and over.

In the refrigerator door and food liner area, manufacturers must decide whether to vacuum form units or to go the injection molding route. Again, the injection molding equipment is more expensive, but the over-all cost per hour to run it can be less expensive in the long run. Amana has just set up a vacuum forming line for production of door liners and interior parts.

Although U.S. Steel says it has now engineered a method to cut about 15 steps out of the production of a steel food liner, manufacturers point out that a stumbling block still remains. New equipment is still needed. With vacuum forming and injection molding, a piece complete with shelf supports is turned out and does not necessitate placement of screws, holes, and fasteners to support these shelves.

An example of one of the problems with glass-reinforced production can be cited here. When Chevrolet decided to make its Corvette body of Fiberglas, the low tooling cost was very attractive. But when General Motors suddenly found consumer demand booming, the production rate had to be increased and the labor rate, which was high but could be absorbed on a limited-demand basis, began to skyrocket. Thus, manufacturers of major appliances are being extremely cautious about the plastics they choose for engineering. And because they want to cut down on high labor rates, they are looking to other types of plastics.

According to L.C. Oberholtzer, manager of appliance development for Marbon Chemical, his company has just introduced a new cold-forming system that could be a boon to plastic part forming. Basically, the system allows sheets of Cycolac to be put into a metal stamping press—some of which are already in operation—and produce crispers, meat pans, and, eventually, door liners. The big advantage, according to Oberholtzer, in addition to use of metal stamping machines, is a production rate of 145 pieces per minute.

With new methods and increased use of plastics, more manufacturers are beginning to do their own molding. This trend should accelerate for a number of advantages its offers: (1) the ability to maintain a closer quality control during production; (2) a means of experimenting and making changes by themselves; (3) a method for compiling proprietary data; and (4) a way to sharpen a competitive edge for the highly sophisticated merchandising of the 1970s.

On the other hand, the customer and contract molders will not disappear. They will supply special jobs, small parts, and those parts subject to quick change brought about by competitive design features.

According to one industry source, 87% of new molding machines went into captive companies in 1966. This compares to about 50% in 1962. This tends to confirm the comments, "We want control all the way," and "We are interested in the long haul," which are being heard in the industry.

Retailer, consumer attitudes

In addition to the cost considerations to be weighed by manufacturers, there is a residue of retail resentment to consider. The retail community remembers some early, poorly designed applications.

And the consumer seemed to be in accord with the retailers up until three or four years ago. In 1964, the Dow Chemical Co. surveyed "Consumer Reaction to the Use of Plastics in Refrigerators" for its manufacturer-customers; the survey attempted to ascertain how well-founded were retail complaints that consumers had begun to resist plastic use.

The survey showed that, despite certain shortcomings, consumers by and large continued to accept plastic and "even prefer it for specific applications." The report noted that a minority of consumers preferred a refrigerator without any plastic, but the majority accepted plastic as component material.

In that survey, 58% of the respondents thought there was a trend to more plastic use in refrigerators. Of the 58% who saw more plastic coming, more than 50% thought it was a good trend and would bring more benefits.

But the gap between retailer and consumer attitudes has widened in the past three years. A New Consumer has arrived on the retail floor. He is ready to try new things. He is surrounded with well-engineered plastic applications.

The plastic components introduced in the past few years by manufacturers have labels such as Admiral's Dura-Last and GE's Lexan. This has been done in large measure to appease retailers. But that is changing; manufacturers now are ready to abandon trade synonyms for plastics.

Speaking for retailers, Jules Steinberg, executive vice president of the National Appliance & Radio-TV Dealers Assn., points out that retailers are not in the plastics business. "Our dealers are engaged in sales of a product. They sell service. A dealer does not sell a refrigerator, but sells a device to keep food fresh and cool. The bulk of his thinking is influenced by what his customer tells him—whether or not it is true."

Retailers may be falling a bit behind in appraising their customers, but they raise voices in unison with the rest of the industry in clamoring for a consumer education program on plastics.

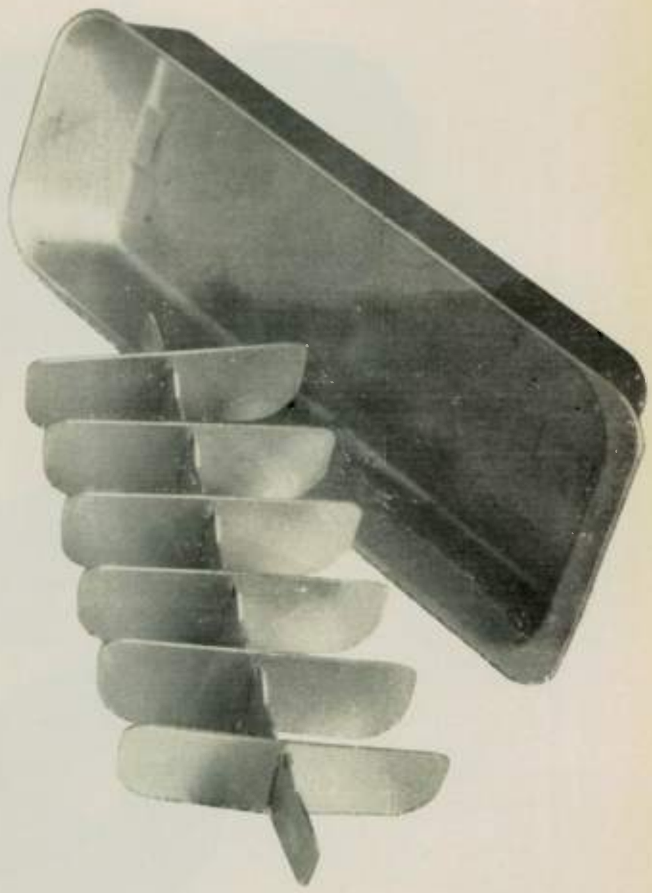
An education program may not be necessary soon, but there are signs that one may be coming. There are signs, too, that the industry is looking into the possibility of setting up standards.

