

HIGH FIDELITY trade news

VOLUME 25, NO. 3
MARCH 1981

SIDNEY HARMAN: *The Man With The Golden Touch Returns*



Roger Parker On
Direct Mail For Increased Profit

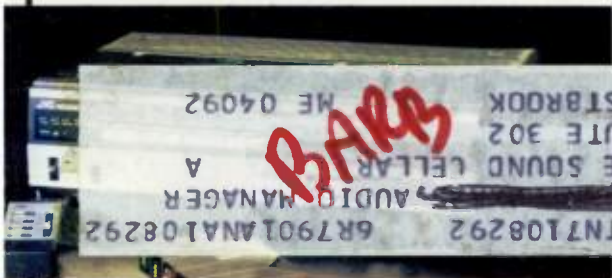
UPDATE: THE DIGITAL AUDIO DISC

The Ten Most
Common Mistakes
In Audio/Video Retailing

PIONEER'S KEN KAI
EXPLAINS:
"WHY I DON'T BELIEVE
THERE'S A HI-FI INDUSTRY."

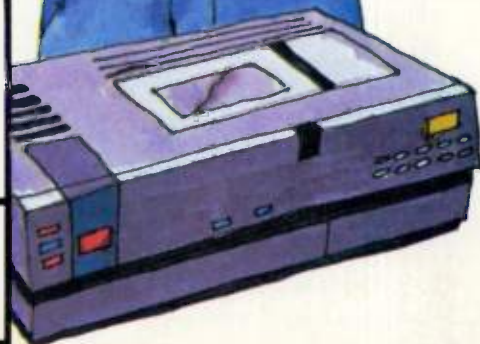
WEIRD & OUTRAGEOUS DEALER PROMOTIONS THAT WORKED

VIDEO UPDATE
Special Expanded Coverage



Thinking
Video?
r With
Caution

Autosound Sales Predicted Up in '81



DISCWASHER® AUDIO SCIENCE™ SERIES

Record Care, Part 2: A Record Life Study

How long will your phonograph records last?

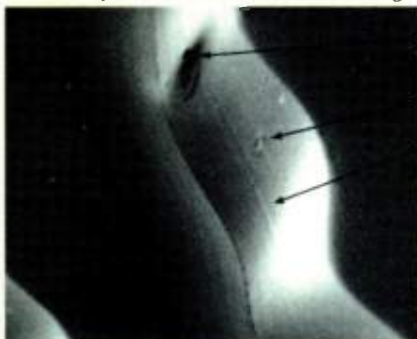
How many times can you safely play records without degrading sound quality?

Using quality playback equipment, the factors of Record Longevity are twofold and closely interrelated: the record must be kept free of contamination, and the stylus must be kept clean during playback.

Scanning electron microscopy clearly shows the need and contribution of both record cleaning and stylus care.

Exhaustive research shows that with proper record/stylus care, an entire "life span" of 200 play events will not damage record surface quality or fidelity. (Most albums are played a total of 50 times or less.)

200 Plays Without Record Cleaning

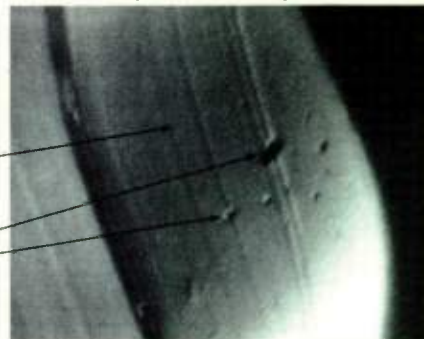


Pit from dust abrasion.
Ground-in microdust.
Prominent dust abrasion.

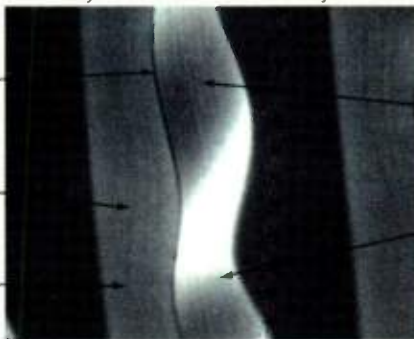
Prominent stylus path from abrasive-coated diamond face.

Vinyl particles welded by contaminated upper area of stylus.

200 Plays Without Stylus Care



200 Plays With Record and Stylus Care



Results of D4 Record Care:

Clean central radius due to capillary attraction of D4 Fluid into D4 pad fabric.

Microdust-free stylus path due to exclusive D4 "spiral fiber" particle holding.

No wall-slurry of "lubricant" products.

Results of SC-2 Stylus Care:

Reduced wall abrasion due to uncontaminated diamond face.

Cleaned stylus leaves no welded-in particles.



There is no substitute for the valid research you get with Discwasher products. Ask for them where better dealers take interest in a longer "life span" for you.

discwasher®
PRODUCTS TO CARE FOR YOUR MUSIC

Discwasher, Inc., 1407 N. Providence Rd., Columbia, MO 65201

MAXELL HIGH GRADE VIDEOTAPE DELIVERS THE BEST PROFIT PICTURE.



Videotape customers are no longer just looking at cost.

Once they understand the value of our high grade VHS videotape, they're willing to pay the premium price.

Since Maxell *Epitaxial* HG has been on the market, it has generated impressive high profit business. Dealers have found that they can easily sell their customers up when they explain why the new lower recording speeds require this better grade tape.

At Maxell, we understand the importance of educating the consumer on the needs of today's new, more sophisticated hardware. When he understands why standard tape that performs well in the 2-hour mode doesn't perform as well in the 4 and 6-hour modes, the more he'll want to switch to high grade tape.

That's why we're offering dealers a comprehensive program on educating customers. This year

Maxell will be conducting sessions for your sales staff on how to communicate the advantages of buying Maxell high grade tape. We'll also help you build interest at point-of-purchase with exciting and informational in-store displays, merchandising aids and take-home brochures.

Right now Maxell is already offering the best profit picture in the videotape market.

Educate your customer and you can make that picture even brighter.

maxell IT'S WORTH IT.

Maxell Corporation of America, 60 Oxford Drive, Mahanock, N.J. 07074

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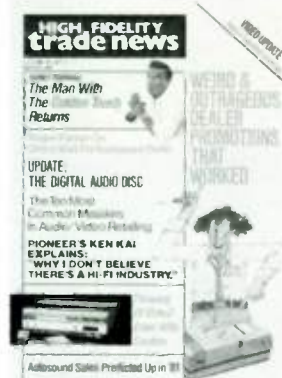
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V BPA



Tunable acoustic isolators

(Adjust for maximum protection from
acoustic feedback or external shock.)

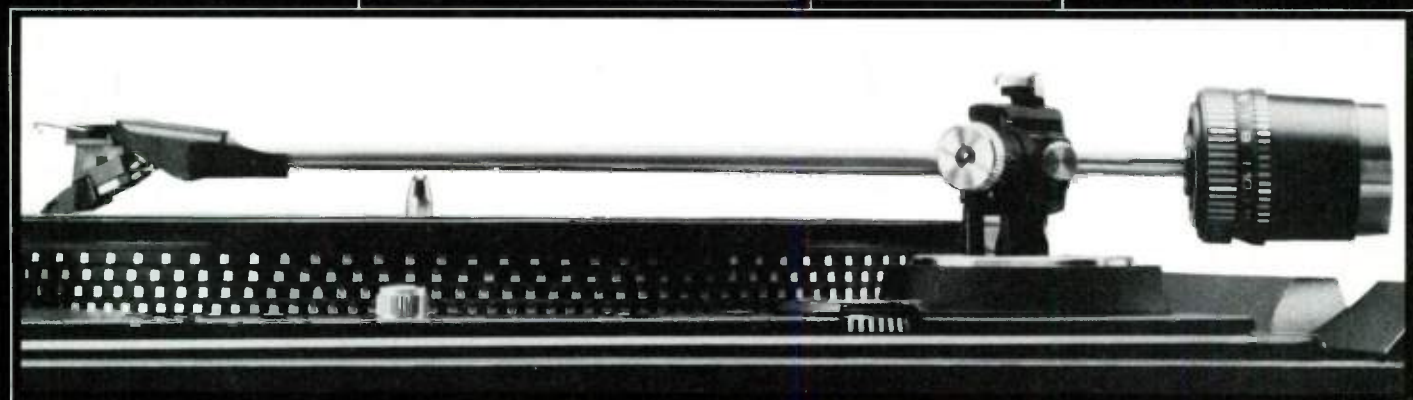
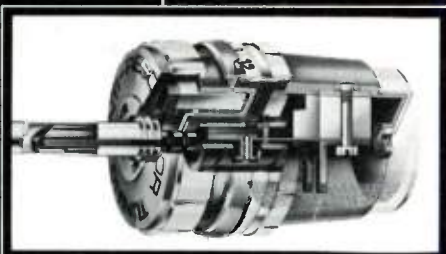


Hydrodynamic suspension system

(Absorbs spurious energy from
sound waves and external
vibrations.)

Tunable anti-resonance filter

(Minimizes vibration and
undesirable resonances in
tonearm and cartridge.)



8-gram ULM tonearm and cartridge system

(Tracks warped records as if they
were perfect; makes all records
sound better.)



Four-point gyroscopic gimbal

(Maintains perfect dynamic
tonearm balance and tracking
throughout play.)

**Any one of these Dual features
has more advanced engineering in it
than most complete turntables.**

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EDITORIAL**DO YOU KNOW
YOUR CUSTOMER?**

Do you find the time to talk to your customers -- either by mail or in person? If you're like most retailers, you have let customer communications slide to the bottom of your priority list and you don't have a clear idea of who your customers are and how they view your place in the market.

Recently, HIGH FIDELITY TRADE NEWS staff "unofficially" polled customers at a local hi fi show. They asked, "Why do you go to hi fi shows -- they seem awfully crowded." The most often heard answers -- next to the ones relating to price deals -- addressed the fact that they thought "we'd do better talking directly to manufacturer's representatives. Audio salespeople never seem to be able to answer our questions."

In a word, that used car image we so cavalierly joke about is closer to the image we convey to the public than we might like to admit. Worse, we are considered by many consumers to be uninformed salesmen.

How do we solve our image problem? One way, as HFTN columnist Roger Parker notes this issue, is to literally poll -- by mail -- those customers names you have (hopefully) accumulated. In addition, store salespeople should note any trends concerning customer types who visit their store and any product demands made. Their observations should (formally or informally) be passed on to management.

What you and your sales staff may discover may seem unpleasant at first. But it will guide you to correcting measures which ultimately could increase your marketshare. Remember, as products and distribution and demands change, it is more important than ever to keep in touch with your customers. The information you gain now can mean the difference in your future.

Some of our best salespeople have never met a rep, a dealer or a customer.

JBL

We know that even in this age of automated everything, hand-crafted prideful quality still sells.

That's why many of JBL's most eloquent salespeople are behind the scenes, creating and constructing JBL speakers to a standard which is the benchmark of our industry. A quality standard that gives you an important built-in selling edge

with every JBL loudspeaker. Before, during and after the purchase.

You can find these special JBL people in our Northridge, California facility. Their dedication to perfection can be found in every department from Engineering to Shipping. From machining and voice-coil winding to enclosure hand-finishing. At each and every one of our more than 50

inspection and testing stations.

JBL craftsmanship means that we manufacture speakers as carefully as we design them. It takes time, but it is time well spent because JBL people understand that what goes into our speakers has everything to do with JBL's leadership in quality and performance.

That's why perfection runs in

the JBL family. The kind of perfection that gives you a proven, profitable selling edge. And gives your customers more loudspeaker value for their money.

JBL quality craftsmanship. The right move for you. The right move for your customers, too.

James B. Lansing Sound, Inc.,
8500 Balboa Boulevard, Northridge,
CA 91329 (213) 893-8411.

JBL First with the pros.

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AS WE GO TO PRESS

QUAD'S BACK AND KEF'S GOT 'EM. The prestigious and highly sought Quad loudspeaker line is back, sharing offices and the same national sales manager (Fred Yando) as another high-end British speaker line, KEF Electronics, Ltd. Quad's U.S. base will be in San Francisco at 415-321-2035.

AUDIO ASSOCIATES AND SOUND GALLERY HAVE MERGED and now run their retail operations under the AUDIO ASSOCIATES name. The union makes Audio Associates the largest middle-to-high end audio retailer in the Richmond-Washington D.C. area. Home Entertainment, Inc., whose president is Mike Zazanis, owns and operates both chains, as well as a chain of Car Stereo Systems outlets.

EMPIRE SCIENTIFIC ISN'T DISTRIBUTING CECIL WATTS ANYMORE. Empire sales vp Andy Segal says his company severed the relationship as a positive move to strengthen its manufacturing capabilities. Accessory sales efforts will now be placed on Empire's own Audio Groome line.

EX-HARMAN-KARDON Leon Kuby has joined the newly formed IKC, Inc. as vp product development. Kuby works with executive vp Cary Christie of Infinity. The two, in tandem with the Japanese (Kyoto), will work to produce electronics products under the KLH and Infinity brands.

ANOTHER EX-HARMAN-ITE, ROBERT FURST, HAS STARTED HIS OWN EXPORT ORGANIZATION. Furst, headquartered in Roslyn Heights, New York, is organizing overseas programs for American companies wishing worldwide market development.

THE MARKMAN REP COMPANY IS LOOKING FOR A SALES MANAGER according to president Mark Markman. Also looking for new blood is the Dynaco operation who seeks new reps and dealers.

START PREPARING YOUR ENTRIES FOR THE CES DESIGN AND ENGINEERING COMPETITION -- CES IS STARTING EVEN EARLIER THIS YEAR. You should shortly be receiving information and applications in the mail, with deadlines coming up in early May. The EIA staff will be glad to handle further questions on the event.

