

HOW it may be SOLD



IN THE HOME—When designing new demonstration salons there is an opportunity to provide an effective setting for audio as well as video receivers. Here, for example, the two must be used together when receiving pictures, might conceivably be sold together

DEALERS may safely assume that the television receivers to be offered by well-known concerns represent the best performance at present known to the new art.

This fact is assured under the existing system by which manufacturers who are licensed to make radio sets also have access to all that is known about television in the research laboratories of the licensing agencies. In addition, some of the larger manufacturers have been carrying on experiments in their own laboratories for several years and have made valuable contributions to the art.

Therefore thanks to the peculiar setup of the radio industry, television is launched on its commercial career with many technical "bugs" ordinarily encountered in the production of new merchandise eliminated or minimized in advance. Television products arrive on the market in a higher state of perfection than would normally be the case with so new and so highly complicated mechanism.

But, and this is an important "but", the laboratories have so far concerned themselves primarily with the production of practical television equipment and have supplied little or no material that would help radio dealers in selling the new art to an intensely interested but highly uninformed, or misinformed, public.

Initial Trade Problems

Distributors and dealers who undertake to sell television equipment at this time literally are pioneers, breaking through to new frontiers.

The care and thoroughness with which their merchandising, installation and service policies and practices are planned will be an important factor in determining the success and growth of the television industry.

Obviously, the dealer who is interested in building long-term success must be able to explain to prospective buyers all the advantages that television can offer. *And he must also explain its limitations*, for one dissatisfied user could easily spoil many sales. Dealers will thus gain more ultimate television business by *underselling* early customers and will only hurt themselves and the new art too if they launch forth on a policy of *overselling*.

To retail television receivers successfully and profitably will require substantial investment of time, energy and money. A television receiver is much more complicated than the most elaborate radio set. The dealer and his service department will have to become acquainted with high-voltage equipment (2,000 volts are used for an average 5-inch cathode-ray tube, 5,000 and even 7,000 volts on larger sizes . . . voltages not unlike those of automobile spark-plugs which have made more than one careless mechanic do a "ground loop", but much more dangerous).

The characteristics of ultra high frequency waves such as those used

in television transmission will have to be studied and understood. Interference from auto-ignition, diathermy apparatus, traffic signals etc. must be recognized quickly and as far as possible eliminated by the installation.

There are, in fact, so many important things to know and to learn that some of the well-known manufacturers may be expected to insist that those who are to sell and service and install television shall complete a regular course of study conducted by engineers and specialists in this field. In some cases such courses may be compulsory and completely at the expense of the dealer. In others manufacturers may refund the cost, or part of it, by special credits on television equipment later purchased.

We can do little more than merely touch on these general problems at this time for plans are still very much in process of formulation.

Store Demonstration Probable

A television department will require a substantial investment if the retailer wants to operate as a full-fledged dealer and earn the maximum available discount. Because they are entirely new to virtually the entire public, it is likely that few televisions will be sold without demonstration.

To equip himself for making demonstrations in his store a dealer should expect to invest at least in

a sample line of television receiver models. Then he will probably find it necessary to install a fair-sized booth or demonstration room that can be darkened without interfering with business in the rest of the store. The room should provide comfortable seating for between 8 and 12 people and correspondingly more if more than one receiver is to be demonstrated.

Before attempting store demonstration the dealer will have to determine whether his store has a satisfactory location for good demonstrations. He will have to find the best possible location for receiving antennas, decide whether they can be in "line of sight" with the local transmitters, how far back from the curb he must place them to avoid severe ignition noise pickup, how much electrical interference may be expected to influence received pictures.

Some dealers who have stores in heavily trafficked, and hence heretofore desirable, locations may find it advisable to demonstrate television elsewhere because of the noise factor. A special store, private parlor or office might suffice.

Home Demonstrations Too

There are several sales executives who believe that television sets will be most successfully sold through home demonstration. Such selling would virtually demand preliminary study or testing by the dealer of locations at which the receiver is to be used. Special attention would be given to antenna location, as in the store. Factors of interference, without the home and within, would also come in for consideration.

If a particular antenna installation seemed to offer no insurmountable obstacles the dealer would next ask the customer to execute a regular sales contract which would include the price of the television plus a specified flat charge for installing the antenna and another fee for demonstrating at home. Then, after a satisfactory demonstration, the charge for the home demonstration might be applied against the purchase price.

It is generally conceded that, because of the special antenna requirements and the fact that no two installations will ordinarily be quite alike, dealers can make sure of giving their customers the best

possible results only if the antenna and cost of installing it are considered separately from the receiver in each sale.

There is another plan under discussion by those who believe home demonstration to be the best means of producing volume sales quickly. It provides for equipping a truck with a large telescopic antenna that will reach above most of the homes or buildings found in an ordinary residential district. The truck would carry all necessary cables to permit a receiver to be taken within a home and still operated from the truck antenna. The dealer would, in this instance, collect in advance a fee for demonstrating, applying it later against the purchase and utilizing it initially as a deposit.

While this latter plan involves a substantial initial investment it obviously has the advantage that the truck, properly equipped, could serve simultaneously as a demonstrating aid and a service shop for installations and later adjustments.

Variety of Selling Plans

A survey just before presstime by *RADIO and Television RETAILING*, among manufacturers, indicates that a variety of selling plans will undoubtedly be tried.

The reason for this is that at the outset not all radio dealers will be found ready, able or willing to install a full-fledged television department. Furthermore, there are several manufacturers who feel that a permanent selling plan should evolve out of a period of merchandising experimentation. This means that dealers will have an opportunity to test out the new lines in most instances without great permanent investment.

For instance, some manufacturers or distributors may establish show and demonstration salons in central locations, much as has been done by leading makers of automobiles. Dealers would bring prospects to such showrooms, or supply them with cards of admission and identification. Then the demonstrator would carry on his sales effort, and, if successful, see to it that the dealer was later credited.

Manufacturers employing such a plan would probably have two or possibly three types of proposition for the dealer.

Type "A" dealer would be ex-

pected to establish and maintain a complete television sales department and an installation and service crew trained by or under the supervision of the manufacturer. He would buy outright, handle all customer relations, and earn the maximum discount.

Type "B" dealer would have at least one television receiver on display but would depend upon the manufacturer's showroom for demonstrations and upon the manufacturer's own crew for installations. He would however, handle the customer account thereafter. His discount would be slightly less.

Type "C" dealer would be handling the manufacturer's line of radio sets, let's say, but would not carry television receivers in stock. He would simply refer prospects to the manufacturer or distributor and, in the event of a sale, receive a nominal commission for supplying the "lead".

It is also possible that during the first season some manufacturers may prefer to handle all television installations and service themselves in order to insure the maximum of satisfaction to each buyer. Such a plan would no doubt provide that the dealer perform all functions of display, demonstration and selling. In this instance the dealer would probably get the maximum discount and manufacturer's installation and service charges would clear through the dealer and include an auxiliary profit. All accounts with customers would be handled by the retailer.

Another plan has also been proposed by those who believe that improvements may come rapidly and that, consequently, buyers may shy because of fear that some new development might obsolete initial equipment. Under this plan the consumer would be permitted to lease television service for a minimum of one year at a fixed monthly charge. The supplier would furnish the receiver, keep it in working order, make any necessary adjustments and provide newer equipment if developments warranted. Thus the user would be assured of protection.

There are, however, just as many who contend that present standards and practices will prevail long enough to make obsolescence of equipment no more a factor than it is when buying a 1939 model car.