As one member of the Society of the Plastics Industry Inc. (SPI) appliances committee has said, "Nothing has been done yet, but we hope to set up some program like the one on Steelmark or the Wool Institute." This would mean a seal or emblem would be put on plastic products. The customer could identify with ads or guarantees he has heard or seen.

As Harold J. Stelzer, national merchandise manager, home laundry equipment, Sears, Roebuck and Co., said at an SPI meeting, "I am completely and thoroughly convinced that plastic in industry and in the home has an immeasurably promising future. We can't do without you [plastics producers]."

Immeasurable and inevitable: that is the future of plastics in the major appliance industry.

Two-thirds of Hugh Hannah's* refrigerator customers aren't ice beggars



(What's the ratio in your area?)

Most people don't like to mooch ice cubes...so most people can be persuaded to buy the Whirlpool automatic ice maker! Hugh Hannah in Chattanooga proves it by selling the extra-profit ice maker to about two out of every three buyers of his Whirlpool refrigerator-freezers!

How can he do such a fantastic job? Selling Whirlpool helps a lot, because this line offers the automatic ice maker in all kinds of models from 12 cubic feet on up.

And Mr. Hannah pushes this superior Whirlpool feature...in full-page ads and in frequent training sessions with his salesmen. Most important, there's always an ice maker model hooked up for demonstration at his big "appliance supermarket". Also, he promises delivery in 5 hours!

Wouldn't you like the kind of extra profit dollars Hugh Hannah is making? Go get 'em! Your Whirlpool distributor salesman can give you suggestions for doing it.

Whirlpool
CORPORATION

*Hannah Adams, Brainerd Road at Belvoir Avenue, Chattanooga, Tennessee

N.H.M.A. Housewares Show

It's a fact. Merchandising Week reaches more department stores and mass merchandisers than anyone else. And here are the issues that put you in the largest houseware show ever (plus extra Show distribution for the big June 12 issue!):

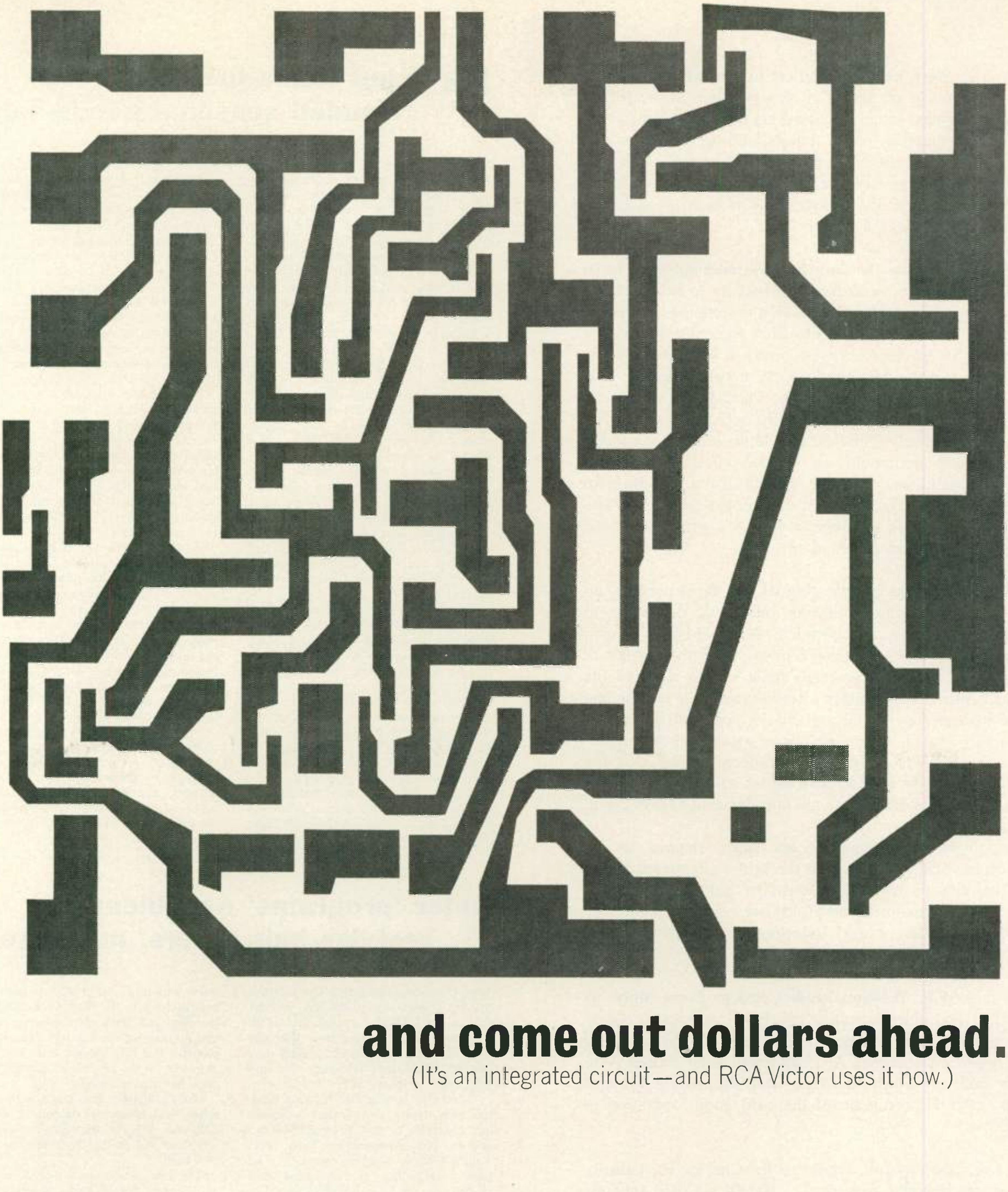
Pre-Show Issue: June 5	**Closes: May 22**
Show Issue: June 12	**Closes: May 29**
Wrap-Up Issue: June 19	**Closes: June 5**