NEW SUN AMERICAN PRESIDENT IS A NEW YORK BUSINESSMAN named Robert Murray. Out is Thomas L. Wirht, who resigned.

BY THE TIME YOU READ THIS, LOTS OF LUCKY ACUTEX DEALERS WILL BE PACKING to ski, break the bank at Monte Carlo and travel the Orient Express. The specially planned Acutex dealer event is a continuation of the Acutex trip series, this year's program covering high spots in Europe and along the Riviera.

LOOK TO BSR TO ADD A SERIES OF dbx-ENCODED CASSETTE DECKS IN THE NEAR FUTURE TO ITS PRODUCT LINEUP.....

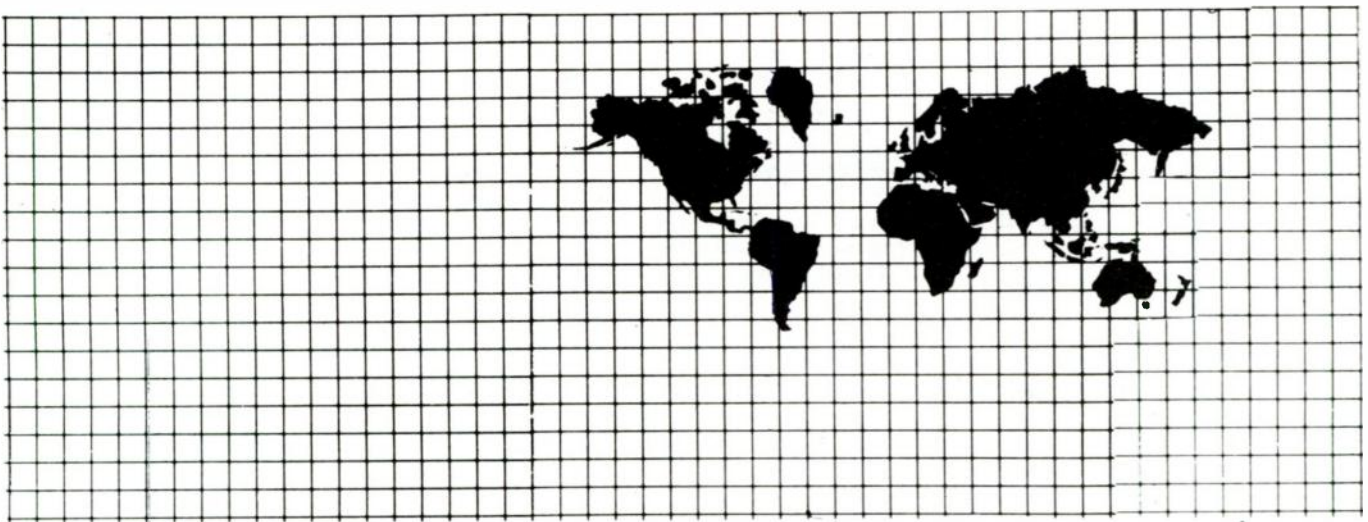
GET ABOARD!

PICKERING'S

AROUND

THE WORLD

HOLIDAYS!



Now — Pickering offers you the world — a history making incentive program designed for every dealer — large or small. From a three day weekend in one of over 160 United States resorts, to the Caribbean or Hawaii, to Australia or the Orient, to a complete, never to be forgotten, Around the World personalized tour.

It is a holiday program to excite any imagination. Behind it is a full line of new, 1981 Pickering products — cartridges, styli, headphones and record care. It's a selling opportunity with a big payoff. See your Pickering representative for all the details, and get aboard.



PICKERING

*"for those who can **hear** the difference"*

Pickering & Co., Inc., 101 Sunnyside Blvd., Plainview, N.Y. 11803

HI FI/VIDEO NEWS

One retailer aims for a 'Carnegie Hall' mystique . . . While another aims to please . . . Another store sends customers away . . . While a fourth does 'whatever it takes.'

See You At Carnegie Hall . . . Maybe

We couldn't help but be startled at a recent exchange we overheard recently at an east coast hi fi specialist. The shopping couple approached the bearded owner/salesman asking for help in selecting and buying a new hi fi system. You'd think the first thing the salesman would do would be to qualify the customer's price range, but he did not. The customer of course, after asking how the stuff would sound in his home, was told very stiffly in a fashion typical of an unprofessional "hobbiest" salesman, "Our reference is Carnegie Hall." Naturally, he intimidated these hi fi novices. To make matters worse, he started showing set-ups at obviously the very very top end of his shop price spectrum to further discourage the once-eager listeners and to demo his own superiority in hi-fi. Is this any way to run a shop? Apparently not, because vendors contacted by **High Fidelity Trade News** tell us this retailer is having trouble paying his bills . . . and that he may soon have to use Carnegie Hall as his reference if he continues to turn off customers at this current rate.

Customers Return To Brooklyn With Checkbooks

But it isn't all bad news at retail. Our shopping sources tell us that Innovative Audio in Brooklyn appears to be doing what those sales training courses keep telling us, and according to management, it appears to be working. Not only did a couple recently

shopping there for speakers in the \$850 price range get sales attention, proper demonstration, good solid buying information, but they got follow-up service as well. They report a well-mannered, un-pushy salesman from the shop followed up with a phone call to thank them and find out if they needed additional information. Needless to say, these shoppers plan on returning soon with their checkbooks. . . .

Take My Customer . . . Please!

We thought we'd seen and heard it all, until one potential hi-fi customer called **High Fidelity Trade News** and related

this saga. Recently, our customer visited one of New York's chic-er hi fi salons (Harmony House) hoping to find a pair of loudspeakers. (The one pair he had his heart set on happened to be price-y Quads.) Entering the store one Saturday, and surprised to find the place dead and three salesmen sitting around seemingly with nothing to do, he thought he had it made getting waited on and that he could listen up to his heart's content. Asking to demo his beloved Quads, he was told that, "We are redoing our other store. Come back in a few months." No attempt was made to qualify him. No one tried to show him something else. No one bothered to take his address and phone number. They just continued to sit. By the way, the customer did end up buying a pair of Quads — but he went all the way to a New Jersey retailer to buy them.

MARYLAND (301) 434-5330

TOLL FREE 1-800-638-0935

Hi Fi Buys

AUDIO, VIDEO OR WHATEVER IT TAKES

1362 HOLTON LANE
LIFE STYLE ENHANCEMENT SPECIALIST LANGLEY PARK, MD 20783

We'll Do Anything (Almost)
To Get The Customer To Buy

This business card, handed out to potential customers by Maryland's Hi Fi Buys was recently spotted at the Washington Hi Fi Show. Obviously Hi Fi Buys is beyond the audio vs video wars and looking (both seriously and humorously) to 'Life Style' Enhancement . . .

When the music goes boom! Or bam! Or sizzle ...

Great sounding stereo is the product of many factors, some specific and others quite subjective. Certainly loudspeaker accuracy plays an important role, and naturally the drivers you choose for the systems you manufacture are critical to the sound your customers will hear.

Finally, there's a real choice in drivers. Panasonic introduces a new line of quality hi-fi drivers that provide not only accuracy down to the biggest "boom" and up to the hottest "sizzle," but the detail, clarity and overall "sonic appeal" your customers will love. Plus competitive prices and delivery that will convince you they're the right choice, too.

Our standard line offers high power-handling woofers in 10", 12" and 15" sizes; a 750-10,000 Hz soft dome midrange; and a selection of tweeters including four soft dome models, a manganese-aluminum dome tweeter, a solid-state piezo-electric driver,



and the amazing ultra-wide-band leaf tweeter, with a response to 100 kHz at 100 dB/W/0.5m!

But that's just the beginning. Our state-of-the-art audio lab is equipped to help you develop special drivers to meet your own exacting specifications. And our world-reknown manufacturing facilities promise you Panasonic quality, reliability and ready availability, whether you need one of our standard models or a special "dream driver." What's more, our entire speaker line will soon be manufactured in a new facility in Knoxville, TN (opening late 1981) to make sure you keep getting that Panasonic quality at made-in-America prices.

To find out more about how Panasonic drivers can make your name sound good, write or call today:

Panasonic Company, Electronic Components Division, One Panasonic Way, Secaucus, NJ 07094; (201) 348-5258.

So do Panasonic speakers.



Panasonic®
just slightly ahead of our time



FREE DRAWING

"We also set up a contest drawing for Daytona VIP race tickets and cash. And our floor traffic went right through the roof."



"Sure I'm sold on the Kenwood/BMW program. What dealer in his right mind wouldn't be?"

STEREO WORLD PRESENTS

HIGH PERFORMANCE WEEK

NOW THRU SAT.

GREAT SAVINGS ON HIGH PERFORMANCE KENWOOD COMPONENTS ALL THIS WEEK.

FREE T-SHIRT OR VISOR
ONE PER CUSTOMER WHILE SUPPLIES LAST



WIN TWO VIP TICKETS TO THE DAYTONA 24-HOUR RACE
PLUS \$100 SPENDING MONEY!
ENTER THE CONTEST NOW AT STEREO WORLD

KENWOOD FACTORY EXPERTS ON HAND

BRING THIS COUPON WITH YOU FOR FREE T-SHIRT OR VISOR.

KENWOOD
MADE IN JAPAN

LOCAL NEWSPAPER ADVERTISING

"Not only did Kenwood give me something exciting to promote, they also gave me everything I needed to really boost traffic and sales."

BANNERS/POSTERS

STEREO WORLD

3277 CLEVELAND AVE., FORT MYERS

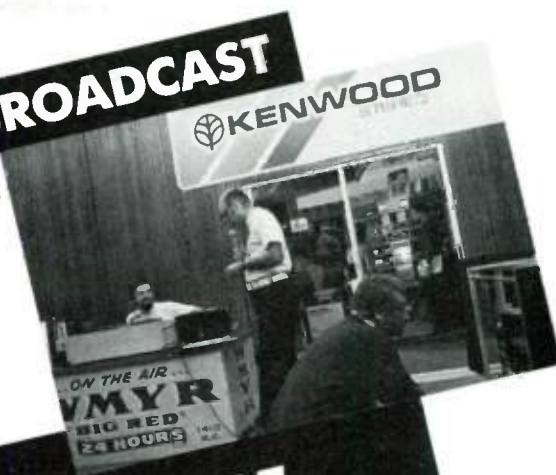
MON-FRI 10-9 / SAT 10-7

RADIO SPOTS

"Kenwood also supplied radio ad scripts which were custom-tailored for my market and my store."

REMOTE BROADCAST

"We even arranged for a local radio station to broadcast right from my store."



"Kenwood's BMW promotion was the most profitable event in our 12 year history!"

— Ben Bloomston,
Vice President, owner Stereo World, Ft. Myers, Fla.

DOUBLE SALES VOLUME

"Thanks to Kenwood, we sold more than double what we did the same time last year."

HEAVY TRAFFIC

"This promotion generated an unbelievable amount of traffic. It was wall to wall customers."

FREE T-SHIRTS/FREE VISORS

"Giving these things away as part of the promotion really helped boost traffic. Not to mention sales."



KENWOOD
STEREO
RACING TEAM



WE DARE YOU TO COMPARE.

**Compare the new Jensen System Series Speakers
to AR, Bose, Infinity, JBL, Pioneer, and Advent
and you'll hear what we're talking about.**

Just for a minute, forget the specs, the response curves, the graphs and acoustic theories. Let's get back to the ultimate test of a speaker. It's music, pure and simple.

At Jensen, we're so sure of our new line of System Series Speakers that we urge you to compare them. Match any of our speakers against comparable models of any other top brand speakers.

Listen to your favorite, most familiar recording. Listen at all levels and from all areas of the room. And see if you don't choose the Jensen for better sound.

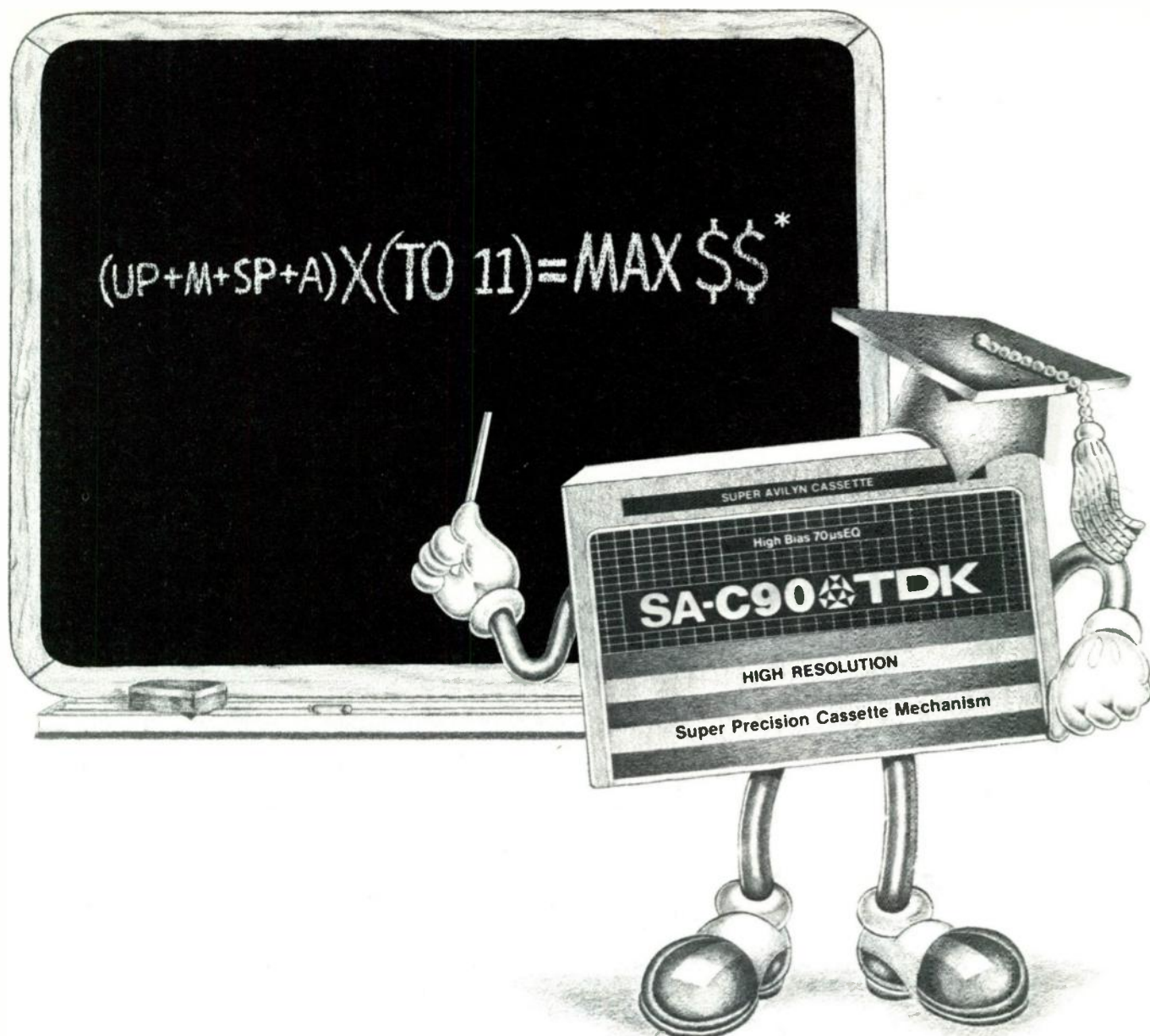
When it comes to choosing home audio speakers, it's really quite simple. Compare them all. We know you'll like the Jensen System Series Speakers.

