

PHILCO
News





JAMES M. SKINNER, JR.
President

Dear Fellow Employees:

This issue of the PHILCO NEWS is a report to you on Philco's consumer products, highlighting the operations of the Consumer Products division.

The following pages describe in brief how the Company was founded, how its products are distributed and marketed, how Philco began the manufacture of each of its consumer products and how the new Philco Central Service plan operates.

Headed by Larry F. Hardy, vice president and general manager, the Consumer Products division accounts for approximately 65% of all the Corporation's sales. This issue of the PHILCO NEWS reflects the successful efforts of the employees of that division who bring Philco consumer products to you and to the public.

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OUR COVER THIS MONTH

Miss Mary Ann Mobley, Miss America of 1959, shown with Philco's famous separate screen television receiver, Model 4710.

Published for Employees of the Philco Corporation by the Public Relations Department—Mark Lutz, Editor.

VOL. 17

No. 1-2

HOW THE COMPANY BEGAN

PHILCO dates back to 1892 when it was established in Philadelphia under the name of the Helios Electric Company. The little firm began its operations with the manufacture of carbon arc lamps—the bluish street lights that used to grace street corners around the turn of the century. In 1906 the Company began to make storage batteries for electrically propelled automobiles, trucks and mine locomotives; as a result, the name was changed to the Philadelphia Storage Battery Company. Facilities at this time consisted of two sheet-iron buildings located not far from the site of present-day Philco buildings at “C” and Tioga streets. The firm had 18 employees.

With the invention of the self-starter, the Company began production of starting batteries for automobile, railroad and mining applications. One of the most successful of these was the “Philco Diamond Grid Battery”, introduced in 1919. This also marked the first use of the name “Philco”, which was the trademark of the Diamond Grid. Since that time, the name “Philco” has become a household word, although it did not become the firm’s official name until 1940 when the Company became a public corporation with stock listed on the New York Stock Exchange. More than \$225,000,000 in advertising and sales promotion funds has been

expended to publicize the name “Philco” from 1919 through 1958. This figure represents the total national advertising and sales promotion expenditures, plus the distributor cooperative advertising fund and includes all consolidated subsidiaries.

When radio became popular, the firm’s battery business began to pick up momentum. Philco developed a “Trickle Charger” which enabled the radio owner to charge storage batteries at home. This was a real advance for those days, since the owner previously had to take his batteries to a service station to have them re-charged. A further advance came in 1925 when Philco pioneered the “Socket Power”, a self-charging battery which operated from any electrical outlet in the home. The “Socket Power” was the last word in radio power and the Company’s first real taste of success after 33 years of struggle.

These were the modest beginnings of the Company that is today one of the nation’s leading manufacturers of consumer products and Government and industrial equipments. The following is the story of how Philco consumer products are distributed and marketed, of the Company’s growth and diversification into new fields and of the contributions it has made to the American public through its consumer products.



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DISTRIBUTION AND MARKETING

THE distribution and marketing of Philco's consumer products is a vast nation-wide operation which begins at Philco headquarters in Philadelphia and reaches out to every state in the Union and throughout the free world.

In the United States, Philco markets its products through approximately 90 independent distributors strategically located throughout the country. These distributors, in turn, sell to retail dealers located within their areas. It has been estimated that over 15,000 dealers in the United States handle Philco consumer products.

Two planning groups—one for appliance products and one for electronic products—are responsible for determining what consumer products Philco will manufacture. These two groups have charge of the product from concept to the point of manufacture, at which juncture their responsibilities end and the manufacturing responsibility begins.

The manufacturing responsibility is handled by two groups, one for appliance products and the other for electronic products. These two groups have charge of the product from the start of its manufacture until it is crated.

Once the product is crated, it becomes the responsibility of the marketing group. This group determines the selling price, the advertising policies and the sales promotion and merchandising campaigns for all consumer products.

To accomplish this, the Marketing department has divided the United States into four zones with an area manager for each zone. Each manager has full responsibility for all products entering his zone and his responsibility continues until the product is sold.

This, in very broad terms, is how Philco consumer products are planned, manufactured and sold to the ultimate user.