Place your order now with your Merchandising Week Representative.
Or call (212) PL 7-2800

SPECIAL SHOW ISSUES!

MERCHANDISING WEEK
Read By The Retailers Other Retailers Follow

Start here:



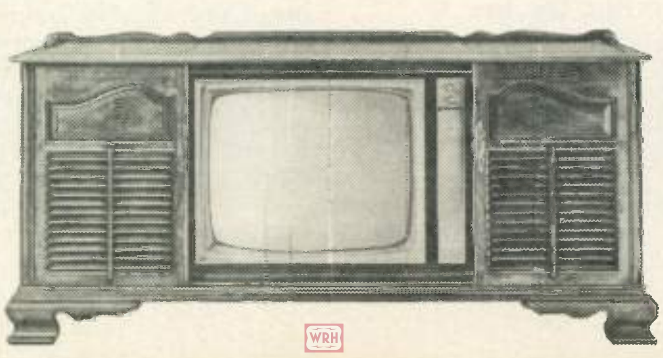
and come out dollars ahead.

(It's an integrated circuit—and RCA Victor uses it now.)

MEET US AT BOOTH A 201 A & B

CONSUMER ELECTRONICS SHOW

Blown up to many thousand times its actual size, an RCA integrated circuit looks like no more than a maze. In actuality, it's no less than amazing. Just one of these silicon chips may incorporate 40 or 50 electrically interconnected components. Patterns that make up the mosaic are as narrow as two human hairs. Far more amazing than that, though, is their dollar-making potential. Integrated circuits are designed to be the most reliable kind of circuitry ever made for a consumer product. Reliability is what prompted RCA Victor to use integrated circuits in the sound system of some of our newest color and black-and-white TV sets. This alone is a great stride forward in consumer product development, yet the future holds infinitely more. When you start with an integrated circuit, there's no telling where it can take you.



RCA The Most Trusted Name in Electronics

Tmk(s)®

□□□□ **More help for retailers in moving merchandise** shapes up as one of the big pitches to buyers at the Housewares Show next month. And buyers need all the merchandising help they can get in today's lackadaisical economy. More than ever, the right promotional package must accompany the right merchandise at the right price. Retail ads offering only a sharp price on a product are not pulling the results they once did.

□□□□ **Look for the show business sales approach** to be picked up by more manufacturers seeking to help retailers move merchandise. Hamilton Beach is stepping up its promotion of former White House Chef Rene Verdon with a "Banquet Sweepstakes" contest, which is being featured in television commercials on the CBS network during May and June. Verdon is a personality who has proven he can draw traffic, and, more importantly, sell blenders, mixers, and other products. Norelco, an oldtimer in the show biz merchandisng approach, has stepped up its in-store appearances of clowns from the Ringling Bros. and Barnum & Bailey Circus for the third consecutive year. Westinghouse, too, is going increasingly show biz with promotions such as its Old Toaster Roundup.

□□□□ **Sylvania is evaluating its Sun Bowl product,** an electric fruit ripener, following retail test marketing in several New England department stores (MW, 17 Apr., p.5). Sylvania declined comment pending the results of the study. However, one retail trade source reported the product attracted consumer interest when it was first featured in a newspaper ad and that it sold well in the introductory week, during which demonstrators were provided. Sylvania is known to have been advised that the product probably would move better at a "more natural price point" of under $10. It was introduced at $16.95 retail.

□□□□ **Bridal promotions are being stepped up** by housewares retailers who view the bridal gift season as the last major hope for ending the first half on the bright sales side. The major bridal pushes are being started earlier this year at many stores, following fast on the heels of Mother's Day.

□□□□ **W.E. Williams heads Coast to Coast Stores** as president and chief executive officer of the central organization. Williams, moving up from the post of executive vice president, succeeds A.C. Melamed, who retired. Williams came to Coast to Coast from Household Finance Corp., after HFC purchased the hard goods operation in 1962.

