

FEDERAL TRADE COMMISSION DECISIONS

Findings, Opinions and Orders IN THE MATTER OF

BEATRICE FOODS CO.

ORDER, OPINION, ETC., IN REGARD TO ALLEGED VIOLATION OF SEC. 7 OF THE CLAYTON ACT

Docket 8864. Complaint, Oct. 1, 1971-Decision, July 1, 1975

Order requiring a multinational, multiproduct company, located in Chicago, Ill., among other things to divest itself of a competing manufacturer of paint rollers which it acquired in 1970, and to not make any acquisitions for 10 years, in the paint brush-and-roller industry, without prior Federal Trade Commission approval. Further, the order dismissed, for failure of proof, allegations in the complaint that the acquisition of Tip Top Brush Co., through which the respondent entered the industry, violated Sec. 7 of the Clayton Act.

Appearances

For the Commission: *Murray L. Lyon, William M. Sexton, and Randolph B. Sim.*

For the Respondent: *Edward L. Foote, John W. Stack, and Terry M. Grimm, Winston & Strawn, Wash., D.C., John P. Fox, Jr., General Counsel, Beatrice Foods Co.*

COMPLAINT

The Federal Trade Commission, having reason to believe that respondent Beatrice Foods Co., a corporation, has violated and is now violating the provisions of Section 7 of the Clayton Act, as amended (15 U.S.C. §18) through the acquisition of the stock and assets of various corporations, as hereinafter more particularly designated and described, and it appearing to the Commission that a proceeding by it with reference thereto would be in the public interest, hereby issues its complaint pursuant to the provisions of Section 11 of the aforesaid Clayton Act (15 U.S.C. §21) stating its charges as follows:

I. DEFINITIONS

1. For the purpose of this complaint, the following definitions shall apply:

(a) *Manually powered paint applicators*: Paint and varnish brushes; paint rollers including pans, covers, handles, and other accessories sold separately, or as part of a paint roller kit; and miscellaneous paint applicators other than spray equipment and aerosol cans.

(b) *Manually powered paint application industry*: Persons, partnerships, joint ventures, and corporations engaging in the manufacture and sale of manually powered paint applicators, as defined in (a), immediately above.

(c) *Paint rollers*: As used separately, includes, in addition to the complete paint roller, pans, covers, handles, and other accessories sold separately, or as part of a paint roller kit.

II. RESPONDENT

2. Respondent, Beatrice Foods Co., sometimes hereinafter referred to as "Beatrice," is, and has been, at all times relevant herein, a corporation organized, existing, and doing business under the laws of the State of Delaware, with its present executive office and principal place of business located at 120 S. LaSalle St., Chicago, Ill.

3. Beatrice is today a multinational, multiproduct company with its primary emphasis on foods and related services. Following extensive research by management and market specialists, Beatrice began diversifying six years ago into a limited number of non-food fields appraised as having exceptional potential for growth of sales and profits. These fields, grouped together as the Chemical & Manufactured Products Division, represented approximately 20 percent of Beatrice's dollar sales in fiscal year ended Feb. 28, 1970. Many of the products in the Chemical & Manufactured Products Division are similar in that these products are sold by Beatrice to common customers or are distributed to similar outlets, such as variety, hardware, grocery and mass merchandise stores. One field within this division is paint brushes and paint rollers. Many retailers and distributors of paint brushes and paint rollers are purchasers or potential purchasers of a variety of other products manufactured and distributed by Beatrice.

Beatrice, in the sale of its products, relies heavily on advertising, especially advertising designed to promote consumer brand identification. For fiscal year ended Feb. 29, 1968, Beatrice spent approximately \$27 million for advertising of its products, utilizing all major media and means of reaching the consumer public. Respondent has continued to expand its advertising expenditure since that time.

In conjunction with its advertising, Beatrice has been successful in promoting its household products through new packages, display materials, coupons, and special promotions. Major promotional programs have centered on products within the Chemical & Manufactured Products Division, including Melnor sprinklers, Stiffel lamps, and Airstream trailers.

