

Color TV Sets, Expensive at First, Expected to Drop to \$300 by 1957

Color, bane of television receiver producers in the months ahead, will prove a boon in the next five years, according to industry statisticians. Imminence of color is slowing down sales of

black and white receivers, but it presents a challenge to the industry in that it holds the prospect of full replacement of the 24,500,000 sets now in use.

How fast can color sets be sold? Producers are asking this question and getting various answers. One of the factors, of course, is cost to the consumer. The first commercial sets which should be on the market next year will be priced at \$800 to \$1,000 and most authorities agree that not more than 50,000 will be sold in the first year of production.

Such a price discourages mass sales, and without doubt the cost will be brought down. Some forecasters have predicted that by 1957 the cost of color television will be down to \$300 for a 21-inch-screen set. This would mean a reduction in cost of color set production about equal to the reduction in black and white sets during the period from 1947 through 1952, but some experts are of the opinion that costs of color will come down even faster.

Finish for Black and White

It was said, however, that when color sets reach a price level 50 per cent higher than black and white, the latter will be about through as a volume seller.

Another factor in color, of course, the statisticians pointed out, is the speed at which color broadcasts can be introduced. Cost of operation may hinder some stations, but it was predicted that broadcasters generally would be well ahead of the distribution of receivers in supplying color programs throughout the country.

One research organization, releasing the results of a survey last week, said that by 1955 one of every ten sets sold would be a color receiver. This concern, Boni, Watkins, Mountee & Co. of New York, predicted that by 1957, 45 per cent of all sets sold would be color.

Uncertainty Prevails

Dr. Alfred R. Oxenfeldt, executive vice president of the organization, pointed out that among the unknown factors in making a projection of sales is the uncertainty of over-all economic conditions. If business recedes in 1954, for instance, and continues depressed until 1956, all television sales will suffer in those years.

Without a recession he estimated that sales of all television, color and black and white, in 1953 will be about equal to 1952, when 6,510,000 sets were sold. In 1954 sales will rise to 7,000,000; 1955, 7,510,000; 1956, 7,680,000, and 1957, 7,770,000.

From the standpoint of dollar sales his company estimated that sales this year will approximate \$1,790,000,000; 1954, \$1,782,000,000; 1955, \$2,049,750,000; 1956, \$2,056,000,000, and 1957, \$2,548,000,000. Color sets totaling 50,000 would account for \$45,000,000 of the 1954

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volume; 800,000 sets valued at \$540,000,000 in 1955; 1,600,000 at \$840,000,000 in 1956, and 3,500,000 at \$1,750,000,000 in 1957.

Thus, according to Dr. Oxenfeldt, it will take at least four more years to bring the industry back to the peak volume it enjoyed in 1950 with sales of \$2,235,000,000 at the retail level.

The projection by individual manufacturers is somewhat more conservative than those of Dr. Oxenfeldt's organization, both for color and total sets produced.

One large company, not identified, predicted that over-all production in 1954 would be 6,750,000 sets, of which 50,000 would be color. Production will be down in 1955 with an over-all output of 6,200,000 sets, of which 200,000 will be color. In 1956 the total figure will be 6,500,000 sets with 800,000 in the color category, and in 1957 total production is set at 7,000,000 sets with 2,000,000 in color.

According to Dr. Oxenfeldt, at least 200,000 prospective purchasers are withholding their buying this year because of color. Waiting for the price to come down next year, 550,000 prospective purchasers will hold out, while in 1955 the number withholding purchases will be 500,000. In 1956, it is estimated, 400,000 will hold back and in 1957, 350,000.