□□□□ **Key moves:** Oster names Charles F. Tumelty as assistant regional sales mgr . . . Hamilton Cosco appoints John J. Nolan as advertising mgr for the household products division . . . West Bend names Blaine H. Johnson as rep for the Salt Lake City territory; William K. Fahey as sales mgr for California and Hawaii . . . Jacobsen names Ronald J. Eckhardt as supervisor of product training; David L. Keup as field service supervisor for the Midwest region; Roy A. Davis as field service supervisor for the Eastern region . . . Ronson names Neil Levinson as mgr of marketing administration, flame products division . . . Dominion Electric names Kenneth Koos director of advertising and sales planning, succeeding Walter Hoy, who has joined an Akron, Ohio, advertising agency.

Big-ticket items brighten clouded seasonal goods sales

With the weather running against retailers, sales of spring seasonal goods are off to a slow start. This is especially true in the Northeast, which apparently will move directly from winter into summer this year, bypassing spring. Early-season business is reported to be more lively elsewhere in the country, particularly in the South and Southeast, but still lacking any real excitement.

Eastern buyers are hoping for a pickup in garden goods sales before Memorial Day, but do not count on being able to make up for lost volume in garden seed, fertilizer, and other lawn-preparation products. One buyer for an Eastern chain has already chalked up spring, 1967, as a "lost season" in these items.

Early-season business in the South and parts of the Midwest is reportedly on the healthier side. In these areas, where the weather has not been so unfavorable, sales of garden hose and sprinklers are said to be "way up" over last year. One buyer reports an 8-week delivery delay for garden hose in the South.

Bigger-ticket items are the bright spots in an otherwise cloudy picture. Retailers across the country cite the storage shed as this season's hot item, helping to compensate for weak sales in other goods.

Lawn mowers are also slated for a better-than-usual season. "With all the rain," one buyer commented, "I expect mowers to go great guns." However, buyers are complaining of slow deliveries and possible mower shortages that could offset the sales potential in this category. (The mower problem results from Clinton's withdrawal from the gasoline engine industry last fall, and subsequent production doubling up.)

Leading mower manufacturers, nevertheless, anticipate little trouble in meeting deliveries and expect sales, by the end of the season, to match and probably surpass those of last year. Sunbeam is looking for increased volume as a result of its color newspaper insertions, which appeared in 50 cities earlier this month. Toro will continue its advertising and promotional activity throughout the summer, and, as reported here last week, will introduce its 1968 mower line in mid-June (MW, 15, May, p.22).

New styling has led to barbecue sales of high-end kettle models that are keeping apace of, and occasionally exceeding, last year. The dark spot in the barbecue picture is the Chicago trucking strike, which caused some initial delivery lags. This prompted one buyer to wonder if customer demand would not fade by the time the goods become available.

Structo's fold-away model is said to be one of the season's hottest items, but the company has announced that it is not accepting reorders on the barbecue unit.

Picnic goods are also running ahead with brisk selling activity reported in the South and Midwest. The trend in this category is also to the bigger-ticket items, as more-expensive, rigid-plastic units are catching on and challenging the plastic-foam lines.

Sales on outdoor furniture are said to be generally lagging behind in most regions.

Heavy reorder activity on fans, mowers, and barbecues is expected to occur at the June Housewares Show because of the early date and the late season.

Oster 'programs' new blender, restyles hair dryers, massagers

John Oster Manufacturing Co. is introducing a new top-of-the-line blender that is automatically cycled for blending speed and blending time throughout its 10 pushbutton, solid-state speeds. Called the Cyclomatic, the unit will retail at under $77.

Oster also is offering: restyled hardtop hair dryers that feature pushbutton controls; a new promotional can opener, plus combination units, with Touch-A-Matic controls; and new massagers, including a redesigned foot model and a new handheld Duo Massage Vibrator that features an open-style handle similar to some slicing knives.

The new items, which total 18, including models that have been restyled throughout Oster's blender line, will be introduced at the June Housewares Show.

The new Cyclomatic blender marks Oster's first effort to control blending timing in its blender line. However, the firm stresses that it has done more than build a 30-second timer into its unit. Oster has cycled the motor speed at 2-second intervals; the user preselects the desired number of intervals.

"The cycling control automatically starts and stops the motor to redistribute the food to the blades for thorough blending and shuts off the motor when the number of cycles has been completed," the firm points out. The Cyclomatic, with an 825w motor, also may be used manually.

Oster's blender line starts with a 2-speed, rotary-switch model at under $25 and goes to the Galaxie Ten at less than $64, before reaching the new $77 high.

The new professional-type hair dryers feature pushbutton controls for low, medium, and high speeds. Model 275-01, in sky blue and bone white, retails at under $35. Remote-control model 276-01, in gold and white, retails at under $40.

Oster's new can openers automatically pierce the can, remove the lid, and turn off automatically. The new can opener line includes a can-opener ice-crusher, in addition to can-opener/knife-sharpener combinations. Retail price range: under $20 to $30.

The new Duo Massage Vibrator, with open handle, will retail at under $15. The redesigned Hydro-Lax foot massager features a new contour-shaped "water in motion" container.