4. In the course and conduct of its business, Beatrice is, and has been, at all times relevant herein, engaged in selling its products to

purchasers located in various States of the United States, and caused such products, when sold, to be transported from its facilities in various States of the United States to such purchasers located in various States of the United States. In so doing, Beatrice is engaged in "commerce," as "commerce" is defined in the Clayton Act, as amended, and has been continuously so engaged at all times relevant herein.

5. Beatrice's development has been characterized through the years by continuous growth. During the past decade, sales increased by \$1.1 billion, or 256 percent. For fiscal year ended Feb. 28, 1970, net sales were approximately \$1,576,000,000, and total assets approximated \$504 million. Acquisitions accounted for a significant portion of this growth.

III. ACQUIRED COMPANIES

Tip Top Brush Co., Inc. and Affiliated Companies

6. Prior to and until July 31, 1969, Tip Top Brush Co., Inc. and its affiliated companies Banner Brush Co., Inc.; Best-Set Brush Co., Inc.; United Brush Manufacturing Co., Inc.; First Synthetic Fibre & Brush Co., Inc.; West Side Leasing Corp.; Excello Roller Co., Inc.; and Star Brush Manufacturing Co., Inc., sometimes hereinafter referred to collectively as "Tip Top," were corporations organized, existing, and doing business under the laws of the State of New Jersey, with their offices and principal places of business located at 151 W. Side Ave., Jersey City, N.J., except with respect to Star Brush Manufacturing Co., Inc., which was organized, existing, and doing business under the laws of the State of New York, with its office and principal place of business located at 690 Harrison Ave., Boston, Mass.

7. All of the issued and outstanding capital stock of each of the corporations listed in Paragraph 6, above, were owned by Miklos Felkay and Madelaine Felkay. These corporations were closely held and operated so as to mutually benefit each other.

8. Tip Top was engaged in the manufacture, sale, and distribution of manually powered paint applicators. For fiscal year ended Sept. 30, 1968, the year preceding its acquisition by Beatrice, it had net sales of approximately \$5,425,000, and it had total assets approximating \$2,641,000. By fiscal year ended Sept. 30, 1969, these sales had increased to approximately \$7,126,000.

9. In the course and conduct of its business prior to July 31, 1969, as aforesaid, Tip Top sold its products to purchasers located in various States of the United States and caused such products, when sold, to be transported from its facilities in various States of the United States to such purchasers located in various other States of the United States. In

so doing, Tip Top was engaged in "commerce," as "commerce" is defined in the Clayton Act, as amended.

10. Pursuant to an agreement adopted June 25, 1969, Beatrice, on July 31, 1969, acquired all of the issued and outstanding capital stock of Tip Top in exchange for up to 85,000 shares of Beatrice's common stock.

Essex Graham Company

11. Prior to and until July 1, 1970, Essex Graham Company, sometimes hereinafter referred to as "Essex," was a corporation organized, existing, and doing business under the laws of the State of Illinois, with its office and principal place of business located at 1700 W. Pershing Rd., Chicago, Ill.

12. Essex was engaged in the manufacture, sale, and distribution of manually powered paint applicators. In 1969, the year preceding its acquisition by Beatrice, Essex had net sales of approximately \$2,216,000 and its total assets approximated \$2,322,000.

13. In the course and conduct of its business prior to July 1, 1970, as aforesaid, Essex sold its products to purchasers located in various States of the United States and caused such products, when sold, to be transported from its facilities in Illinois to such purchasers located in various other States of the United States. In so doing, Essex was engaged in "commerce," as "commerce" is defined in the Clayton Act, as amended.

14. Pursuant to an agreement and plan of reorganization adopted July 1, 1970, Beatrice, on July 1, 1970, acquired substantially all of the assets of Essex in exchange for shares of Beatrice's common stock.