TELEVISION



"Predicta"
21-inch Table Model

TELEVISION research and engineering began at Philco in 1928. Convinced that electronic systems held the key to television's future, Philco in 1931 began experimenting with a transmission system of 180 lines. The term "lines" refers to the shafts of parallel light which create the illusion of a solid image on the picture tube. Since the number of lines governs the picture's clarity and detail, this factor is of prime importance. Through its research, Philco successfully increased the transmission system to 525 lines, a standard which was later adopted by the Federal Communications Commission for all television broadcasting.

In 1938 the Company produced "Plane-O-Scope," a picture tube 10 inches in diameter with a flat viewing screen

which eliminated the distortions common to early picture tubes. In addition, Philco conducted considerable research into the use of FM sound for television broadcasting and recommended that FM be adopted by the industry as standard for television transmission, which later took place.

Philco's first consumer television set was offered to the public in 1947, the year when the competitive race among manufacturers began in earnest. The Company decided to utilize the finest possible manufacturing techniques in order to produce superior television receivers, and accordingly, constructed a highly mechanized television production plant at "C" and Tioga streets.

In 1953 Philco introduced television receivers with larger picture tubes, including its first 24-inch set. All models were adaptable to Philco's exclusive all-channel Ultra High Frequency (UHF) tuner, so that every set owner could tune any of the authorized UHF channels received in his location. Two years later, the Company introduced television sets with remote control and automatic channel selection at the touch of a finger.

In 1957 the Company announced a new type of television circuitry which made possible new design treatments, including the 17-inch portable television "Slender Seventeener." The "Slender Seventeener" is highly popular and has won Philco the leadership in sales of portable models.

The world's first separate screen receiver, Philco's "Predicta," marked a revolution in the design and engineering of television sets. Announced in June 1958, "Predicta" was made possible by the development of a shorter 21-inch picture tube called the "SF" tube (for "semi-flat"), and a newly-designed contour chassis. A 21-inch "Predicta" table model is pictured on this page. "Slender Seventeener" portables in the "Predicta" line are the thinnest and most compact portables on the market today.

Radio and High Fidelity Stereophonic Instruments

THE first Philco radios were produced in 1928. The following year, Philco adapted mass production techniques to the manufacture of radio receivers, something which had never before been attempted. This new venture proved so successful that in one year, the Company jumped from 26th to 2nd place in the radio industry. By 1930, Philco was the top radio manufacturer in the United States.

Such Philco features as the built-in Magnecor aerial, which increased radio sensitivity, and the Tube Saver Resistor, which virtually eliminated tube failures caused by power surges were among the Company's pioneering contributions to the development of radio.

In 1954, Philco introduced printed wiring for radio chassis, thereby eliminating the maze of wire common to conventional chassis and improving overall radio performance.



Philco's single cabinet high fidelity stereophonic instrument.

The Company was the first in the industry to announce a full line of transistor radios, which it did in 1956. This policy has been continued ever since and the 1959 line ranges all the way from a 3-transistor vest pocket set, called the "VeeP," to the T-9, a shortwave 9-transistor set which operates on six ordinary flashlight batteries. Clock radios, AC-DC or battery combination portables and AM-FM models complete the 1959 line.

PHONOGRAPHS

Philco's advances in the phonograph field include a 1940 model in which a sapphire jewel used instead of a needle vibrated a mirror which reflected light into a photoelectric cell. The cell converted the vibrations electrically into sound. This meant improved tone and higher quality reproduction.

The "Phonorama" custom deluxe high fidelity phonograph announced in 1953 established a new standard for a mass produced high fidelity instrument. This was followed by the introduction of the electrostatic speaker, making possible the undistorted reproduction of sound at higher frequencies.

Philco's 1959 high fidelity models are equipped with a diamond stereo stylus, stereophonic cartridge, lighter tone arm and specially designed amplifiers. As a result, all models are equipped to play stereo records as well as the regular type.

In January 1959 the Company announced the introduction of a new line of single cabinet high fidelity instruments with the "Stereo-Dors" arrangement of doors which form the sides of the instrument. Sound is reflected off the surface of the doors to any area of the room, thus achieving stereophonic effects. A high fidelity instrument with "Stereo-Dors" panels is pictured here.