For additional information or for your nearest Jensen Representative write to Jensen Home Audio, 4136 North United Parkway, Schiller Park, Illinois, 60176. Or better yet, call 800-323-0707.

**JENSEN
HOME AUDIO**

Music...pure and simple.

World Radio History



TDK introduces a new tape formula.

It's the success formula for the 80's: Rapid Turnover. TDK tape is pre-sold, so it's no surprise to find it moving off your shelves at a rate of up to eleven times per year.

Rapid turnover is the most important addition to your obsolete formula where you only counted unit price, margins, sales promotions and advertising support.

Beginning with the audiophile Reference Series and moving through the superb Premium Series, TDK leaves no sales opportunity unturned. From metal to high to normal bias cassettes. In open reel and in over 100 quality audio and video products and accessories, TDK's leadership comes through for you.

There is no easy formula for success. You need an outstanding tape company to help make it work for you. TDK proves its case every day in your store. And every month in your profitable bottom line.

TDK
TDK LEADS THE WAY

* (Unit Price + Margin + Promotion + Advertising) × Turnover (11) = (Maximum Dollars)

© Copyright 1981 TDK Electronics Corp., Garden City, N.Y. 11530

WEIRD & OUTRAGEOUS DEALER PROMOTIONS THAT WORKED

By Cindy L. Morgan

Sometimes retailers such as yourselves want to prove you're just wild-and-crazy guys who'll do anything . . . ANYTHING! . . . to get customers back into your stores and out again loaded down with equipment or other purchases.

Most of the time, newspapers ads are run to bring in those customers. Or when there is a special need to re-inforce your customers' impressions of your position in the marketplace, radio (and sometimes television) fly those messages out to customers on the airwaves.

But certain times, like Grand Open-

ings or Tenth Anniversaries, call for something more drastic, something in the rousing and attention-getting vein. Promotions like these are good medicine when business in your outlet is sluggish . . . or not there at all. Thoughts may race to wet t-shirt and mud-slinging contests or visiting curvaceous *Playboy* bunnies and booming-voiced Italian opera singers. You may even consider redesigning your storefront into the shape of a car stereo or an amplifier. (Both have been tried, with some success, on more than one occasion.) But window dressing and cheap tricks aren't enough.

What would draw you out of your house on a Saturday — heaven forbid, early on a Saturday — and make you

rush into someone's store with money clenched in your hot hands? Not mud in your eye from a battle, or even the best looking wet t-shirt would, alone, pull you very far. You'll quickly learn that something weird-and-outrageous might get them briefly interested but for a promotion to make money and move merchandise it must offer something like one of the eleven points outlined here. Each of these points leads the customer to believe that he is taking something home with him, whether it be product knowledge he never had before, a free product he'd like to try, a glimpse of the future, or simply a good buy or discount. The key to a

Receiver store front — that drew all these consumers to Mollen's Auto Audio? Whatever the case, audio consumers jammed the Mollen's store last fall to admire an audio store that's become, in the words of its president, Alfred I. Mollen, "as well-known to people in these parts as McDonald's and its arches!" A full year's work in conceptualizing, planning and constructing, the store front was done by Mollen's own in-house consumer electronics technicians.



Was it the provocative radio campaign . . . the promise of free Craig receivers to lucky contest winners . . . or simply the incredible attraction of the world's largest fully-operable Craig car stereo — a 14 by 30 foot R-3 Road-Rated Receiver store front — that drew all these consumers to Mollen's Auto Audio?



successful promotional event is the ability to couple sheer creativity with forthright pragmatism.

Eleven Ways To Getting Customers Back to Your Store

1. THE LOGICAL APPROACH. Yes, times are tough. But the store (organization) is ready to give the customers special benefits and services that may not be there when times are good. There is no better time to buy. The store can offer free products, free services and bonuses along with the sale. This could be a bonus incentive month.

2. ANNUAL DEMO CLEARANCE APPROACH with heavy newspaper campaign, reinforced by radio. All gear can be sold as demos, many of which have been really never used, while slightly used gear has been completely checked out and can be merchandised at least as good and maybe better than factory packaged.

3. NEW PRODUCT EMPHASIS. This can be very effective now as video is coming into the market place. Use the video disc, for example, as a main promotional attraction to bring people in so that other products can be shown. Emphasize that this store is the first or one of the first to have the product. Build the promotion so that one product is the center of attention and the excuse for people to come into the store.

4. THE FUTURE APPROACH. This promotion can be built around the theme that the future of audio or video is at this store. This can mean a product or group of products. This is the future of home entertainment where the customer can find the merging of audio and video. Systems can be set up

Ode To Joy

*To the fifty-two men and women
who have come home—
Welcome.*

*Sam Goody, Inc. is proud to present
to each of the fifty-two returnees
a collection of one hundred albums,
representing the outstanding recordings
issued in various music categories
during their 444 days of captivity.*

*It is our deepest hope
that this gift of music will,
in some small way,
spread joy
and refresh the spirit.*

Welcome home.

SAM GOODY, INC.

MAYBE SAM GOODY DIDN'T ATTRACT legions, but it certainly generated goodwill with this thoughtful, tasteful ad. Rare is the retailer these days who still as time to be human.

to combine audio, video and perhaps, home computers.

5. ELECTRONIC FAIR APPROACH. This can be held at a very large location outside the store where manufacturers' representatives sell products directly to the consumer. The fair itself is organized like a miniature Consumer Electronics Show with factory personnel selling, and retailer personnel operating the cash register located out by the central exit door.

6. CLINIC APPROACH. A customer

can bring in his equipment for a free test, or bring it up to specifications. The store can arrange and offer lectures by sales reps on a formal basis and let them help sell products.

7. REBATE APPROACH. If customer purchases a certain amount of merchandise, say \$500.00, then he gets a rebate of \$50.00. The check is mailed after the sale along with a coupon which can be used with (hopefully) the mailed check to buy more merchandise.

8. PREFERRED CUSTOMER LIST. Run a mail campaign whereby past customers are allowed special discounts within a month of receipt of the mailing to buy certain items or all items.

9. TRADE-IN APPROACH. Encourage customers to bring in your old equipment for trade or fresh new gear. Grant maximum trade-in allowances. Offer more than wholesale book states, perhaps 150%.

10. FINANCIAL APPROACH. The store could extend credit free for 90 days. One can point out that interest rates at the store are no higher than in the past. (Not true in all states.) The customer can also arrange no-down-payment financing.

11. INCOME TAX FINANCE APPROACH. Allow customer to defer down payment until income tax check arrives. Credit financing is arranged, and the store floats down payment until check arrives.

Promo Caveats

Be sure to coordinate your advertising and promotion with the merchandise in your inventory. If advertised goods are not in the store — or not nearly enough of them — all your promotion might eventually generate is a few wild-and crazy customers who won't think highly about coming back to your store . . . ever.

Also consider moving any particularly large event to a local armory or exhibit hall to handle the crush of customer crowds. Such a move might prove wise, especially if the weather outside turns less than desirable. Lastly, the advertising and promotion blitz which *should* proceed any event could cost a great deal more than you think, plan accordingly so you can keep up the promotional momentum started by the event.

Be careful to weigh the potential benefits against the cost of your-out-of-the-ordinary promotions. Be sure the event will pull its own weight and at least pay for itself. Hopefully, however, a well-run promotion will do even better than that for your store or chain.



THIS IS JUST ONE EXAMPLE OF A WELL-RUN ELECTRONICS FAIR (POINT 5) with plenty of merchandise and lots of room for customers to move around.

SAM'S Hi Fi

LOWEST PRICES IN TOWN!

DAVE'S Hi-Fi.

SALE
WOOFCO 1000
SPEAKER SYSTEM

~~\$299~~
~~249~~
~~149~~
~~119~~
~~84~~

**TODAY
ONLY!**
\$69

SALE
Woofco 1000
Speaker System \$299

~~229~~
~~199~~
~~179~~
~~129~~
~~99~~
~~79~~

Today Only!
\$59

Are your margins only as long as the distance to your closest competition?

Introducing New Feature-Packed Speakers from Altec Lansing. Their Best Features are Long Margins and the Limited Distribution to Keep Them that Way.

Feature: Limited Distribution.

Lots of manufacturers talk about limited distribution. But that's all they do—talk. At Altec Lansing it's a lot more than talk. We've spent the last year and a half planning, pruning, and tightening up our distribution. Now we're ready.

Feature: Fresh, New Product.

Recently we revamped our premium mid-sized speaker line with models 4, 6, and 8. Now we're at it again with 1010 and 1012, two new great-looking value packages loaded with features:

Feature: The SoundPrism™, an exciting new concept in high-frequency sound.

Feature: Liquid-cooled voice coils for high power capacity.

Feature: Automatic power control. The protection system you can see as well as hear.

Feature: Anechoic Damping, a soft-to-the-touch covering on the baffle surface that reduces distortion.

Feature: Long Margins. The 4, 6, and 8 have the longest margins of any premium models in our history. And the new 1010 and 1012 have margins that are even longer.

Feature: A Family of Product. Some lines aren't lines at all; they're a bunch of different models with only a brand name in common. Altec Lansing speakers are a family, with related appearance and features from under \$200 to \$1000 apiece, suggested list. You can sell the Altec Lansing story, then move your customer up or down the line without losing him.

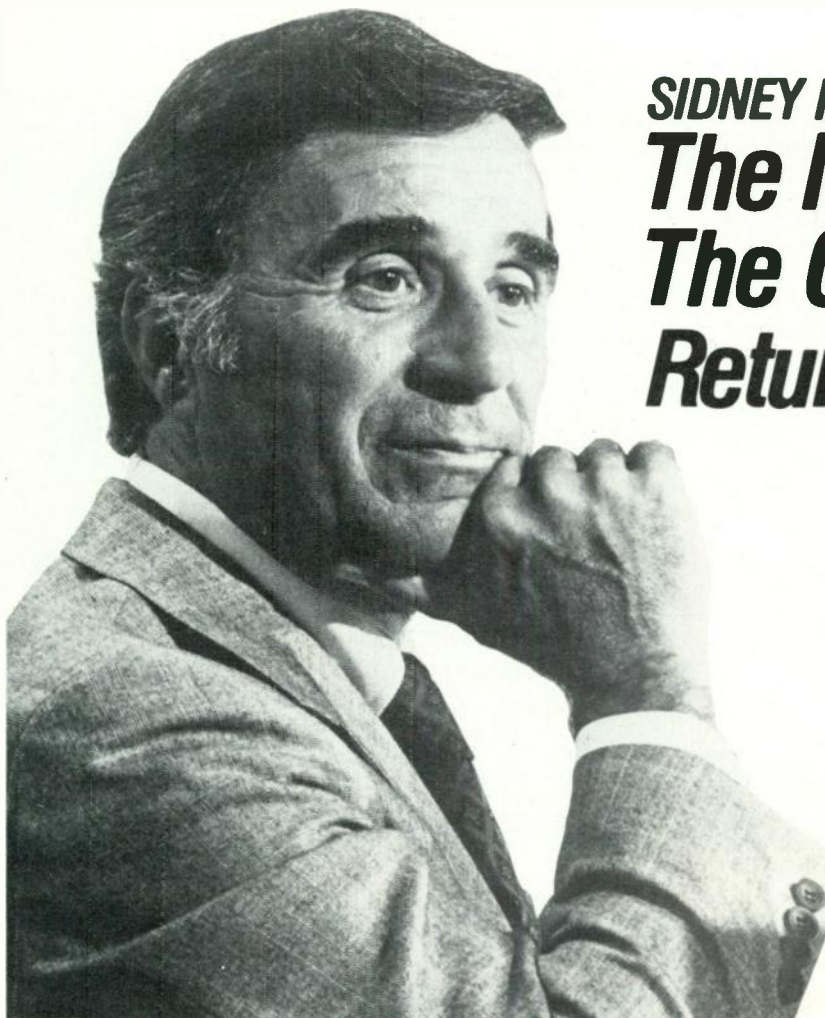
Feature: An Internationally Respected Brand Name. The company that developed sound for the talkies in the twenties became Altec

a decade later, and developed into a major force in the world-wide sound business. We've been around a long time and we plan to be around a lot longer.