IV. NATURE OF TRADE AND COMMERCE

15. Manually powered paint applicators are a separate and distinct product which is distinguished from all other paint applicators and all other products in a number of ways, including, but not restricted to, method of use, cost of production, marketing, and consumer acceptance.

16. In the United States prior to World War II, paint was principally applied by brush. During World War II the paint roller was developed, offering a new method by which to apply paint. Initially paint rollers were produced principally by firms not engaged in the manufacture of paint brushes. During the past decade, however, substantial market pressure has resulted in a significant number of companies originally engaged in the manufacture of either paint brushes or paint rollers entering into the manufacture and sale of both. Currently, of the top twelve concerns in the manually powered paint application industry, ten manufacture and sell both paint brushes and

paint rollers. Of the remaining companies within this industry, most if not all, manufacture and/or distribute both paint brushes and paint rollers.

17. Approximately three years ago miscellaneous flat paint applicators other than brushes and rollers were introduced. In 1969, such miscellaneous flat paint applicators constituted an insignificant portion of the total sales of manually powered paint applicators.

18. The manufacture and sale of manually powered paint applicators is a significant industry in the United States. In 1969, value of shipments was approximately \$99.3 million, up from 1967 value of shipments of \$88.6 million. There has been a significant increase in the level of concentration in the manually powered paint application industry. In 1967, the top four and top eight manufacturers had approximately 34.6 percent and 51.3 percent of domestic plant shipments, respectively. By 1969, these shares had increased to approximately 40.4 percent and 58.6 percent, respectively. By attributing to the acquiring company the 1969 plant shipments of those companies acquired in 1970, the market shares of the top four and top eight in 1969 increase to 46.7 percent and 66.1 percent, respectively.

19. The aforesaid increase in concentration has been paralleled by a number of independent manually powered paint applicator concerns leaving the industry, either by virtue of merger or by voluntarily ceasing operations. Additionally, there has not been a significant new entrant into this industry within the past two decades.

20. In 1969, Tip Top was the third largest manufacturer of manually powered paint applicators, accounting for approximately 6.9 percent of plant shipments in the United States. In that year, Essex had approximately 2.3 percent of domestic plant shipments. The combined production of these acquired concerns would have made Beatrice the third largest domestic manufacturer of manually powered paint applicators in 1969.

21. Paint rollers constitute a significant segment of manually powered paint applicator sales, representing approximately \$26.5 million in 1967, and increasing to approximately \$31.2 million in 1969. Concentration in this segment is high. In 1969, the top four and top eight manufacturers had in excess of 59.2 percent and 76.7 percent of domestic plant shipments of paint rollers, respectively.

22. In 1969, Tip Top accounted for approximately 3.8 percent of paint roller plant shipments in the United States. In that year, Essex represented approximately 7.2 percent of domestic plant shipments. On the basis of the combined production of these acquired concerns, as aforesaid, Beatrice would become the third largest domestic manufacturer of paint rollers in 1969.

23. The largest segment of manually powered paint applicator sales is in paint and varnish brushes, representing approximately \$62.1 million in 1967, and increasing to approximately \$68.1 million in 1969. Concentration in this segment is significant. In 1969, the top four and top eight manufacturers accounted for approximately 40.1 percent and 61.7 percent of domestic plant shipments, respectively. In that year, Tip Top was the second largest manufacturer of paint and varnish brushes, with 8.3 percent of domestic plant shipments.

24. Manually powered paint applicators of all types are distributed to hardware, variety, paint and wallpaper, and mass merchandise stores, among others. Recently, these products have been sold in grocery stores, with this latter market expected to be of major significance in the future.