Rembrandt

TV Antennas

will be seen weekly on NBC-TV and ABC-TV from Coast to Coast by 50,000,000 viewers

151 NBC-TV STATIONS

carry the Rembrandt message on "Let's Make a Deal."

145 ABC-TV STATIONS

carry the Rembrandt message on "Supermarket Sweep."

Rembrandt the top quality line of TV-Antennas that outperforms all others. Styled and Priced to sell every customer from 4.98-12.95. Fair Traded, Shipped on GUARANTEED Sale

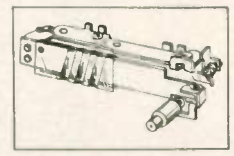
ALL CHANNEL
PRODUCTS CORPORATION
47-75 48th ST. WOODSIDE, N.Y. 11377
CALL COLLECT (212) 361-8120

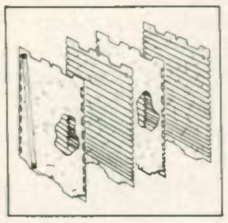
give... so more will live

HEART FUND

The toasters consumers are sold on...

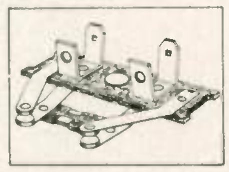
Nickel-chrome heating elements on mica plates—Special elements are matched and synchronized with the timer so each slice is uniformly toasted on both sides. Toasts one slice of bread perfectly, using any toast slot.

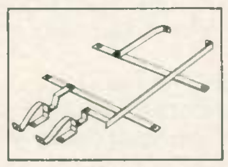




Exclusive Superflex Timer—Super-sensitive timer automatically compensates for voltage variations over a range of 100 to 130 volts, and for heat "build-up" in the toaster. Insures perfect toast every time.

Bus bar construction—All current is carried via rigid steel bus bars . . . instead of wires which flex and wear thin, or jar out of position and short out the toaster.





New 2-pole safety switch ...for a shock-proof toaster—New 2-pole switch riveted to the steel base isolates line current from the chassis, makes it shock-proof when the toaster is inoperative even though plugged into outlet.

The Sovereign—Model B112

The industry leader for workmanship, features, styling

TOASTMASTER®

Toastmaster invented automatic toasters . . . and Toastmaster invented the 4-slice toaster, too. And it's easy to sell customers on Toastmaster superiority. Just turn a handsome Toastmaster toaster upside down and look inside. You'll see workmanship as fine, materials as handsome, a finish as carefully crafted as on the outside case itself. You'll see rigid steel bus bars instead of wires. You'll see special nickel-chromium heating elements on insulating mica plates. Inside . . . outside . . . Toastmaster toasters are made better to last longer. And your customers know it!

- **The Hostess**
  New peak of excellence. 4-slice toaster with separate controls for each set of slots can toast two slices light, two slices dark at same time. **Model D 111**
- **The Imperial**
  Powermatic feature makes it easier than ever to make perfect toast. Completely automatic—special motor lowers bread. No levers to push. **Model B 122**
- **The Princess**
  Has precision end-operated controls . . . toast lever, color control dial. Chrome-satin finish. Quality crafted for years of service. **Model B 102**

Sell the line consumers are sold on

TOASTMASTER®

...where one good thing leads to another

TOASTERS · COFFEE MAKERS · BROILERS · IRONS · FRY PANS · PORTABLE VACUUM CLEANERS · WAFFLE BAKERS · MIXERS · BLENDERS · CAN OPENERS · HAIR DRYERS · HAIR CLIPPERS · VIBRATORS · SHOE POLISHERS · POWER TOOLS · FANS · HEATERS · HUMIDIFIERS · ELECTRIC KNIVES · BUFFET RANGES

TOASTMASTER DIVISION · McGRAW-EDISON COMPANY · ELGIN, ILLINOIS

Switch to SPEED QUEEN®

Quality and Dependability Since 1908

... the Washer and Dryer with the Silver Lining

Lifetime Stainless Steel Tub and Dryer Drum

SPEED QUEEN · A Division of McGraw-Edison Co. · Ripon, Wisconsin

□□□□ **Wholesalers are cast as "promotional censors"** in a study prepared by A.T. Kearney & Co., a Chicago market research firm. The survey—conducted in cooperation with the National Assn. of Wholesalers—included 400 wholesalers representing "all major wholesale commodity groups."

"Wholesalers are becoming far more choosey of the promotions they accept and push for manufacturers," the study concluded. "In the face of an increasing bombardment of deals and merchandising packages, the wholesaler is literally censoring what comes into the marketplace."

Only one out of seven promotions offered, on an average, is pushed by wholesalers, it was found. And one of the wholesaler's main criteria for use is "how easy it is to work the promotion."

The study rates wholesalers in good health economically: "Wholesalers are becoming more intimately acquainted with their customers' needs. They are, in fact, adopting professional managerial techniques and are installing sophisticated management information systems augmented by computers. Wholesalers are seeking to control the extent and depth of the varieties of their products and are profit-evaluating manufacturers, regardless of their size. They are most certainly trying to pinpoint their own promotional needs and, in many cases, the manufacturer's promotion just doesn't fit into the wholesaler's promotional strategy."