Benefit: A Genuine Opportunity for the Conscientious Audio Retailer. Many of our markets are as densely covered as we had originally planned. But there are some markets that need capable, dedicated audio retailers prepared to support a fresh, strong, feature-packed speaker line, and make some money doing it. If this sounds like what you've been looking for, see us at winter CES, room A242, or call us at (714) 774-2900.

**ALTEC
LANSING®**

ALTEC LANSING.
THE CHOICE OF PROFESSIONALS



SIDNEY HARMAN: *The Man With The Golden Touch Returns*

Everyone agrees that Sidney Harman knows how to make money. That's why friends and critics alike are reserving judgement on the youthful looking 62 year old millionaire's reacquisition late last year of James B. Lansing Sound from Beatrice Foods for \$55,000,000.

Some industry savants and 'Harman Watchers' say, "This time he's outshrewded himself. \$55,000,000 is simply too much to have paid for J.B.L. at a time when the industry may have peaked." (The purchase price also included Harman International's overseas distributing companies.)

Harman flatly disagrees. Hinting that there were "extremely favorable financial aspects to the deal", he is quite optimistic about the future of selective audio companies and, noting current industry problems at manufacturing levels says with a smile, "One man's difficulties is another man's opportunity. That's what entrepreneurship is all about."

Admirers of Harman's entrepreneurial and negotiating skills say that people have been predicting the fall of the energetic Harman in one way or another ever since he founded Harman Kardon in 1953.

"Sidney simply threatens people," one industry figure who has known Harman for a long time said. "He's been around for more than thirty years. He's more successful than most. More verbal. More attractive. He's maintained his youthful enthusiasm while many of his peers have grown tired, old and paunchy. He's like the college student who gets straight A's without seeming to study. How in hell can you not be envious of a guy like that?"

Rather than falling by the wayside, Sidney Harman has since 1953 amassed a personal fortune through a series of mergers and acquisitions, went on to head up Friends World College, earned his Ph.D. in social psychology, served as Under Secretary of Commerce in

the Carter Administration and most recently was appointed a Senior Director of the Aspen Institute for Humanistic Studies.

Sidney Harman, who recently married an attractive 35 year old Washington attorney, "marches to his own drummer."

He makes the rules

"Harman makes up his own rules," critics and admirers agree. "That's what makes him different. That's what makes him controversial. And that's why right now, in this moment of confusion in the audio industry, you have to take him seriously. He just may see something you don't."

An example of Harman's foresight and willingness to take a risk for something he believed in was the industry's first successful tuner-amplifier combination, the *Festival*. Harman remembers dealer reaction to the idea when he demonstrated early models. "The idea of putting all this stuff in one chassis is absurd", most of them said. "It simply won't work."

Harman put his money on the line and the rest is history. The concept of the all-in-one-tuner-amplifier changed the course of the hi fi industry.

Another example of being ahead of the crowd, industry historians recall, is Harman turning to Europe and Japan and setting up major distribution companies to sell American products overseas. Others were there earlier, but nobody made the financial commitment he did.

Some say that the 'overseas perception' was brilliant and that Sidney foresaw the day when world-wide marketing would be a major source of revenue for U.S. companies. Harman's detractors say, "Nonsense! H-K products were not selling well in the U.S. at the time. He simply had to find a place to sell his products. He just looked

around and went the only way he could." All agree however, that whatever the reasons were the 'overseas perception' worked for Harman, that he was ahead of his time on this one too and that it put money in the 'Harman Bank.'

Like others who have left their imprimature on their profession, Harman has become part of the mythology of his time. Men like Harman loom larger than life. Often they are judged by men of similar age who have achieved less or by those too young to have known them. The achievers, like Harman, are usually judged not by who they really are as people, but what their very mythology has made of them. Harman is one such man.

Harman is known to have a high standard of excellence and a strong ego. He drives himself and those around him hard, but he drives himself hardest of all. His passion for personal excellence is reflected in a story told about his early days at Harman Kardon when he wanted to learn how to play golf. Each day he'd awaken at 5:30 A.M., be on a Long Island golf course by 6:30 A.M. and arrive at the office by 8:30 A.M. ready for a full day of work. In this way, typically, he became a par golfer.

Harman does almost everything with equal passion. He took the post as president of Friends World College in 1969 and that of Under Secretary of Commerce in 1977 with high hopes. Although he left Friends over "policy differences", he developed a genuine interest in job mismatch and worker alienation problems in our society. That interest was furthered after his resignation from the Department of Commerce. He found Washington, where he still lives with his wife Jane, "fascinating, but too bureaucratic."

Washington's frustrations

When Harman was offered the Washington appointment, his friends warned him that it was not to his best interest. One associate asked that he withhold final acceptance until he could ask the advice of former Supreme Court Judge Abe Fortas, who in the Johnson years left the Court due to political pressures. "Abe Fortas will tell you just how rough Washington is," Harman's friend said. Harman agreed and visited with Fortas who immediately advised him to take the appointment indicating that it was an ad-

venture he'd never regret.

Harman went to Washington with high hopes, got heavily involved in jawboning with the shoe industry's giant retailers urging them to buy U.S. shoe products for their own good. He had some success.

In the Washington bureaucracy Harman couldn't do all he wanted to. There were frustrations but friends say, "Harman grew from the experience."

One Harman enthusiast said, "Maybe Harman reaches for the moon and is even over-zealous about his certainty of reaching it. Maybe he only reaches part of the way to the moon only some of the time. But boy, the excitement for having tried! His critics suffer from envy."

It is true that Harman does everything with enthusiasm. He has more interests than most people. His interests in theatre, art, young people, civil rights, politics and worker alienation have been long standing. He is currently with Volvo President Per Gyllenhamer and researcher Dan Yankelevich, studying the mismatch between people and their jobs in seven Western European countries and Japan.

Harman believes that there is a new opportunity in America to realize higher standards of excellence and accordingly is excited about the J.B.L. acquisition. At J.B.L. he intends to experiment further with his ideas on producing quality products attractively priced by workers satisfied that they

have participated in decisions made at the factory.

'Harman watching'

A few months ago Harman persuaded Jerry Kalov, one of the brightest C.E.O.'s in the industry, to take over the presidency at J.B.L. The move took most industry observers by surprise as both men are known to be strong personalities in their own right. In his first month on board Kalov and Harman persuaded factory personnel to reject unionization by the Teamsters and Kalov set about streamlining manufacturing operations to reduce costs.

Harman, with a long history of having the golden touch, has got everyone guessing as to what his long range plans are for J.B.L. "It's very difficult to anticipate his strategy moves," one observer noted. The trick to "Harman Watching" is to pay more attention to what he does than what he says."

"He's a pragmatist," the observer added. "Sidney reminds me of a half-back on a football team. He runs to the right and if there's no hole there he cuts to the left. If there's an opening in the line he'll find it. Half the time no one really understands what he's doing until he crosses the goal line holding the football above his head indicating a touchdown."

With Sidney Harman's track record people in Wall Street are watching J.B.L. "With Harman involved," some say, "there's likely to be gold there somewhere down the line."



SIDNEY HARMAN with former president Carter during his Washington days.

Pioneer's Ken Kai Explains: "Why I Don't Believe There's A Hi Fi Industry"

"The hi fi industry is no longer kid stuff." So said Ken Kai, executive vice president of U.S. Pioneer Electronics Corp., as *High Fidelity Trade News* sat down to discuss exactly what the hi fi industry is today and the role Pioneer intends to play.

"Actually, I don't believe there's an industry called the 'hi fi industry,'" Kai explained. "What we have is the coordinated effort of the manufacturer, retailer and salespersons. The responsibility, in fact, lies between the retailers and the manufacturer's hand."

"What many retail salespeople don't realize is that there is a new consumer. Whereas hi fi has historically been the darling of the 18 to 24-year-old group, that particular segment will decline in the next ten years. The segment of the market that we expect to increase 50% is the 35 to 44-year-old group. And whereas the single major purchaser of hi fi — and therefore of Pioneer — is the single college-age male, there is an important female market which, although we don't ignore, we have not in the past promoted towards, either."

According to John Hall, Pioneer's vice president/corporate planning, another market which is not really talked about or dealt with effectively is the young, entry-level buyer. "It seems that most kids in college, for example, brought their own stereos up to school with them. Well, if that's the case, when did they get them, and how? If we are to influence their values and perceptions, we have to find these things out and reach them at an early stage."

As should be evident, Pioneer has become increasingly aware of the usefulness and effectiveness of market research. In fact, there is a definite shift in the company's attitudes and approaches in regards to both marketing and merchandising; Pioneer seems to be taking a new look not only at its consumers but at the retail salespeople who make up its dealer network.

"We use surveys, not to make our decisions, but to give us insight," explained Kai. "They're a good yardstick." Specifically, Kai was referring to a Pioneer survey that asked consumers where, if they were going to buy a hi fi, they would go to buy it. The audio specialty store was the answer given by 70% of the respondents.



PIONEER'S Ken Kai

The obvious question which then arose on the part of Pioneer was why is U.S. Pioneer not selling in that kind of store? And the answer which it came up with is that people naturally *think* that they will buy their hi fi at an audio specialty store, but price, salesmen's attitudes and assorted red tape more often than not drive them to department stores and catalogue showrooms.

"We're asking our dealers to make their stores a little cleaner and more attractive, to start leaving the T-shirts and dungarees at home," said Kai. "We'd like to see salespeople start talking 'plain English,' rather than talking down to customers. Many of these salespeople seem to think you need a PhD to know about hi fi. On the other hand, we see too many salespeople who don't know very much about product and who, therefore, to close a sale, fake it, creating their own technical jargon. What both of these approaches do is to either intimidate or confuse potential buyers; they certainly don't gain his confidence."

"There's another problem we've encountered and have been making a concerted effort — although not a very successful effort as of yet — to correct. **If a retailer considers his place as no more than an outlet, there is no incentive to either beautify or to encourage his salespeople.** We want our dealer to consider his store a theater, his salespeople the actors and the product — our product — the tool with which to communicate with the consumer. We are encouraging retailers to invest in their theaters."

While Pioneer is not telling retailers how to run their businesses, it is making some very strong suggestions in the way of merchandising. Seeing the in-

dustry veer away from price competition, Pioneer is encouraging its dealers to display package systems in the belief that, in so doing, closing time is cut in half and dealers' gross profit is increased. Thus, Pioneer's Syscom. Pioneer feels that by next year, one-third of all hi fi sales will be single-brand, pre-packaged systems.

"People shop," Hall explained. "Hi fi is an important purchase for young people. They generally know what they want and will use the specs as a guideline for purchasing. But package systems will have to be sold."

At present, Pioneer has 3,800 dealer outlets. By the end of 1981, it expects to have only 2,200 in its dealer network. And while Pioneer does not intend to blatantly cut back on its dealer network, the company feels that it simply does not need a retailer with the wrong attitude, a dealer, for example, who uses a lot of "bait and switch."

"It is not difficult to be a U.S. Pioneer dealer," Kai contends. "Our only requirement is for dealers to realize that they face potential customers every day. He must realize that he is not only making money but getting traffic. He must understand that if his store can operate at X%, then anything above that is profit. Sales methods such as bait and switch simply cut down on the closing time of a sale. More turns at a lower margin will still provide the retailer with greater profit. **Dealers should be thinking about traffic and return, about carrying more national brands and allowing less bait & switch.** When this happens, the industry will no longer be in the 'used car business.'"

This winter Pioneer bowed out of the CES, opting instead to hold a dealer conference in Acapulco, the third such conference for Pioneer. Pioneer sees such events as the ideal opportunity to both tell and demonstrate to its dealers just what it has in mind and, beyond that, to show its dealers that it's willing to change, as well.

"U.S. Pioneer is different this year than last year," said Kai. "And we'll be even different next year from this year. We're changing; we can't be the answer to everybody, but we're making every effort to offer more to more people."

—Jeri Simon

ANOTHER HOT SCOTCH® PROMOTION:

\$1.00 REBATE TO HIT SHELVES SOON.

STOCK UP FOR THE SCOTCH® MASTER™ REBATE DEAL.

Get ready for a run on Scotch Master Cassettes. We've cooked up a rebate deal that'll really move product off your shelves.

Inside Scotch Master Cassettes your customers will find a rebate coupon which they can mail in to get \$1.00 back from us. And there's a bigger incentive for a bigger purchase: inside Scotch Master ten-packs is an additional \$5.00 rebate coupon to be redeemed with the ten



\$1.00 coupons, for a total rebate of \$15.00!

It's a sensationally simple promotion. All you do is ring up the sales.

HERE'S WHAT'S IN IT FOR YOU.

For every six cases of Scotch Master

Cassettes you buy, you get a seventh one free. Plus, we're offering increased allowances for display and bonus co-op. Your Scotch salesperson has details. And he can also tell you about special incentives for your floor salespeople, to give that product extra push.

WE'RE GETTING THE WORD OUT.

We've got advertising ready to go in your market. So get in on this promotion and see just how hot Scotch Master Cassettes can get.

SCOTCH® CASSETTES. THE TRUTH COMES OUT.

3M

Roger Parker On Direct Mail For Increased Profit

Running a successful direct mail program is a lot like being a farmer. To succeed, and enjoy a good harvest, you have to work hard at it.

It just won't happen by itself.

A successful direct mail program has to be constantly "seeded" with new names. You have to "weed-out" duplicates and moved-away's. And you have to "fertilize" the program with immediacy and incentives to act *right now*.

Essence of Direct Mail

The successful use of direct mail can be defined as sending the *right message* to the *right people* at the *right time* . . . at the *right price*.

This is often over-looked, because the mechanics of direct mail often get in the way. Even the simplest direct mail promotion involves a lot of people doing a lot of different things, and each person's involvement increases the chances of procrastination and error.