V. EFFECTS OF THE ACQUISITIONS

25. The effect, cumulatively and individually, of the aforesaid acquisition by Beatrice of the stock and assets of Tip Top and Essex may be substantially to lessen competition or to tend to create a monopoly in the manufacture and sale of manually powered paint applicators in the United States as a whole in the following ways, among others:

(a) Potential competition between Beatrice and each of the aforesaid corporations acquired by it and between Beatrice and all others has been eliminated;

(b) Actual competition between and among the aforesaid corporations acquired by Beatrice has been eliminated;

(c) Producers of manually powered paint applicators may be unable to compete, or will be at a competitive disadvantage in competing, with respondent due to any one, any combination of, or all of the following factors:

(1) Respondent's financial and economic strength;

(2) Respondent's advertising, merchandising, and promotional ability and experience;

(3) Respondent's ability to command acceptance of its products and of valuable store shelf space;

(4) Respondent's ability to offer preferential prices on manually powered paint applicators;

(5) Respondent's ability to offer preferential prices on other products it sells as a condition, implied or explicit, to the purchase of respondent's manually powered paint applicators;

(6) Respondent's ability to combine product distribution;

(d) The leading position of Beatrice has been enhanced and may be further enhanced;

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(e) An industry trend toward concentration has been accelerated and further acquisitions may be induced;

(f) The degree of concentration has been increased and may be further increased; and

(g) The entry of new competitive entities has been and may continue to be made more difficult.

26. The effect, cumulatively and individually, of the aforesaid acquisition by Beatrice of the stock and assets of Tip Top and Essex may be substantially to lessen competition or to tend to create a monopoly in the manufacture and sale of paint rollers in the United States as a whole in the following ways, among others:

(a) Potential competition between Beatrice and each of the aforesaid corporations acquired by it and between Beatrice and all others has been eliminated;

(b) Actual competition between and among the aforesaid corporations acquired by Beatrice has been eliminated;

(c) Producers of paint rollers may be unable to compete, or will be at a competitive disadvantage in competing, with respondent due to any one, any combination of, or all of the following factors:

(1) Respondent's financial and economic strength;

(2) Respondent's advertising, merchandising, and promotional ability and experience;

(3) Respondent's ability to command acceptance of its products and of valuable store shelf space;

(4) Respondent's ability to offer preferential prices on paint rollers;

(5) Respondent's ability to offer preferential prices on other products it sells as a condition, implied or explicit, to the purchase of respondent's paint rollers;

(6) Respondent's ability to combine product distribution;

(d) The leading position of Beatrice has been enhanced and may be further enhanced;

(e) An industry trend toward concentration has been accelerated and further acquisitions may be induced;

(f) The degree of concentration has been increased and may be further increased; and

(g) The entry of new competitive entities has been and may continue to be made more difficult.

27. The effect, cumulatively and individually, of the aforesaid acquisition by Beatrice of the stock and assets of Tip Top and Essex may be substantially to lessen competition or to tend to create a monopoly in the manufacture and sale of paint and varnish brushes in the United States as a whole in the following ways, among others:

(a) Potential competition between Beatrice and each of the aforesaid

corporations acquired by it and between Beatrice and all others has been eliminated;

(b) Potential competition between and among the aforesaid corporations acquired by Beatrice has been eliminated;

(c) Producers of paint and varnish brushes may be unable to compete, or will be at a competitive disadvantage in competing, with respondent due to any one, any combination of, or all of the following factors:

(1) Respondent's financial and economic strength;

(2) Respondent's advertising, merchandising, and promotional ability and experience;

(3) Respondent's ability to command acceptance of its products and of valuable store shelf space;

(4) Respondent's ability to offer preferential prices on paint and varnish brushes;

(5) Respondent's ability to offer preferential prices on other products it sells as a condition, implied or explicit, to the purchase of respondent's paint and varnish brushes;

(6) Respondent's ability to combine product distribution;

(d) The leading position of Beatrice has been enhanced and may be further enhanced;

(e) An industry trend toward concentration has been accelerated and further acquisitions may be induced;

(f) The degree of concentration has been increased and may be further increased; and

(g) The entry of new competitive entities has been and may continue to be made more difficult.

VI. NATURE OF THE VIOLATION

28. The acquisition by Beatrice of the stock and assets of the aforesaid corporations, individually, and/or together with the cumulative effect thereof, constitutes a violation of Section 7 of the Clayton Act (15 U.S.C. §18), as amended.