□□□□ **Proctor adds a 4-slice Lifelong toaster** to its "pull-apart" line of electric housewares; the new unit will retail at $21.95. Proctor also has made some minor assembly changes in the glass coffeemaker in the Lifelong line. The new toaster is the fourth item in the line, which is scheduled to go national in the second half of the year; distribution currently is limited to the Middle Atlantic and New England States.

□□□□ **Proctor will add a blender and SCM's initials** to its product line at the June Housewares Show. Judging from its appearance, the blender is an obvious pickup from Shetland, which SCM officially acquired last month. First reports that Proctor-Silex would pick up blenders—and eventually other motor-driven appliances from SCM's purchase of Shetland—appeared in March (MW, 13 Mar., p.32). Proctor has priced the blender at $20.95 list. It is styled in 2-tone beige. The SCM initials will precede the Proctor-Silex name on the firm's product nameplates. SCM, meanwhile, announced last week that it was bidding to acquire controlling interest in the Glidden Co., of Cleveland, Ohio.

□□□□ **Electrohome eyes the U.S. humidifier market:** the company is currently negotiating to market its humidifier line in the U.S. via the private-label route through a major catalog chain. In the Canadian market, Electrohome's line retails in the $39-to-$129 price range.

□□□□ **Hygiene Industries is changing its image** from that of a promotional shower curtain manufacturer to a full-line bath goods producer with a high-end fashion look. As part of the move, Hygiene Industries is introducing a line of highly styled bath accessories and hardware; in addition, the company is styling up its department store line of shower curtains with more Contemporary prints, patterns, and colors.

Copco courts the bridal market, hoping for love at first sight

Like a young man in the spring, Copco's fancy has turned to thoughts of romance, and the gourmet cookware manufacturer has set out to capture its share of the bridal market. Matchmakers for the union between bride-to-be and the colorful cookware are the bridal registry and the housewares department.

Copco's program will court the bride-to-be on a year-round basis, hoping to win her over as a permanent customer for both Copco and the housewares department. Individual stores have already established ties between these two areas. (Corning was a trend setter with its multiple-department Home Furnishings' Girl of the Year.)

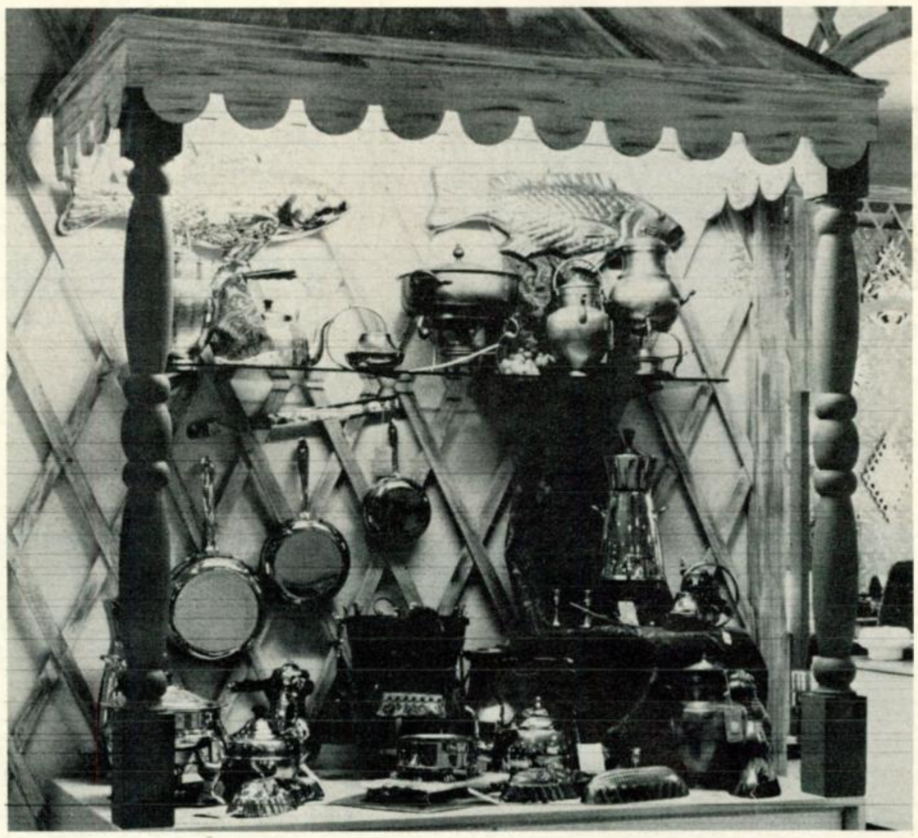
A brochure from Copco, entitled "The Bride and Housewares: A Special Report," is currently being mailed to buyers, store executives, and bridal consultants. Based on *Modern Bride* magazine's frequently consulted study of the bridal market, the report outlines a program that could carry Copco and other manufacturers well into this market.

Copco suggests that retailers schedule regular meetings of the housewares buyer, department manager, and bridal consultant, and supply the bridal registry with literature from housewares manufacturers. The company recommends that a housewares salesperson be named as special liaison between the bridal consultant and the housewares department, and that a direct telephone line be installed between the housewares department and the registry. And retailers could send invitations to prospective brides, suggesting they visit the housewares department when there is a promotion of special interest. All this, Copco feels, would persuade the bride-to-be to register at a department store that carries a full range of products for her new home.