Laundry Equipment

PHILCO markets equipment for all phases of the home laundry industry, including the "Duomatic" combination washer-dryer, a full line of automatic washers and dryers and a complete wringer washer line.

The Company entered the laundry industry in 1954 through the purchase of the Dexter Company of Fairfield, Iowa. Dexter had an excellent reputation in the laundry field but needed a national distributor organization, such as Philco's, to market its products on a wider scale. Working together, Philco engineers and Dexter engineers developed a new operating principle, "Ball Point Balance," which was incorporated into an agitator washer produced in 1956.

Shortly after the introduction of this machine, Philco began a series of negotiations for the acquisition of another automatic washing machine name—"Bendix." This Company had pioneered the automatic washer. In 1956 Philco purchased the Bendix home laundry business of Avco Manufacturing Corporation and entered into a manufacturing agreement whereby Avco would manufacture this line of automatic washers, dryers and combination washer-dryers to Philco engineering and design specifications and under Philco's quality control.

This move accomplished many things for Philco: it gave it an established, nationally-known line of automatic washers and, equally important, the "Duomatic" combination washer-dryer. It also brought Philco new distributors, experienced in the sale of laundry equipment.

The next two years were devoted to assimilating the Dexter and Bendix lines. In 1958, after one of the most intensive engineering and design programs ever carried on in the laundry industry, Philco introduced the first completely new "Philco-Bendix" line. The line marked a num-



New "Duomatic" combination washer-dryer

ber of significant "Firsts" for Philco. One was the "Duomatic" combination washer-dryer, the most compact in the industry, priced lower than many single washers. Another was a new principle of high frequency washing action incorporated in the automatic washer line and called "Automagic."

The "Duomatic" combination washer-dryer pictured here is only $26\frac{3}{4}$ inches wide, has an eight pound capacity and does the washing and drying automatically. It is extremely flexible, affording a wide selection of water temperatures for every type of fabric and a variety of drying cycles, including "Superfast" for regular loads, "Wash and Wear" for modern fabrics and "Air Fluffing" when no heat is required. The "Duomatic" combination washer-dryer is available in gas or electric models.

PHILCO entered the refrigerator field in 1938 with the purchase of the refrigeration division of the Fairbanks Morse Company in Indianapolis, Indiana. The following year, the Company introduced its first Philco refrigerator. At that time, the Rex Manufacturing Company of Connersville, Indiana, (now a wholly owned subsidiary), manufactured the cabinets and the complete refrigerator was assembled in Indianapolis.

During World War II, Philco's facilities were devoted to the production of defense equipments, but in the postwar era,

its refrigeration engineers developed a number of features which helped the Company win a leading position in the refrigeration industry. Among these was the horizontal evaporator, or as we know it now, the freezer for storage of frozen foods. During the war, food scarcities and rationing restrictions focused new attention on the advantages of quick frozen foods. Philco anticipated a demand for freezers as separate units and introduced its first line of home freezers in 1945.

A popular feature of the Company's refrigerators was Philco's use of the inside panel of the refrigerator door as a "Dairy Bar" for storage of milk, cheese, butter and eggs.

REFRIGERATORS AND FREEZERS



"Supermarketer" refrigerator-freezer

The Philco "Dairy Bar" marked the most successful utilization of this door space in the industry. Another advance was the Philco "True Zone," an automatic refrigerator system which allowed the normal food compartment to defrost automatically while keeping the freezer compartment at the "Zero Zone" for safe storage of frozen foods. The "True Zone" was the first refrigeration system which automatically compensated for changes in room temperature and humidity.

As refrigerator and freezer sales increased, the Rex plant in Connersville was expanded and all refrigeration production was concentrated there in 1954. The new plant is one of the most modern refrigerator production facilities in the industry.

The Philco "Supermarketer" refrigerator-freezer shown here has a generous normal storage compartment, a completely separate freezer, the complete "Dairy Bar" and the new "Lazy Susan" shelf. The latter can be pulled out from the center or from either side and is ideal for storage of small items. A "Cold Flow" meat locker stores fresh meats at the proper 33° temperature and the waist-high "Misty Crisper" produce bin tilts out for easy use. Upon closing, the "Misty Crisper" automatically sprays a fine mist of water upon the vegetables and fruit to help maintain proper humidity.