INITIAL DECISION BY WILLIAM K. JACKSON, ADMINISTRATIVE
LAW JUDGE

OCTOBER 25, 1973

PRELIMINARY STATEMENT

The Federal Trade Commission, on Oct. 1, 1971, issued its complaint in this proceeding charging Beatrice Foods Co., a corporation, by its acquisitions of the stock and assets of Tip Top Brush Co., Inc. and Essex Graham Company, violated Section 7 of the Clayton Act, as

amended (15 U.S.C. § 18). The complaint alleges that the effect, cumulatively and individually, of the acquisitions may be substantially to lessen competition or tend to create a monopoly in the manufacture and sale in the United States as a whole of (1) manually powered paint applicators, (2) paint rollers, and (3) paint and varnish brushes, in the following ways, among others:

(a) Potential competition between Beatrice and each of the aforesaid corporations acquired by it and between Beatrice and all others has been eliminated;

(b) Actual competition between and among the aforesaid corporations acquired by Beatrice has been eliminated;

(c) Producers of (1) manually powered paint applicators (paint rollers/paint and varnish brushes), may be unable to compete, or will be at a competitive disadvantage in competing, with respondent due to any one, any combination of, or all of the following factors:

(1) Respondent's financial and economic strength;

(2) Respondent's advertising, merchandising, and promotional ability and experience;

(3) Respondent's ability to command acceptance of its products and of valuable store shelf space;

(4) Respondent's ability to offer preferential prices on manually powered paint applicators (paint rollers/paint and varnish brushes);

(5) Respondent's ability to offer preferential prices on other products it sells as a condition, implied or explicit, to the purchase of respondent's manually powered paint applicators (paint rollers/paint and varnish brushes);

(6) Respondent's ability to combine product distribution;

(d) The leading position of Beatrice has been enhanced and may be further enhanced;

(e) An industry trend toward concentration has been accelerated and further acquisitions may be induced;

(f) The degree of concentration has been increased and may be further increased; and

(g) The entry of new competitive entities has been and may continue to be made more difficult.

After being served with the complaint, respondent appeared by counsel, and on Nov. 11, 1971, filed its answer to the complaint denying, in substance, that the mergers were illegal. Thereafter, on Jan. 13, 1972 and Feb. 25, 1972, prehearing conferences were held pursuant to pretrial orders of the undersigned for the purposes of simplification of the issues, obtaining admissions of fact and authentication of documents, discovery of relevant material, exchanging lists of exhibits and names of witnesses, together with a summary of their proposed

testimony, to be used at the trial, and the preparation of a concise statement of the contested issues of law and fact. In accordance with the undersigned's pretrial order, both parties prepared and submitted a pretrial memorandum.

Hearings for the presentation of testimony and other evidence by complaint counsel began in Washington, D.C., on Dec. 6, 1972, and concluded on Dec. 18, 1972, with the exception of one witness, Mr. Brown W. Cannon, senior vice president of respondent, whose testimony was deferred until Apr. 24, 1973, in order to accommodate respondent until the commencement of respondent's defense. Pursuant to a request by respondent for further discovery, a 2-month adjournment¹ was granted prior to the presentation of respondent's defense. During this period, respondent presented to the undersigned approximately nine subpoenas duces tecum, all of which were issued. Respondent's defense commenced on Apr. 25, 1973, and was completed on May 21, 1973. Thereafter, on July 9, 1973, complaint counsel commenced rebuttal hearings which were concluded on July 16, 1973. On July 27, 1973, respondent had surrebuttal hearings and the record was closed on July 27, 1973.

The record in this matter consists of 3,553 pages and there were 35 days of hearing. Complaint counsel, for their case-in-chief, noticed 26 witnesses and 19 testified. Complaint counsel originally noticed 101 exhibits, of which 83 were received, one was withdrawn and 17 were omitted. Complaint counsel offered 12 additional exhibits, of which 10 were received. On rebuttal, complaint counsel called 20 witnesses and offered five exhibits, of which four were received and one was rejected.