Copco is training its sales representatives to "think bridal market," too. In the fall, the company will begin a national advertising campaign in a number of brides' magazines.

To keep pace with the consumer's growing appetite for gourmet dishes, Copco will add new items at the rate of 10 to 15 per year. The three newest pieces are a scampi dish, a Scandinavian plett pan, and an 11-inch grill pan. The scampi dish, which can be used for a variety of individual recipes, is a miniature version of the highly successful paella dish. Retail price is $5. The plett pan, priced at $7.50, is offered for the preparation of Swedish pancakes or four perfect fried eggs at once. The grill pan lists at $12 with an enamel finish, and $14 with the non-stick Copcon finish.

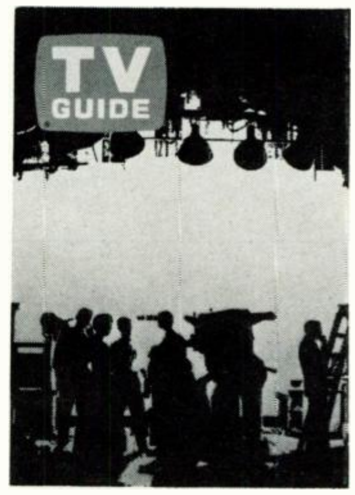
A display program for the Copco Shop, aimed at doing away with pegboard display, is also on the drawing boards for presentation to retailers this fall. Copco plans to offer sketches and suggestions for island, back-wall, and column displays of its cookware.



Cookware: the gleam in Jordan Marsh's eye

Jordan Marsh, Miami, has taken a shine to copper and pewter cookware. The store has grouped molds, percs, chafing dishes, and utensils—of both copper and pewter—in a country store display setting with a Southern touch. Built on a display cabinet, the vignette stands at the entrance to the gift housewares and clock shops. The wooden lattice background is used elsewhere in the department, and recessed lighting accents the polished finish of the copper and the softer finish of the pewter. Jordan Marsh uses paisley fabric accessories to add a note of color.

Effective September 9, 1967, a new rate base for America's largest selling weekly magazine



11,500,000

The new 11,500,000 rate base is up from 10,500,000. Our costs per thousand remain the same. The editorial mix that generates this growth does more than make for lively reading. Each week, our news, profiles, reviews, and commentary build an environment that gives advertising the best readership your dollar can buy. And, an opportunity to make that dollar work more frequently against your markets here than in any other weekly or biweekly magazine. That's the kind of climate that makes advertising sell.

TV GUIDE

Magazines	Rate Base	B&W Page		4-Color Page	
		Cost	CPM	Cost	CPM
TV Guide	11,500,000	$24,300	$2.11	$32,550	$2.83
Life*	7,400,000	35,900	4.85	54,250	7.33
Look	7,600,000	35,215	4.63	52,920	6.96
Post	6,700,000	26,780	4.00	40,170	6.00

*Based on a net paid delivered circulation of 7.2 to 7.4 million per issue.

Sources: Latest Announced Rates and Rate Bases; Starch Adnorms, 1966.

CURRENT ADVERTISERS PROTECTED THROUGH DECEMBER 31, 1967

MERCHANDISING WEEK

A BILLBOARD PUBLICATION

VOL. 99 NO. 21/MAY 22, 1967

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

EXECUTIVE, EDITORIAL, CIRCULATION, AND ADVERTISING OFFICES: 165 W. 46th St., New York, N.Y. 10036. Telephone: PL 7-2800, area code, 212. Second class postage paid at New York, N.Y., and additional mailing offices.

SUBSCRIPTIONS to Merchandising Week are solicited only from retailers, distributors, and manufacturers of home goods products. Position and company connection must be indicated on subscription orders. Publisher reserves the right to refuse non-qualified subscriptions. U.S. subscription rate for individuals in the field of publication; $6.00 per year (single copies, 50¢, except Annual Statistical Issue, $3.50). Foreign rates on request.

SUBSCRIBERS: Send change-of-address notices, correspondente regarding subscription service, and subscription orders to Fulfillment Manager, Merchandising Week, 2160 Patterson Street, Cincinnati, Ohio 45214. Change-of-address notices should be sent promptly; provide old as well as new address; include ZIP code number. If possible, attach address label from recent issue. Please allow one month for change of address to become effective.

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

POSTMASTER: Please send form 3579 to Fulfillment Manager, Merchandising Week, 2160 Patterson Street, Cincinnati, Ohio 45214.

MPA ABP SCMP ABC

MERCHANDISING WEEK is a member of the American Business Press, the Audit Bureau of Circulations, the Magazine Publishers Association and the Second Class Mail Publications, Inc.