Direct-mail rarely works the way it should, because people often don't do their work on time, costs get out of line, and the wrong incentives are offered.

But, it doesn't *have* to be that way for *your* store.

Uses of Direct Mail

There are basically four ways to use direct mail. These often co-exist and reinforce each other, as the same mailing can accomplish more than one purpose. The four ways are:

- Customer Reinforcement
- Customer Surveys
- Customer Education
- Incentives To Purchase

Customer Reinforcement

A simple and sincere "Thank You" letter remains the simplest and most effective use of direct mail. It is most effective when it is sent *immediately* after purchase. It is most effective when it is as *personalized* (i.e. non-computerized) as possible.

Two things happen when a Thank You letter is sent immediately after a customer purchase. One: the customer feels good. The customer is reinforced in his buying decision. He feels he bought the right stereo from the right store. He will be motivated to recommend the store to his friends.

The second thing that happens when a Thank You letter is sent is that the

customer's name and purchase information is added to the store's data base for future use. The customer is now *accessible* for future sales attempts, at a lower cost-per-sale than traditional media alternatives — newspaper, radio, TV, etc.

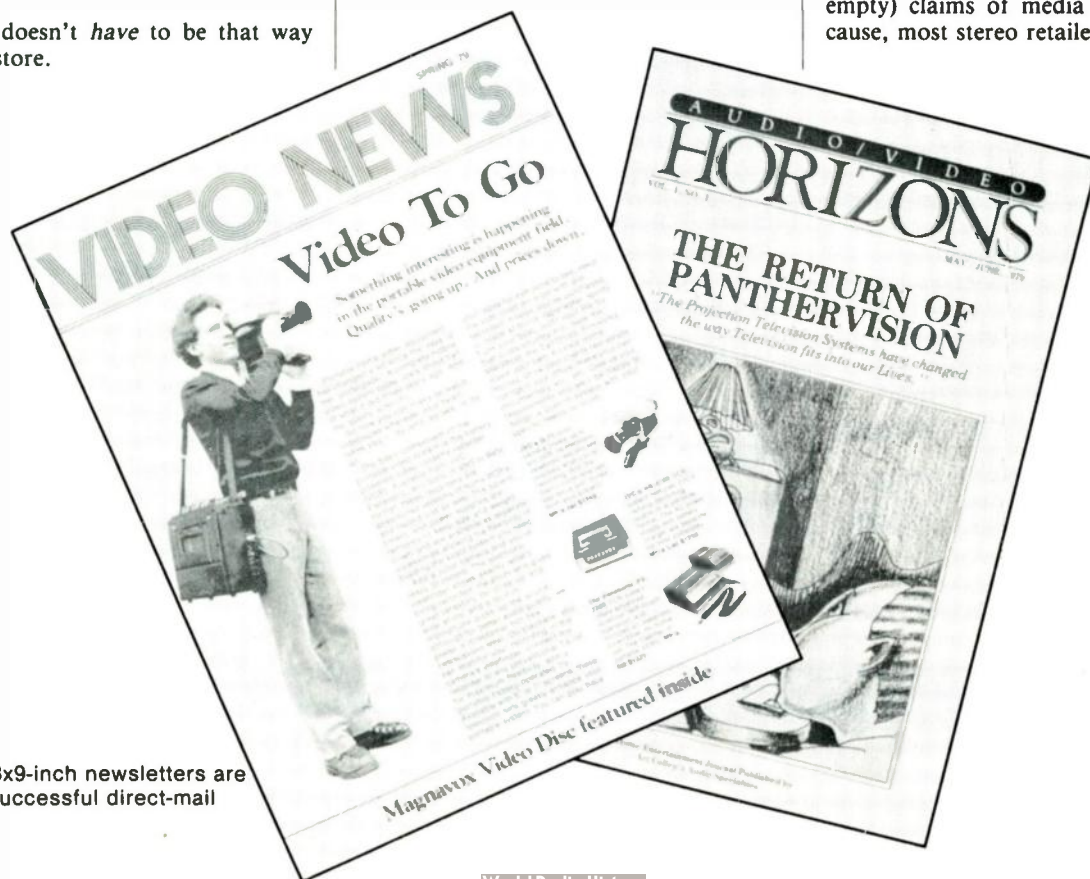
Customer Surveys

All too often, stereo retailers work totally in the dark. They don't know, except for "personalities" and "friends," *who* their customers are, *where* they live, *what* they bought, or *why* they bought.

They don't know their customer's ages, incomes, or sex.

Worse, retailers don't know what their customers *like* about their store, what their customers *don't* like about their store, and they don't know how their customers compare their store to the competition. And, retailers don't know what was the *deciding element* which converted a non-selling situation into a selling situation.

Perhaps most frustrating of all, stereo retailers must buy their advertising media solely on the basis of guesswork and the persuasive (and often empty) claims of media salesmen. Because, most stereo retailers rarely know



THESE TWO 8x9-inch newsletters are examples of successful direct-mail campaigns

STEREO UPDATE

SPRING TIME SPECIALS!
FOR OUR PREFERRED CUSTOMERS...

1 \$135 **2** \$199 **3** \$69 **4** \$199 **5** \$299 **6** \$149

gramophone ltd

the *media preferences* of their customers.

With a little work, however, a retailer can have a direct mail program with a strong *survey component*. This will, on a *continuing* basis, provide them with the information they need to make better merchandising and marketing decisions.

Customer Education

In times gone by, when there was more product-to-product differentiation among audio components — when some audio manufacturers were definitely building “better” and “different” equipment (and most customers thought “console” when they wanted music for their homes) — some retailers did an excellent job of *informing* and *educating* their customers.

Their efforts not only told the customer what to buy, but imparted a personality to the store which truly made the stores unique.

Stores like The Sound of Music in Minneapolis, Audio Lab in Harvard Square, Cambridge, and Audio Craft, in Cleveland, come immediately to mind. These stores produced newsletters and tabloids which made the “audio fan” magazines look second-rate by comparison!

During the past five years, however, perhaps due to diminished owner enthusiasm, diminished product differentiation, increased production and mailing costs, and more need for a quick return, the educational element has disappeared from most audio advertising.

But, is this right? Aren't customers still the same?

Isn't the confusion of “videodisc” versus “videocassette,” and “Beta” versus “VHS” just as sales-defeating as “bass reflex” versus “acoustic sus-

CARLTON 1200 STEREO

TAPE RECORDER CLINIC & SEMINAR
SEPT. 25, 26, & 27, 1980

179.00 **129.00**

CARSTONS ARE AUTHORIZED DEALERS FOR:
AKAI—AR—DENON—FRANK—HITACHI—JVC—KENWOOD
LUX—OPPO—PROFESSIONAL—REVO—SAMSUNG—SONY
TANDEM—TECHNICS—TOSHIBA—TEAC
TECHNICS PRO—G. others
At All The Best Prices You'll Find Anywhere

THESE PROMOTIONS CAN BE FOLDED and mailed out “post-card style

pension,” and “tubes” versus “transistor?”

Customers haven't changed. They still look to advertising for *information* and whatever “warmth” and “pleasure” they can find between the words “Sale!” and “Save!”

Even if today's audio products have attained a certain homogeneity of appearance, performance, and features — and this could be debated — there is a whole new world to discuss with customers: Video.

Video offers today's audio retailers a change to — once again — build their image (and hence their margins) by taking an aggressive stance and taking the time to communicate — in print — some of the credibility their salesmen communicate verbally, and their store layouts communicate non-verbally.

Incentives To Purchase

Properly orchestrated, direct mail can be tremendously cost-effective in terms of producing results. The most obvious direct mail promotion is a “Closed Door Sale” for “Preferred Customers Only.”

Perhaps the definitive treatment of this type of promotion can be found in an article by Mike Moore of Chicago's Townhouse TV. It appeared in the March, 1980, *NARDA News*, published by the National Association of Retail Dealers of America, 2 North Riverside Plaza, Chicago, Illinois, 60606.

In two short pages, Mike tells you

all you need to know about running one of these highly-successful promotions. (Contact NARDA directly for information.)

Clinics and seminars can be successful both from the point of view of products sold and long-term image-building.

For years, McIntosh dealers have been running Amplifier Test Clinics. In addition, Audio-Technica and Dual have been running successful cartridge and turntable clinics, while Tandberg tape recorder clinics have sold many a tape recorder (and many a reel of tape!) over the past fifteen years.

Problems

Direct mail is a *labor-intensive* and *planning-intensive* procedure. The result is these problems, shared by direct mail programs large and small:

1. Names are not inputted on time.
2. Thank You Letters are sent late.
3. Incentives are not included.
4. Duplicates are not eliminated.
5. Mailings arrive late.
6. Promotions are not planned.
7. Ad agencies do their work late.
8. Printers never deliver on time.
9. Direct-mail firms like big clients.
10. The U.S. Postal Service is frustrating.

Solutions

To avoid these all-too-frequent problems, two things must happen:

One, the direct-mail program must be seen as an on-going function. Procedures have to be established which depend on *structure*, not *personalities*.

Second, to get around the difficulties of dealing with creative people and printers, as many *pre-printed formats* as possible should be developed. These formats should be “inventoried” so they can be completed and put in the mail with a minimum of “custom” involvement.

Procedures

Names that don't get added to a mailing list can't be sent a thank-you letter, and will never produce revenue or statistical data. To ensure that names are inputted on a continuing basis, *one person* in the store should be given *final and written responsibility* for inputting names into the direct mail program — whether it's an in-house program or an outside computer service.

With responsibility assigned, if the names don't get inputted, responsibility can be determined and suitable measures taken.

If a “first generation” computer is used, one which can not automatically check for duplicates, new names must

be checked for duplication against a master print-out of the customer list.

Pre-Printed, Special-Event Formats

Printers have tremendous difficulties doing things on time. Partly, this is due to the fact that, on the scale of things, stereo retailers are really small, and the numbers (and profits) are not large enough to warrant good service from even the smallest "job shop" printer. As a result, broken promises and late deliveries are common.

Mainly this is because printing is a "numbers" business. It is as hard for a printer to sell, do the work, and get paid for a 5,000 print-run as it is for him to sell, do the work, and get paid for a 50,000 print-run.

For this reason, we have turned to developing as many pre-printed formats which can be *completed by the computer, at the time of mailing*. The expensive, labor intensive graphic-impact can be shared by many dealers, and printing costs can be shared by many dealers . . . and the dealer's name and specific message can be added by the computer at the time of mailing.

For retailers large and small, pre-printed formats seem to be the only way that the requirement of "right message at the right time to the right person at the right cost" can be satisfied.

Editorial Frameworks

Although it's easy to design pre-printed formats for special events — be they New Product Introductions, Preferred Customer Sales, or Turntable Clinics, somewhat more thought has to be given to your editorial newsletters.

Since a steady diet of promotions and special events can be self-defeating, occasionally an editorial newsletter should be sent to your customers bringing them up to date on new products.

We have found that the ideal format is a single 11 by 17 inch piece of paper, generally 60 to 70 pounds in weight, folded to provide four 8½ by 11-inch pages.

This format can be mailed either as is, or stapled, or it can be letter-folded to be inserted in a Number Ten business envelope.

A great deal of pre-planning must be done when you set up an editorial newsletter, but the results will pay off in consistency of appearance, time saved when preparing your newsletters, and money saved when printing your newsletters.

We recommend a 3-column format.

This gives a lot of "selling and telling" space, plus *disciplines us* to be short and to the point when we discuss new products. Headlines, photos, and artwork are all just one column wide. This not only gives the finished piece a front-to-back consistency, but it encourages the reader to *keep on reading* — especially if the materials are written in a friendly and conversational manner.

For both high-impact and economy, the dealer's logo and newsletter masthead can be *pre-printed in color*. This color, of course should match the "corporate image" colors the retailer has chosen for his letterheads, business cards, and store signs.

A year's supply of newsletters can be printed with the masthead and logo in color. These should be stockpiled for future use. Then, each month, (or whenever a dealer runs an editorial newsletter), instead of a two-color print job, the job is now just a one-color printing job. It thus goes through the printer faster! All that has to be

The more time you give yourself (and others) to do the work, the better the promotion will turn out.

done is to over-print in black the editorial and photographs of that particular issue.

The overall effect will be that of a two-color job . . . yet the dealer will only be paying for a one-color job!

Act Now!

All mailings should contain immediate incentives to action.

Thank you letters should contain something tangible: like Preferred Customer Cards. Preferred Customer cards are five cent pieces of paper which customers rich and poor alike are proud to carry.

The more tangible the benefits of the Preferred Customer Card, in terms of reduced prices on direct-disc recordings, priority service, or free loaners, the stronger the overall direct mail program.

Many dealers offer a "Free Case Of Tape," or a "Tape Club," which involves membership card which entitles the customer to one free cassette once a month, if they come in and ask for the tape within a few day period each month.

There should be a *time-limit* on all promotions. "Return this card within

one week for a free C-90 cassette!" "Save 15% on all direct-disc recordings this week!" "One Week Scratch & Dent Sale!" "5-Hour Preferred Customer Sale This Sunday, 12:00 noon to 5:00 pm", etc.

We have been working with a "9-4-8" Card which entitles customers to a free direct-disc recording, when they purchase eight. The visual element of the "9-4-8" lends itself to a graphic postcard format.

Planning, Planning, And More Planning

We have often touted *planning* as the panacea for all problems of advertising. And, we still stand by that. The more you plan your promotions ahead of time, and the more time you give yourself (and others) to do the work, the better the promotion will turn out.

But, direct mail, involving as it does computer technology, printers, mailmen, and customers who move around, is *even more* complicated. There is *even more* need for planning. Your direct mail promotions have to be planned far enough in advance so a late copywriter, a late printer, an a late mailman won't torpedo.