Respondent's first pretrial submissions were submitted on Nov. 15, 1972, but were rejected as inadequate. Respondent resubmitted its lists of witnesses and documents on Nov. 29, 1972. On Jan. 10, 1973, respondent filed a third submission entitled "Second Revision of List of Witnesses and Documents." On Jan. 31, 1973, respondent filed a final list of documents, and on Apr. 5, 1973, filed a final schedule of witnesses.

Respondent, for its defense, originally noticed 232 exhibits, of which 69 were either offered or identified and 51 were received, 13 rejected, and five withdrawn. Respondent also identified or offered 20 additional exhibits that were not noticed, of which 15 were received, three were rejected, and two were identified but not offered. Approximately 163 of respondent's noticed exhibits were not identified or offered at the hearing. Respondent originally noticed approximately 90 witnesses, which on Apr. 5, 1973, was reduced to approximately 58 named individuals, together with numerous unnamed officials of respondent,

¹ Due to the illness of the undersigned during this adjournment, respondent's defense was further postponed.

of which 34 were actually called to testify in its defense. On surrebuttal, respondent called one witness and offered one exhibit which was rejected.

Pursuant to order of the undersigned, complaint counsel filed their proposed findings, conclusions of law, and brief in support thereof on Oct. 16, 1973. On Oct. 31, 1973, respondent filed its proposed findings and conclusions and brief in support thereof. Thereafter, on Sept. 10, 1973, complaint counsel filed their reply brief.

Any motions not heretofore or herein specifically ruled upon, either directly or by the necessary effect of the conclusions in this Initial Decision, are hereby denied.

This proceeding is before the undersigned upon the complaint, answer, testimony and other evidence, proposed findings of fact and conclusions and briefs filed by counsel supporting the complaint and by counsel for respondent. The proposed findings of fact, conclusions and briefs in support thereof submitted by the parties have been carefully considered by the undersigned, and those findings not adopted either in the form proposed or in substance are rejected as not supported by the evidence or as involving immaterial matter.

For the convenience of the Commission and the parties, the findings of fact include references to the principal supporting items in the record. Such references are intended to serve as convenient guides to the testimony and exhibits supporting the recommended findings of fact, but do not necessarily represent complete summaries of the evidence considered in arriving at such findings.

References to the record are made in parentheses, and certain abbreviations, as hereinafter set forth, are used:

CX - Commission's Exhibits

RX - Respondent's Exhibits

CPF - Complaint Counsel's Proposed Findings and Conclusions

RPF - Respondent's Proposed Findings and Conclusions

CB - Complaint Counsel's Brief

RB - Respondent's Brief

CRB - Complaint Counsel's Reply Brief

The transcript of the testimony is referred to with either the last name of the witness and the page number or numbers upon which the testimony appears or with the abbreviation Tr. and the page.

Having heard and observed the witnesses and after having carefully reviewed the entire record in this proceeding, together with the proposed findings, conclusions and briefs submitted by the parties, as well as replies, the administrative law judge makes the following:

FINDINGS OF FACT

I. IDENTITY AND BUSINESS OF RESPONDENT AND ACQUIRED COMPANIES

A. *Beatrice Foods Company (respondent)*

Introduction

1. Respondent Beatrice is and has been, at all times relevant herein, a corporation organized, existing, and doing business under the laws of the State of Delaware, with its executive office and principal place of business located at 120 S. LaSalle St., Chicago, Ill. (complaint and answer, Par. 2).

2. Beatrice is today a multinational, multiproduct company, with traditional emphasis on foods and related services (complaint and answer, Par. 3). In this regard, respondent has for many years been a leading producer of consumer food products, generally preselling consumers through intensive advertising, packaging, and promotional efforts (findings 5-15). Included within these products are fluid milk and cream, of which Beatrice is the third largest processor in the United States (CX 50 a); butter, yogurt, and other dairy products; grocery and confectionery items; and consumer convenience and specialty foods (CX 9-15). Some of the better known trade names of respondent's consumer food products are the following: Meadow Gold, Dannon, Louis Sherry, LaChoy, Aunt Nellie's, Ma Brown, Clark, and Holloway (CX 50 b).