ELECTRIC RANGES

TEN years ago, Philco took a further step in the direction of diversification with the purchase of the Electromaster Corporation of Mt. Clemens, Michigan, a veteran producer of electric ranges.

It was a sound move, since Philco had a national distributor organization to merchandise electric ranges and Electromaster had considerable engineering and design experience in the field. The first year Philco contented itself with simply merchandising the 1949 Electromaster model which carried a sticker stating: "Sold and Guaranteed by Philco Corporation."

The following year, however, Philco introduced its first electric range which featured a new method of broiling foods called "Broil Under Glass." Tempered glass panels were inserted beneath the broiling element of the oven to prevent fat from spattering against the hot electrical coils. This prevented smoking, broiled foods with less cooking shrinkage and reduced the possibility of fire being caused by hot fats hitting the open electrical coils.

The ranges were produced in Mt. Clemens for six years. In 1957 range production was transferred to the Avco manufacturing facility in Nashville, Tennessee, where Philco laundry equipment is produced. This move effected greater economy and efficiency by consolidating the production of two major appliances in one plant. The transfer also brought about substantial savings in freight charges by making it possible to combine shipments of laundry equipment and ranges to Philco distributors.

Although it has been in the field only 10 years, Philco is among the leaders in the electric range industry. One of the reasons for this standing is the design and engineering features built into Philco ranges.



Featured above is Philco's "Quick Chef" oven.

The Company was among the first to use colored indicator lights on the range control panel and the first to use the very wide 23-inch oven in a 40-inch wide electric range.

The most recent Philco development adopted by the industry is the "Roastmeter" electrical device which records the progress of meats or fowl being cooked in the oven.

The 40-inch wide electric range shown here incorporates another Philco development, the 115-volt "Quick Chef" oven, an auxiliary oven ideally suited for snack preparations, hamburgers, broiled chops or steaks and frozen dinners. The "Quick Chef" oven pre-heats in six minutes, compared to nine or ten minutes for normal ovens, and is economical to operate, since it is a 1,500 watt unit, as compared to normal oven wattage of 3,500.

Room Air Conditioners

AIR CONDITIONERS were the first product added to Philco's radio and phonograph lines when the Company began its program of diversification in 1938. Seriously bothered by the summer slump in radio and phonograph sales, management decided the answer lay in diversification of product lines, since many white goods hit their sales peaks in the summer months. First air conditioners, then refrigerators, freezers, television receivers, electric ranges and home laundry equipment were added and by 1954, Philco had become a full line consumer product company.

At first Philco's air conditioners were manufactured by the York Company in York, Pennsylvania. When the Rex refrigerator production plant in Connersville, Indiana, was



New Philco "Noiseless" . . . quietest air conditioner ever built.

expanded, (see "Refrigerators and Freezers," page 8), Rex began the manufacture of Philco air conditioners.

The pre-World War II room air conditioners were bulky units and while they did cool and dehumidify the air, they were a far cry from today's compact, efficient models. The first true room air conditioner unit was Philco's famous bedroom air conditioner, a compact, one-third horsepower unit which created a sensation in the industry when it was introduced.

To extend the selling season for air conditioners, Philco produced the first reverse cycle heat pump model, an air conditioner which could heat the same size room that it was rated to cool. In many areas of the country, heat pump models furnish the only heat needed in a room. Another Philco advance, now an industry standard, was the first sealed compressor unit which carried a five year warranty.

Philco's work in the field of negative ionization is a major contribution to better health and comfort through air conditioning. Ionization is the electrical charge in the air. Working in conjunction with leading physicians and scientists, Philco has conducted research which proves that air particles carrying a dominant negative charge of electricity are beneficial in the relief of air borne allergies, such as hay fever. Further studies now indicate that negative ionization also contributes to man's feeling of well being and comfort.

Philco has made a negative ion generator, called "Ionitron," available for all of its air conditioners so that consumers may have the benefit of negative ionization in their homes.