The final decision as to *who* should maintain your mailing list — in-house on your own computer, or outside by a computer service or direct mail firm — is still unresolved. Each alternative has its own advantages and disadvantages.

A future article in High Fidelity Trade News will outline the advantages and disadvantages of each approach, and will include specific equipment and software recommendations should you decide to go it on your own. In the meantime, you might "shop" the various Lettershops and direct-mail services in town to find out what the going rates are for doing these functions:

A. Inputting names and sending signed thank-you letters to new customers.

B. Checking for duplicates.

C. Addressing pre-printed postcards.

D. Preparing pressure-sensitive address labels.

E. Preparing and applying Cheshire labels to pre-printed tabloids and catalogs.

The more you organize prices and capabilities in your area, the better a choice between "in-house" and "outside" you'll be able to make!

Next month . . .

In next month's article, *What Your Customers Can Tell You About Your Store And Your Competition*, we'll outline how you can set up a low-cost survey program for your store.

KOSS FIRE.

15 great reasons why the 210/Kossfire loudspeaker is the hottest entry in the audio market today.

Ninety per cent of ALL loudspeakers priced in the \$200 to \$249 price range are sold at prices within \$10 of the \$200 price point.

The \$200 price point is the fast growing segment in the loudspeaker market ... accounting for over \$150 million in annual sales.

Kossfire's 4-drivers place it in the fastest growing segment of the loudspeaker market.

Dual Kossfire tweeters double the 210's high frequency power handling capability and dramatically lower distortion. Angled alignment of Kossfire tweeters offers wide, uniform dispersion ... and an unmatched selling point.

Separate continuous level controls for midrange and treble response ranges.

5-inch midrange with 1-inch voice coil and large barium ferrite magnet.

Linear phase constant voltage crossover network offers seamless transition.



Kossfire's beautiful pecan veneer 80 liter cabinet meets the consumer demand for a solid, classic loudspeaker which is also an attractive piece of furniture.

Built-in circuit breaker automatically resets eliminating the need for fuses or manual resetting. Won't false trigger even with amplifiers greater than 100 watts per channel.

12-inch woofer with 1½-inch voice coil and large barium ferrite magnet.

Vertical alignment of woofer, midrange and dual tweeter array provides perfect stereo imaging.

Large 3½-inch reflex port provides lower distortion than systems with smaller ports.

Convenient push-type input terminals.

Non-warping rigid-molded grille frame with acoustically transparent grille cloth.

Pin and cup grille frame mounting connectors.

© 1980 Koss Corp.

All in all, these 210/Kossfire speakers have been designed to provide superior performance at a reasonable price. They fill a void between loudspeakers that cost too much and those that promise too much and deliver too little. Contact your Koss Representative or call Jeff Martin, today. You'll hear a lot more great reasons why the 210/Kossfire is the hottest loudspeaker going.

KOSS® 210/Kossfire Speaker System
hearing is believing®

INTERNATIONAL HEADQUARTERS / 4129 N. Port Washington Avenue / Milwaukee, Wisconsin 53212 Facilities: Canada, France, Germany, Ireland

The Ten Most Common Mistakes In Audio/Video Retailing

By Phillip M. Perry

What are the ten most common mistakes made by managers of retail stores? To find out, we consulted a number of business advisors with the view of improving your own store operations. Here's what they warn managers against.

1. Overexpansion. Abraham Getzler, president of A. E. Getzler and Co., New York, specializes in "turning around" businesses that have fallen into financial binds. In his experience, many of his clients have made the mistake of expanding too rapidly.

How does it happen? "Let's say the retailer wants to expand his store by 10 per cent, based upon the current business situation," poses Getzler. "Unfortunately, the only new space he can find will give him a square footage which is 30 per cent greater. That means a much higher overhead." The retailer, thinking optimistically, goes

selling at a 30 per cent markup are sold at a 20 per cent markup, for example. "After a while, all the business gets is the big order at the unprofitable markup," says Getzler. "People are always willing to take merchandise for less."

This phenomenon should not be confused with the more common "sale," in which merchandise is offered at a discount for a *limited* time.

3. Ignorance of costs. The smaller the company, the more likely the manager does not know the full costs of the merchandise he's selling. When reviewing the increase in sales volume from year to year, the effects of inflation and increased costs of doing business must be taken into account. In other words, your business may increase at a rate of 25 per cent one year over the previous year, while your profit can end up being less. "Just because volume goes up, it doesn't mean profits go up," says Getzler. You must

"A computer often becomes a Great White Father," says Getzler. "It becomes a crutch instead of a tool. The manager must be able to recognize wrong figures that a computer develops." By the same token, businesses often underestimate the time involved in perfecting a computer system. They expect a computer to be working within six months, but twelve months is more likely for a smaller firm, and 30 months is more likely for a larger firm. A computer can only help you run a business more efficiently; it cannot solve problems rooted in poor business management.

5. Wrong accounting firm. "The business must have the services of an accounting firm that understands the field in which the retailer is working," says Leslie R. Wolff, chairman of the Maresca/Wolff Organization, New York. "The accounting firm must anticipate the needs of the business and provide advice. This will be especially important in the 1980's, considering the rising interest rates. The accountant must be able to draw up cash flow projections and provide guidance on expanding. He must also provide liaison between the business and the bank."

The manager of a small business may go to a bank to borrow \$10,000, and not have a problem, points out Wolff. Later, when he needs \$50,000, he is surprised to find out that his banker must go through the bank structure for approval, a process that may take from six to seven months. A good accountant will know this beforehand, and can plan for it.

6. Poor employee motivation. "Salary is not always the best incentive for employee performance, nor is it the best way to keep people," says Wolff. "Oftentimes a pat on the back is what the employee is looking for, or some indication that his contribution is appreciated." There is a lot of good, untapped information available from employees, if only the manager will keep an open door policy and not ridicule their ideas.

7. Dull marketing concepts. "Advertising and promotion tends to have a sameness factor," says Wolff. "Open a suburban newspaper, and all of the advertisements look alike." The problem is that the retailer has not identified a segment of the population and then gone after it with original market-

STEPS YOU CAN TAKE TO AVOID COMMON MISTAKES

1. Avoid expanding too rapidly.
2. Do not allow markups to slip as a matter of course.
3. Identify factors which affect costs of merchandise sold.
4. Don't look to a computer as a solution for business mis-management.
5. Use an accounting firm that understands your industry and needs.
6. Motivate employees through praise and encouragement.
7. Develop exciting marketing concepts for a specific audience.
8. Train your employees to handle public correctly.
9. Develop fluid and useful communication channels within your store.
10. Use materials from manufacturers of products you sell.

ahead with the greater expansion. Result? His new expenses, which include not only physical overhead but a larger staff, are much higher than what he should have for his level of business. Profitability drops.

2. Churning of inventory. This phrase, which is familiar to financial analysts, refers to a rapid turnover of stock at a low mark-up. The inventory "churns" in the sense that one group of items is rapidly replaced by another. But the rapid activity, while seeming to reflect the hectic nature of an established business, does not lead to a company profit.

This often occurs when the business is offered a big order, if the customer can get a reduced rate. Items ordinarily

also interpret the growth of your business in terms of number of items sold and customer count. What do the current trends in those two figures tell you about the path your store is taking?

4. "Great White Father" Trap. "The business person takes on the services of a new salesperson, designer, manager or finance expert, with the idea this will solve all his problems," notes Getzler. The trap is that this lulls the troubled business owner into thinking it will solve all his problems. Often, the Great White Father who has been selected will only develop solutions for a main symptom of the business disorder, while the real cause of the business downturn is in another area.

NEW HEAVYWEIGHT TECHNOLOGY IN LIGHTWEIGHT HEADPHONES BY BEYER.

Imagine headphones with a coil made of copper that is .9 millimeter thick and 1/3 the weight of those found in conventional headphones. Imagine headphones with a polycarbonate plastic diaphragm, a material so light, rigid and rare that it is found only in the best mics made in the world.



Imagine it being viscous damped like the finest loudspeaker cones and statistically embossed so that its surface will be absolutely perfect for transmitting sound. And imagine this diaphragm being moved by rare earth samarium cobalt magnets, the strongest magnet material known to man. And finally, imagine headphones that will simply overwhelm your customers with bass resonance and a transparency of sound unheard of except in the finest, most expensive electrostatic transducers.

But you don't have to imagine. Just contact your Beyer representative or call us for a personal demonstration of our new heavyweight line of lightweight headphones. They will simply knock your socks off. Try them on. We guarantee that you've never worn more comfortable headphones, regardless of size! They feel great. They sound great. They look great. And they are priced to sell. Listen to something better from Beyer.

Beyer 
Dynamic

BEYER DYNAMIC, INC.

5-05 Burns Avenue, Hicksville, NY 11801 • (516) 935-8000 In Canada, H. Roy Gray, Ltd.

World Radio History

ing concepts. "Ask what the customer can get from you that he cannot get elsewhere," says Wolff. "Then emphasize that aspect." When the public sees that one advertiser is stressing a certain aspect of his business, it gets the impression that other firms do not offer that service. "The key is to surround the customer with service."

8. Poor Handling of Public. For the customer arriving at your store, the clerk represents your company. All too often, customers are met with unenthusiastic, even insulting clerks. The problem becomes worse when these customers tell their friends how poorly they were treated at the store. Bad word of mouth is devastating.

"Identify all areas of your business that have direct dealings with the public," says Wolff. "Don't forget the people who answer the telephone. Then, go to work to upgrade those areas."

One way to improve employee attitude is to motivate them through work incentive programs. Develop an "employee of the month" program, posting the picture of the winner in the store.

Design training programs that show employees how to greet and serve members of the public that visit the store. Consider the use of a staged presentation in which a person acts like a sales clerk, and another acts like a customer. When employees view this presentation, they can apply the principles to their own work in the store.

9. Poor communications within the company. If employees are unable to communicate properly with the public, it also quite possible that communications within the group of employees, and between them and their supervisors, are not what they should be. "The buyer may not talk with the merchandise manager, or the advertising manager," points out Wolff. "When a retailer has an out-of-stock situation, from 12 to 15 per cent of the time it's because the clerk just didn't tell anyone that supplies were running low."

How to improve the flow of communications? First, find out if you are having a problem by asking your personnel if they are, indeed, communicating with each other regularly. Encourage them to do so. It may be desirable to arrange for regular meet-

ings during which personnel have the chance to exchange information.

"Without a communications network, you lose control of your business," says Wolff. "Get that direct flow of communication."

10. Point-of-sale materials underutilized. Retailers fail to use the materials supplied them by the manufacturers, or fail to develop their own POS displays.

"We have seen so many POS displays that are buried in the backs of the stores, where no one can see them, or displayed on a high shelf. They should be prominently shown so they do the most good," one retail adviser told **High Fidelity Trade News**.

Work closely with the manufacturers whose products the store sells, taking advantage of their marketing advice and their cooperative advertising dollars.

Finally, review the chart that accompanies this article. Titled, "Steps You Can Take to Avoid Common Mistakes," it points the way toward more efficient retail management. Identify those areas needing work, and take action.

Zimet Takes Steps To Expand Service

What would you do if you received a call for a stereo installation in a Florida room . . . a disco recording studio in a basement . . . a sound system on a yacht? If you were David Rosen, owner/president of Long Island's Audio by Zimet, you would probably just shrug your shoulders since calls of this nature are the rule, not the exception.

Rosen, a native New Yorker, has been involved in hi fi since his early teens. After graduating from the RCA Institute of Technology, he worked in area hi fi stores until he joined Audio by Zimet in 1966 as a full partner.

"Sid Zimet and I built this business to what it is today by offering good quality equipment at fair prices," Rosen told **High Fidelity Trade News**. "Last year, Sid decided to get out of the retail end of things, and gave me the opportunity to buy out his share."

"Custom installation has always been the back-bone of this particular business," explains Rosen. "We have had calls for just about everything, including live recording simulcasts and putting sound systems in discos. We try to give each customer exactly what



Zimet's
David Rosen

he wants, like recessing a speaker in the wall, and then wallpapering over it so that it blends into the wall, or designing cabinetry that not only houses the components, but also adds beauty to the room. We, of course, also do remote control systems."

Audio by Zimet is also known for its mobile recording studio. Credits include live simulcasts over such radio stations as WLIR-FM, WPIX-FM, WNEW-FM and WHN-AM. Among the performers who have requested the Zimet touch are: Chicago, the Allman Brothers, Charlie Daniels, and Billy Joel.

"A by Z" is truly a multi-faceted audio operation. The Pro Audio showroom is designed as an operational 8-track recording studio, and the service department is fully equipped with the latest and most sophisticated test equipment.

"Service has always been our strong point," commented Rosen. "We have had some of our customers for over twenty years; They always come back to us because they know that they will get fast and accurate service."

While strong in the area of custom installation, Rosen also has emerged as an expert in disco and pro-sound installation. "We started doing disco in the early '60's, David told **HFTN**, "it began as a home party type of thing and grew where it is today. The only thing that was around then which could handle more than one turntable was broadcasting equipment, and that was too expensive. To make a long story short, we designed our own disco mixer. In fact, a lot of the technical products that we needed and wanted were not there, so we developed them ourselves."

**THE LARGEST MARKET
FOR COMPONENT SYSTEMS
ISN'T PEOPLE WHO
UNDERSTAND COMPONENTS.
IT'S PEOPLE WHO DON'T.**

For years, the stereo business has addressed a limited market. People who either were at home with the technical complexities of hi-fi, or who were willing to learn.

All together, they add up to something less than 20% of the U.S. adult population.

Now Pioneer has created a component system for the other 80%. People who love music, but who don't love the complexities involved in buying a stereo.

It's called Syscom. System components by Pioneer.

With Syscom, there are no complicated decisions for the customer to make. All of the components were built and matched specifically for each system by Pioneer engineers: amplifier, tuner (or receiver), tape deck, speakers, turntable, everything.