It also engages in the agri-products business and has chemical, manufacturing, and international divisions which by 1970 accounted for over 30 percent of its sales. Nonfood products now sold by Beatrice range from house trailers to skis (*Beatrice Foods Co.*, F.T.C. Docket 8814, Sept. 28, 1972)[81 F.T.C. 481].

Growth Through Acquisition

3. Beatrice has become, through acquisition, a manufacturer of a number of consumer nonfood products, including lawn sprinklers, closet accessories, draperies, picture frames, housewares, paint brushes and rollers, travel trailers, and plumbing specialties (CX 2 a-h; CX 13, p. 15). Many of these acquired nonfood manufacturers are leading factors in their respective industries (CX 11, p. 9; CX 19 c).

4. Beatrice has made remarkable progress since its inception; its development has been characterized through the years by substantial and continuous growth. Between 1960 and 1970, all divisions reported record results. Total sales increased by \$1.1 billion, or 256 percent; net earnings increased by \$43 million, or 413 percent; working capital increased to \$218 million from \$52 million; and earnings per share of common stock increased 139 percent to \$2.03 from 85 cents. By fiscal

year ended Feb. 28, 1970, net sales reached approximately \$1,576,000,000 and total assets approximated \$504,000,000 (complaint and answer, Par. 5; CX 13, pp. 2-3).

5. Acquisitions accounted for a significant portion of Beatrice's growth (complaint and answer, Par. 5). Of the approximate \$1.5 billion in sales for fiscal year 1970, slightly under \$750 million can be directly attributed to the sales of those companies acquired by respondent during its previous five fiscal periods (CX 9, p. 17).

Marketing and Advertising

6. The success of the Beatrice companies, by its own admission, is largely the result of marketing skill and knowhow (CX 15 1). This is manifested in its advertising, upon which Beatrice relies heavily to promote consumer brand identification in the sale of its products (findings 7-14). Beatrice has won awards for its advertising and promotion skill (CX 11, p. 16; CX 10, p. 18).

7. Beatrice utilizes all major media and means of reaching the consumer public (CX 5-z8) and advertises and promotes its products from coast to coast. Prime time is used on all three national television networks along with spot TV, radio, national magazines and large space newspaper ads. It has sponsored such famous TV shows as "The Girl from Uncle," the "Today" and "Tonight" shows, "Huntley-Brinkley," "Walt Disney's Wonderful World of Color," and the "Dean Martin" and "Carol Burnett" shows (CX 10, p. 19; CX 11, p. 17; CX 11, p. 19).

8. Other means of advertising used by Beatrice include transport ads, contests, recipe folders, trade magazine ads and outdoor signs (CX 10, p. 19; CX 11, p. 17; CX 12, p. 17).

9. Beatrice uses major league athletes and celebrities to endorse its products. Promotions have been conducted in conjunction with the Clyde Beatty-Cole Brothers Circus and through distributions of more than 100 million coupons. Millions of consumers are reached through Beatrice store displays and window signs (CX 10, p. 19).

10. For fiscal year ended Feb. 29, 1968, Beatrice spent approximately \$27,000,000 for advertising (CX 5 z). Advertising expenditures reached \$38,000,000 in 1971 (CX 15 o).

11. Beatrice has been among the leaders in innovative packaging of many of its products (CX 10, p. 12).

12. Beatrice has a continuing program of improving profit potential through imaginative marketing (CX 10, p. 17; CX 15 l; CX 16 f).

13. The company has successfully marketed its household products through new packages, display materials, coupons, and special promotions (CX 10, p. 19; CX 18 c-d).

14. Major promotional programs have centered on products within the Chemical & Manufactured Products Division, including Melnor