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	1967	1966	% Change
FLOOR CARE PRODUCTS				
Floor Polishers	March	103,236	114,416	− 9.77
	3 Months	272,829	310,668	− 12.18
Vacuum Cleaners	March	506,630	549,606	− 7.82
	3 Months	1,405,814	1,501,141	− 6.35
HOME LAUNDRY				
Dryers, clothes, elec.	March	126,000	119,500	+ 5.44
	3 Months	419,700	375,200	+ 11.86
Dryers, clothes, gas	March	60,400	60,700	− .50
	3 Months	189,300	184,900	+ 2.38
Washers, auto. & semi-auto.	March	353,300	344,700	+ 2.49
	3 Months	928,200	959,000	− 3.21
wringer & spinner	March	45,000	53,000	− 15.10
	3 Months	112,500	120,800	− 6.87
OTHER MAJOR APPLIANCES				
Air Conditioners, room	March	589,900	401,900	+ 46.78
	3 Months	1,336,400	952,500	+ 40.30
Dehumidifiers	March	18,000	21,300	− 15.49
	3 Months	NA	67,100	NA
Dishwashers, portable	March	51,800	31,600	+ 63.92
	3 Months	135,300	92,900	+ 45.64
under-counter, etc.	March	79,400	83,000	− 4.34
	3 Months	212,100	231,600	− 8.42
Disposers, food waste	March	107,300	NA	NA
	3 Months	NA	NA	NA
Freezers, home	March	98,100	98,500	− .41
	3 Months	247,900	253,800	− 2.33
Ranges, electric	March	159,600†	179,600	− 11.14
	3 Months	449,400	539,200	− 16.66
Ranges, gas	February	159,300*	180,700	− 11.84
	2 Months	297,500	343,200	− 13.32
Refrigerators	March	421,300	394,800	+ 6.71
	3 Months	1,082,300	1,170,200	− 7.51
Water Heaters, elec. (storage)	February	75,000	86,000	− 12.79
	2 Months	147,200	166,200	− 11.43
Water Heaters, gas (storage)	February	213,680	207,380	+ 3.04
	2 Months	405,780	432,720	− 6.23
CONSUMER ELECTRONICS				
Phonos, port.-table, distrib. sales	April 7	57,469	33,125	+ 73.49
	14 Weeks	890,300	[illegible]21,669	+ 23.37
monthly distributor sales	February	266,660	248,358	+ 7.37
	2 Months	521,276	444,942	+ 17.15
Phonos, console, distrib. sales	April 7	25,932	31,455	− 17.56
	14 Weeks	408.322	522,901	− 21.91
monthly distributor sales	February	129,617	167,213	− 22.48
	2 Months	242,211	323,734	− 25.18
Radios, (home), distrib. sales	April 7	185,277	174,427	+ 6.22
	14 Weeks	2,836,706	3,438,894	− 17.51
monthly distributor sales	February	867,448	1,103,561	− 21.40
	2 Months	1,528,880	1,934,911	− 20.99
B&w Television, distrib. sales	April 7	90,306	102,693	− 12.06
	14 Weeks	1,460,983	2,085,912	− 29.96
monthly distributor sales	February	429,166	589,186	− 27.16
	2 Months	827,236	1,240,090	− 33.29
Color Television, distrib. sales	April 7	82,505	70,124	+ 17.65
	14 Weeks	1,245,330	1,012,108	+ 23.04
monthly distributor sales	February	356,941	302,062	+ 18.17
	2 Months	670,383	533,300	+ 25.70

* February Gas Range Total includes: 114,600 free-standing ranges; 19,700 high-ovens; 13,100 set-ins; and 11,900-built-ins.
† March Electric Range Total includes: 118,500 free-standing ranges; 41,100 built-ins.
Home Laundry and Major Appliances figures are now sales of manufacturers not distributors as in the past.
Source: AHAM, EIA, GAMA, VCMA

A New Time...
June 12-16, 1967
A New Place...

International Amphitheatre
Chicago

for the
47th semi-annual NHMA
National Housewares Exhibit

The site of the NHMA summer exhibit, and the dates, are different. Nothing else has been changed.

The International Amphitheatre in Chicago is a logical choice, both for its size and its location. It makes possible again a truly national show, at the trading cross-roads of the country. Located just a short cab ride from downtown Chicago, it will be served by a fleet of NHMA buses shuttling to and from all major hotels.

The exhibit has been scheduled a month earlier to give manufacturers and buyers a head start for the major selling season of the year.

In all other respects it will be the same as before—the same semi-annual "homecoming" of people from all areas of industry activity; the same complete round-up of products and plans; the same shop-talk that will eventually be heard around the Housewares world.

We look forward to seeing you at the International Amphitheatre in June for what may well be the most important, most active, best attended and most exciting mid-year NHMA Exhibit in our 29-year history.

NHMA

Serving the Housewares Industry Since 1938

NATIONAL HOUSEWARES MANUFACTURERS ASSOCIATION

1130 Merchandise Mart, Chicago, Ill. 60654

Meet two salesmen from our New York district.

They're "Show Biz," there's no doubt about that. But Johnny Carson and Ed McMahon are "big biz" for Hotpoint dealers. They may work out of Rockefeller Center, but their "Tonight" Show on NBC sells Hotpoint in 3,960,000 homes in 206 markets. And that means the "big sell" all the way to California.

Of course, this is backed up by an extensive color campaign in Life, Look, Saturday Evening Post, Sunset, Progressive Farmer, Southern Living and many builder manuals. Newspaper ads are used in all the major markets. So the Hotpoint story is seen by just about every person in the country.

But these two salesmen from our New York district are really pulling them in, and will keep doing so week after week after week. That fellow behind them is also a member of the NBC-TV staff. At least he guards the entrance to the building that Johnny and Ed work in. We sort of feel he's on our side too.

Hotpoint First with the features women want most

Hotpoint • General Electric Company • Chicago, Illinois 60644