By housing Syscom in its own beautiful cabinet, we've solved yet another problem: What do they do with all that equipment once they get it home? Syscom makes so much decorating sense, people buy it for its looks alone.

Syscom offers you something that no other component manufacturer offers as well: the Pioneer name. It is one of the few names these non-afficianados know.

And soon they'll also know about Syscom. Because we've launched a major advertising effort against this market.

Last, for all its advantages, it takes far less time to sell Syscom. Because a salesman doesn't have to sell one brand against another, one component at a time, or discuss specs.

Isn't it time you stopped limiting yourself to one component of the stereo market?

And started selling system components to an entirely new market.

© 1981 U.S. Pioneer Electronics Corp.
Headphone, microphone and digital
timer optional.



SYSCOM
PIONEER
We bring it back alive.

Jumping On The Accessories Bandwagon Could Expand Your Profits

By Dorothy McGowan

The recession may be hitting hard, but audio accessories are coming through with flying colors. Could this be the success story of the eighties? The answer seems to be a resounding yes, and any dealer looking to expand profit margins would do well to jump on the bandwagon as it passes.

"I've spent my life in accessories," says **Greg Cornehlis of Sound Guard**. I'm pro-accessories because, although nothing is recession-proof, accessories come the closest." He adds that in times like these people don't stop buying, they just buy smaller. "They may not buy a whole new system, but they want to make their old buggy sound new." And although traffic may be down at the retail level, manufacturers and retailers alike agree that this is where accessories count. "Retailers can make more dollars on accessories than they can on hardware," says Cornehlis. "As recession cycles get closer and closer, retailers have to begin thinking more of what they can sell."

And more and more dealers seem to be doing just that, emphasizing a marketing strategy that views accessories not only as a way to tack on extra dollars to a sale, but to benefit the consumer. "We try to service our customers," says **Dave Clark, Buyer for Musicraft in Chicago**, "and one way to do this is to handle all items, including accessories, as part of a total system. Our salespeople are very aware of them, and we see this as an important service to our customers, as well as a way to increase dollar volume."

Kimberley Crumb, president of Audio Innovations in Minneapolis sees accessories as one of the few product categories the audio dealer can use as an impulse item. "If there's anything we can merchandise, it's accessories. We do a very big business in blank tape." He adds that, unlike many dealers who only advertise their hardware, Audio Innovations does full-page advertisements of their accessories. As a result, Crumb says, accessories has increased Audio Innovations' sales by at least 20 per cent.

But most manufacturers and dealers feel that the key to selling accessories must come from the salesman. "Accessories are turned by an educated sales

staff," says **Jim Schneider**, assistant manager of **Myer-Emco** in Washington, D.C. "We don't display in any special manner, but we all know what's needed and we inform our customers. Our accessories are all kept behind a glass cabinet, but we show our customers how they work by demonstrating them at the point of a sale." Schneider feels this technique accounts for the fact that accessories accompany about 70 per cent of all sales at Myer Emco.

Doug Corley, assistant manager of **Tech Hi Fi** in Boston agrees. He says that dealers are definitely taking advantage of accessories to boost sales, and he explains that everyone, down to the cashiers at Tech Hi Fi are trained to sell accessories. "Every time we sell a tape deck we make sure a customer is aware that they'll need a demagnetizer and a head cleaner. Our biggest problem right now is that we can't get enough accessories, we're selling them so quickly."

Corley says that the boom Tech Hi Fi is experiencing in accessories sales is due in large part to a consumer who is more sophisticated and has a better un-

derstanding of how to care for his audio equipment than he had ten years ago.

Gary Thorne, executive vp marketing for **Team Electronics** in Minneapolis is one of many dealers who feels that greater consumer awareness is due to the efforts manufacturers have made to develop brand awareness in the marketplace, but he stresses that it is the responsibility of the salesperson to explain the need for these products, not just as add-ons, but to complete a system. "The person who controls an accessories sale is the salesperson," says Thorne. "We stress value and necessity in selling accessories. If a customer buys a cassette deck for pleasure, but finds he doesn't enjoy it because he wasn't sold a tape, we'll make



GUSDORF'S Michael Wertman



TEAM'S Gary Thorne

WE'VE JUST LOWERED THE PRICE OF ADMISSION.

The ticket to a live performance just became even more popularly priced. And it's your ticket to a whole new profit maker. The Koss K/4DS Digital Delay System was a sensational buy with its built-in amplifier last season; but this year, it's an absolute must for anyone who wants to bring the orchestra and his seat in the concert hall home.

Call your Koss Representative, today, or call Jeff Martin, Koss National Sales Manager (800-558-0465) and ask about the new price of admission to the profit performance you've been looking for. You won't want any of your customers to miss the missing link in stereo. Especially when the price of admission is so low.

© Koss Corp. 1980



KOSS K/4DS Digital Delay System
hearing is believing™

KOSS CORPORATION, 4129 N. Port Washington Ave., Milwaukee, Wisconsin 53212 International Headquarters Milwaukee facilities Canada • France • Germany • Ireland

ACCESSORIES

enemies, not friends. This perspective has helped us in increasing our accessories sales."

Thorne adds that Team has a products display manager who sees that the stores utilize fixturing so accessories products will be displayed most beneficially.

But many manufacturers are concerned about the limited floorspace most dealers are willing to give accessories lines. "It's frustrating to capture space for accessories in a store," says Sound Guard's Cornehl. "We still need to convince the retailer that accessories are a good sell." Many manufacturers are attempting to do this through Point of Purchase displays and educational literature for the dealer, alone with product seminars for the sales staff. But **Jim Hall of Discwasher** notes that if dealers don't get behind these marketing programs, they'll fall flat on their faces. **Michael Wertman, vp marketing and sales for Gusdorf** agrees. "We do a lot to make



Perry Solomon

our product visible," he says, "but the dealer must be willing to experiment and open up to these areas of extra-profit opportunities."

Perry Solomon, president of **The Solomon Company** in California feels that dealers are in fact changing their attitude toward accessories. "Retailers are looking once more to profitability in accessories," says Solomon. "The attitude that eroding the margin on accessories to the point of giveaway is being replaced by the feeling that accessories can in fact increase profit margins."

In a sluggish economy this is a major consideration for any dealer looking to expand avenues of sales. As **Eric Shupack, president of the Apres Audio** says, "There's great potential in the accessories area. The market is becoming more sophisticated and many of these products are an automatic sell. The people who are taking note and getting involved are the ones who will survive."

Nagaoka Adds Accessories

Five unusual new Nagaoka tape care products are being offered by Osawa & Co. (USA), Inc., marketer of a complete line of accessories in the audio industry.

The Nagaoka QC-209 head-cleaning cassette can be slipped into the cassette slot of a tape deck to remove oxide and dirt buildup from the tape heads, capstans and pinch rollers, depositing the harmful debris on a replaceable, specially surfaced pad. The QC-209 is priced at \$7.99.

The PC-507 cassette repair and maintenance kit can be used in almost any cassette malfunction or editing situation. It contains a splicing block with 60- and 90-degree cutting slots, tape hold-downs, plus scissors, tweezers, Phillips and conventional screwdrivers, splicing tape, sensor tape, a tape probe, replacement pressure pads, and replacement screws. The kit enables the user to repair or edit dozens of cassettes at a miniscule cost per tape. Suggested retail price is \$24.99.

The CW-402 is Nagaoka's new battery-operated high-speed pocket cas-



CLEANING CASSETTE
Model QC-209

sette winder with automatic shutoff. The unit, priced at \$19.99, can rewind a 60-minute cassette in just 35 seconds with no chance of tape breakage or separation of the tape from its leader, since a slip-clutch stop is used.

For recordists who have problems keeping their libraries in order, Nag-

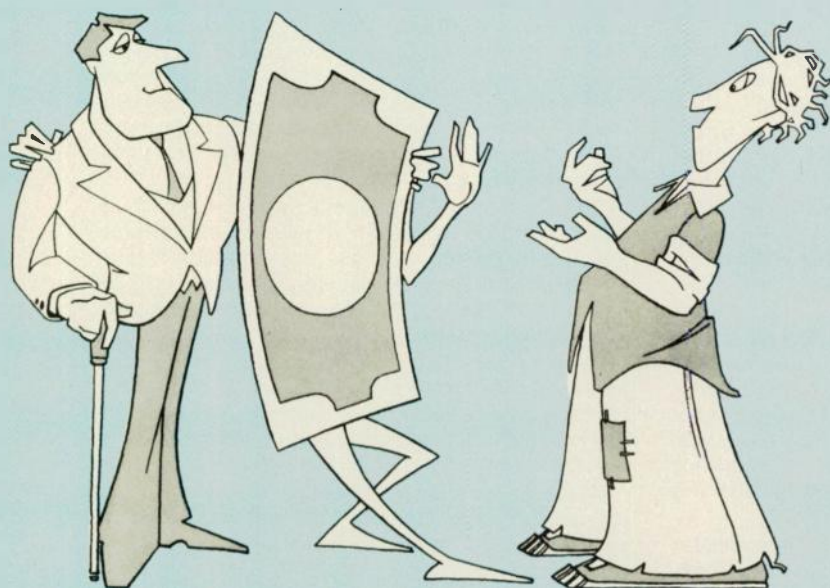
CASSETTE WINDER
Model CW-402



aoka has come up with an index label book containing 100 replacement labels and color-coded identification tabs for cassettes. Nagaoka is also offering an index card book containing 24 color-coded cassette replacement liners and self-adhesive identification tabs. Both have a suggested retail price of \$4.99.

audio salesman

**PULL-OUT
SECTION**
Photo-Copy... and give to
Your Sales Staff



Do You Dress For Success?

By Charles Swift

John T. Molloy, in his book, "Dress For Success" offers insight on how attire affects a customer's reaction to a salesperson. Being neat, it seems, is not enough.

Depending upon what you sell and where you sell it, your choice of clothes actually helps you move merchandise.

How can you tell if you already are dressed for sales success? Molloy suggests that you keep

track of what you wear for 30 days. At the same time, track the wardrobes of two other salespeople in your company. Pick one who is very successful, and one who sells no more (or perhaps even less) than you do. At the end of the

30-day period make a comparison. Do you dress more like the great salesperson, or like the mediocre salesperson? Depending upon your conclusions, a change in attire may be in order.

People who sell sophisticated products like hi fi equipment should dress for the type of customer who may be purchasing such products. Clothing should exude confidence. Hi fi, after all, can be a bewildering and even scary purchasing decision to someone who doesn't know much about it. Jeans, opened shirts, cowboy boots, and the like are not usually considered confidence-building, authoritative clothing. Even if when your clients dress in this fashion, they do not necessarily feel comfortable buying audio gear from someone dressed that way. Shouldn't salespeople, who are asking people to part with hundreds, perhaps thousands, of very hard-earned dollars look

Continued on page 36

Card-Tricks Help Sell

A salesman is always, in a way, selling himself. People buy you before they buy the product. And one of your most effective sales tools is your business card.

Your old business card can be taught new tricks if you remember to use it well. Usually, it's just handed out to shoppers along with the stack of literature to take home and read over. It helps them remember who to ask for when they return, although they'd probably remember you without it.

What your card may be very good at, however, is

to be a form of advance advertising for you. For example, whenever you're "off duty" from the showroom, remember to carry some cards with you. You may run into someone at a party or concert who may be in the market for a hifi or VCR. Your face he may not remember, but your card he may. When you're in a buying situation

Continued on page 36

**HIGH FIDELITY
trade news**



“In audio...it is frequently possible to make a system sound better, but to make it sound real is a much more elusive matter.”

Larry Klein, *Stereo Review*, August 1980

To demonstrate the “differences” between most good loudspeakers, you have to take them apart. You’ll find quite a variety of coil and magnet structures, one-of-a-kind drivers, fancy frames, and the like. But put the grilles back on those speakers and play them. They’ll probably look and sound much alike, differing only in minor frequency response variations.

Except Design Acoustics. Our angled grilles cover angled, multiple drivers. Because only in this way can we provide uniform sound to every corner of the room. No on-axis beaming, no tiny stereo “sweet-spot” for just one favored listener to enjoy.

By projecting a wide-range, uniform acoustic signal into the entire room, rather than just along a narrow axis, the sound field “opens up” to a remarkable degree. With Design Acoustics, you can move away from your usual listening position without loss of vital spectral balance. Our design goal is not the typical “flat” on-axis frequency response, but flat total acoustic power into the listening environment.

In short, Design Acoustics speakers are intended for the real world. Where living rooms are far from acoustically symmetrical. Where there’s more than one listener, more than one chair. Yet where everyone in the room expects to hear the same fine total balance.

But there’s more to the stereo experience than flat, acoustic power response, although it is very basic. Because you experience the Design Acoustics sound from both the front and the sides, it envelops you in much the same manner as you experience at a concert. Which makes the subjective “reality” much easier to accept and enjoy.

The success of any listening situation depends, of course, on many factors. The recording itself, the room, and the listener’s taste and position. But Design Acoustics speakers take greater advantage of these variables to enhance enjoyment than “traditional” speaker design concepts.

Ask your Audio-Technica rep for a demonstration of the Design Acoustics loudspeakers for the real world. It can be quite a revelation! You’ll hear how one company has used sophisticated (but easy to understand) design to enhance every stereo listening experience.

When you add Design Acoustics, you aren’t selling just another nameplate, but a unique approach to reality. You sell sound benefits, not just technology. Which puts us both ahead of the rest of the market. Call today.



DESIGN ACOUSTICS

1225 Commerce Dr., Stow, OH 44224 (216) 686-2600
An Audio-Technica Company



Here's Why Customers Buy Cassette Decks

Why do your customers consider buying a cassette deck? Is it because they saw an ad and suddenly desired the device because it might look good sitting beside their receiver? Could it be that they reason that since they already have a system, they *have* to add a deck to it? Perhaps they have an extra \$300 in cash sitting around and they just don't trust banks.