The 1959 air conditioner shown here has automatic temperature control and a tilt-down front for easy access to the new permanent washable filter. It is a two horsepower model, rated and guaranteed to deliver 16,000 BTU's of cooling capacity, what Philco calls "He-Man Cooling and no Fooling."

CITATION LINE

THE great postwar building boom offered Philco a top market for its appliances. The Company put its experience in the consumer appliance field to good use in the development of a totally new concept in built-in kitchen appliances—the “Citation” custom line.

Designed especially for the building and kitchen remodeling markets, the line has won wide acceptance. It was designed, in part, in cooperation with the National Association of Home Builders, (NAHB), and was used in that organization’s first experimental home in Washington, D. C. in 1957. The reception accorded this display of “Citation” appliances was so enthusiastic that Philco decided to advance the introduction of the line by a full year and accordingly, announced its “Citation” custom appliances in January 1958.

One of the outstanding designs in the “Citation” line is the “Split-Level” oven, which was selected for exhibition at the Brussels World’s Fair in 1958 as a prime example of modern American appliance design. The “Split-Level” oven is actually two ovens in one: a meat oven with rotisserie and a pastry oven drawer for baking breads, pies, cookies and even angel food cake. The oven is pictured on this page.

Four types of surface cooking units, three electric and one gas, match the “Split-Level” oven. One surface unit has a remote control panel which can be mounted at the most convenient location, plus a thermostatically controlled grille.

Two wall ovens and a budget priced stack-on oven are also part of the “Citation” line. The stack-on oven is available in 115-volt or 230-volt models.

Changeable front panels for the “Citation” refrigerators, freezers, combination refrigerator-freezer and the under-counter dishwasher are a unique feature of the line. The

panels have a brushed aluminum finish on one side and a coppertone finish on the other. They can be quickly and easily reversed; or, if the builder or home owner chooses, they can be replaced with laminated plastic sheets which are available in a variety of colors and patterns.

With the growth of the "Citation" business, Philco has added a host of new independent distributors who serve the builder and kitchen remodeling fields.

"Citation" custom appliances are featured in the new Celanese Corporation exhibit home in New Canaan, Connecticut and in the foyer kitchen in *Good Housekeeping* magazine's editorial rooms in New York. In addition, they have been published or will be featured in such national magazines as *House & Garden*, *House Beautiful*, *Ladies Home Journal* and *Everywoman's-Family Circle*, as well as many building trade publications.



"Split-Level" oven has separate meat and pastry ovens.

THE PHILCO SERVICE STORY

To bring Philco consumer products to the public and keep them in satisfactory operating condition, four groups are needed: the manufacturer, the distributor, the retailer, and the independent serviceman.

A manufacturer must have the consumer's confidence if he is to prosper and grow, and therefore, he must be deeply concerned with the quality of his products. However, with any mass produced mechanical, electronic or appliance product, there are times when things go wrong and service becomes necessary. Such service must be promptly

rendered, efficiently performed and reasonably priced.

In 1955, after considerable research, Philco successfully conducted a metropolitan service plan in Los Angeles. By pre-billing the cost of installation and potential in-warranty service on the Philco products sold to retailers, the Philco distributor was able to set up a service fund, engage small independent non-retail service shops to handle the resulting service calls in their neighborhood areas and pay them for all work performed on a per-call basis.

This distributor plan is known as

Philco Central Service. Three years of test operation in Los Angeles and additional experience in several other major markets convinced Philco that it can promote better service for the consumer than the factory-owned service companies of competitors.

The number of independent service organizations engaged depends, of course, upon the total service work load. Approximately 90 three-man shops are in the Greater Philadelphia area. As the work load increases, additional neighborhood service shops are engaged.

The Philco Central Service plan provides sufficient money for product installation and in-warranty service of high quality. It fulfills Philco's responsibility to its product users and offers the service supervision desired by factory and distributor.

The plan permits product service by Philco retailers who have their own factory trained service departments and permits independent service when the other is not conveniently available. Finally, it produces the most important of all manufacturing ingredients—customer satisfaction.

Through the Accessory division, parts for all Philco products are quickly available from a nationwide network of 14 warehouses servicing all Philco distributors, dealers and independent servicemen.



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