Probably not.

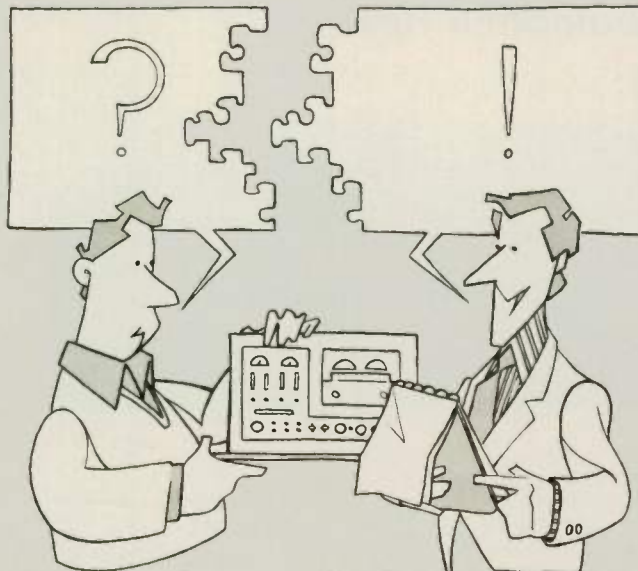
People do not decide to purchase cassette decks or any other audio components for impulsive or weak reasons. They buy because they want those products to do something for them. What might it do for them? Quite a lot. Some of those benefits are things that they already want, other uses may not occur to them until they've spoken to you. Here are some of the reasons you



DUAL
Model 822

might give a customer to convince him to purchase a cassette deck:

1. To save money on records by copying friend's discs.
2. To edit discs, removing the selections that they do not care for.
3. To copy broadcasts of concerts that are live and unavailable on records.
4. To record out-of-print discs that they are afraid of scratching or breaking.
5. To copy portions of their musical library for portability.
6. To make listening more convenient (not having to turn records



over).

7. To play prerecorded tapes that occupy less space than LPs, do not become scratched, and need none of the maintenance that records do.

8. To record broadcasts with a timer while they are not at home, for later replay.

9. To record live music performed by themselves



SANSUI
Model D-550M

or others. Perhaps even produce demo tapes of their musicianship.

10. To copy broadcasts of records or tapes that are out of print.

11. To reproduce old, worn recordings through an equalizer for better listenability.

12. To play or record vocal transcripts such as tape letters, cassette books, lectures, or learning courses.

13. A gift for someone who wants to do some of the above.

Not everybody will buy a cassette deck for all of the stated reasons. The point

is that you stock several brands of tape decks and quite a few models of each brand. Your customer's reasons for considering a deck, and the extra reasons that you can offer him will dictate which cassette machine will be the one most likely to fulfill his needs. Once you convince him to buy a deck, here are some of the features you might offer



AKAI
GX-595

him:

1. Three-head monitoring capability
2. Timer standby
3. Extra noise reduction systems
4. Bargraph meters
5. Mike and line mixing
6. Metal tape capability
7. Mini-sized chassis
8. Output controls
9. Very wide frequency response
10. Large VU meters
11. Specially colored faceplate
12. Rack mount capability
13. Auto reverse
14. AC/DC operation
15. Two speeds
16. Auto search system

17. An under-\$200 price tag
18. 50/60Hz overseas capability

19. Adjustable bias

20. Remote control

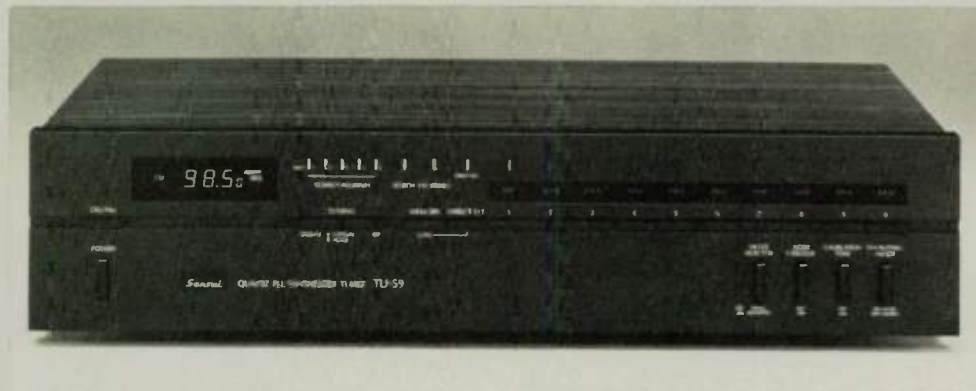
If you're a good salesperson, you should be able to **double** that feature list. The *features* that a cassette offers serve to fulfill the *reasons* why someone is buying a deck. It's simple to practice need/feature matchups. Simply choose one or more *reasons* to buy from the first list, and then select the features that match those reasons. If you have a deck in stock that has these features and *more*, then you can suggest extra reasons to your customer for selecting that particular deck.

The next time that you have some spare time, pick up a notepad and list the features on some different decks priced at about the same retail. Afterwards, study the list. What kind of purchaser will want Tape Deck A? Why wouldn't he like Tape Deck B as well? *Does Deck C appeal to as many people as Deck C?* Why, or why not? Are there features and benefits that you don't bother mentioning to people?

Keep your notepad with the feature list easily available for referral. Chances are that you'll add to the list as time goes on. Remember, each time that you add a feature to the listing, you add on at least one more reason why the deck would be desirable to someone. Try to list the features of a deck that is moving more slowly than you'd like. See if you can't come up with some features and reasons that you never thought of. Over the long stretch, you'll begin to find that you aren't selling cassette decks to people — they *know* that they *want* one already — you're selling them the *reasons* to buy one.

audio salesman

Stay Tuned To Audiophile Reviews



A) Although **SENSIBLE SOUND** reviewed Sansui's TU919 and &17 favorably, you should know these models will soon be discontinued. Should your customers ask for them, you could direct them to other models like the TU-S9 or (below) the TU-S7S.



Sansui TU-S7S
Digital Tuner

The winter issue of the audiophile quarterly, **The Sensible Sound** was published recently, containing reviews that may be helpful on some of the products that you sell. Receiving favorable reviews in this issue were:

1. The **SANSUI TU919** and 717 tuners "... an exceptional product ..."
2. **AUDIO-TECHNICA ATH-7** headphones "... handles the most delicate passages handily, and the ATH-7 are addictive ..."
3. **KENWOOD KT-815** tuner "... audio quality, especially stereo separation, was excellent."

4. **SANYO P-55** amplifier "... seldom does a product come along that represents such a bargain."

Other products receiving favorable reviews included:
Headphones

- Beyer DT 440
- Sony MDR-7
- Sennheiser HD 400
- AKG K-340

Tuners

- Philips AH-180
- Harmon-Kardon HK-715

Amplifier

- Nikko Alpha III

Sensible Sound costs \$5.50 and is available from 403 Darwin Drive, Snyder, N.Y. 14226



Beyer Dynamics'
DT440

SUCCESS . . .

Continued from page 33

like the kind of person who has something to offer for this sizable investment?

"Never buy any article of clothing unless you believe that article will help you sell," Molloy believes. Clothes are not **meant** to be neutral; they should be aids to selling. Tests the shirts and ties that you wear over the weeks to come. Do you seem to sell more when you wear one than you do with the other? Don't wear the least successful attire on the sales floor.

Is there any particular style of dress that is worn by successful sellers? Not really, but there are some common sense rules to follow. For one, have your hair well-groomed at all times, whether long or short. Shoes should be shined. Successful men and women also dress **neatly**, and that means no rips, tears, stains or missing buttons.

How about if you're large or small? This plays a part as well. Large individuals tend to intimidate clients, so they should avoid wearing loud, dark,

Continued on page 44

CARDS . . .

Continued from page 33

is another time to employ your card. Just bought a suit or a car? Give your plaque to the salesperson—maybe he'd like to have you serve *him* someday.

Cards should be included with the receipt when gift items are purchased from you, so that the recipient of the gift can look you up for hookup advice and accessories. Did you just make a customer very satisfied? While he's thanking you for your service, hand him a bunch of your 2x3½'s and invite him to give them out to his friends who may be interested in what you sell.

This last trick can prove surprisingly fruitful. I once made a sale to a client who received one of my cards in Israel! He was told that I specialized in gear that could be switched over to 220 voltage, and he wanted to be sure that he spoke to the right person when he visited the states and wanted to bring home a hifi. That card cost me about 1/10 of 1¢ to print, yet still traveled thousands of miles and ultimately earned me a sizable commission.

**HIGH FIDELITY
trade news**

audio salesman

'Just Looking' Customers Often Buy From You

By Charles Swift

When you work a long day, — and who, in retail, doesn't — you may find yourself in periods of sales ennui. That is, ruts where you don't feel up to your emotional peak. Since a salesperson must be a little bit of an actor, you've got to know how to put that tired or uncomfortable feeling aside when that "up" walks onto the floor.

Sometimes a salesperson may disavow responsibility by pretending that a certain shopper is "just looking" and does not really plan to buy. Just such a situation occurred the other day when I spied a middle aged man and his two sons wandering around our audio showroom.

"Want to go over and help them?" I asked the salesman beside me. "Not really," he replied, "besides, they're not here to buy anything. I just saw them drop off a T.V. set for servicing."

Well, maybe that was so, I thought, but wasting my time with them is certainly no worse than wasting time by myself. I walked over to them and said hello, asking them if they had any questions about the equipment.

"Not really," said one of the sons. "I'm just pricing tape decks," he added, almost as an afterthought. "Go right ahead," I said, and proceeded to ask him if he had noticed a new line of decks that we had just gotten in. He wound up being very interested in one particular model, and was thinking about leaving a deposit on it. "I'll see if I have any in stock," I offered, "But before I do,



is there anything else that you'd like to ask me about?" "Well," said the son, "A friend of mine is looking for a good cheap tuner. Do you have anything like that?" Of course I did, and I

demonstrated a popular model for them.

The long and short of it was that although they hadn't counted on buying anything that day, they left a small deposit on one of the tape decks. I also

persuaded him to do the same on the tuner, so that his friend could pick one up if he wanted to. They did so, and wound up picking up both components later that same day.

Walk-By Traffic Means Sales

Audio electronic shops are often located in shopping centers and malls, near movie theatres, fast food operations, super markets, or downtown, high traffic areas. The reason for this, of course, is to take advantage of this walk-by traffic in hopes of attracting some curious lookers. Salespeople who work in these types of locations are lucky to get this built-in traffic flow. But many, however, are often heard to voice some familiar complaints. Among these are the gripe that the shop is always filled with "lookers". These lookers may be biding time while their pizza is being cooked or wife is shopping next door. What the salespeople

complain of, naturally, is that these lookers are wasting the salesperson's time, since they do not intend to buy anything at all. A careful salesman can change these curious lookers into serious shoppers and closed sales if he takes the time to prepare for a high traffic selling situation.

"Just looking" people may not be in the market for any specific audio or visual item, but their buying impulse can be triggered by eye catching,

easy-to-purchase from displays. Attractive arrangements of blank tape, headphones, and cleaning accessories are easy to install and serve to remind people that they need a cleaning kit or a demagnetizer.

Unusual hardware, such as tape decks with exciting display features or a loudspeaker featuring a striking cabinet design or driver arrangement can be spotlighted and functioning during periods of dense "lookers". Unusual display gimmicks like sideways or tilted turntables, micro loudspeakers, or cutaway models serve to arrest a looker's attention. The idea, naturally, is to have someone interested enough to inquire about

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**HIGH FIDELITY
trade news**

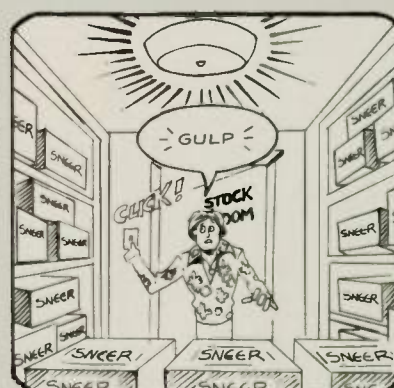
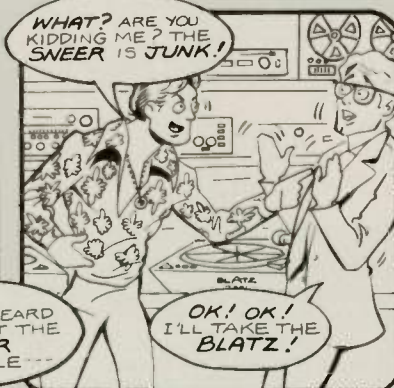
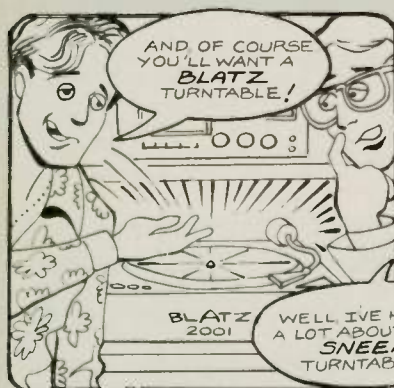
audio salesman

Cartoon Series Strips Away Problems

The sales floor is filled with lots of laughs, and just as many good lessons. Here, **Audio Salesman** takes a humorous look (in its own exclusive **Stereotypes** cartoon series) at 3 scenes familiar to most audio salesman. What do you think would

make a great cartoon idea? Just send your suggestions to: Editor, High Fidelity Trade News, 6 E. 43rd Street, New York, New York 10017. Our artist will draw up the best suggestions and credit your retail store.

STEREOTYPES



STEREOTYPES

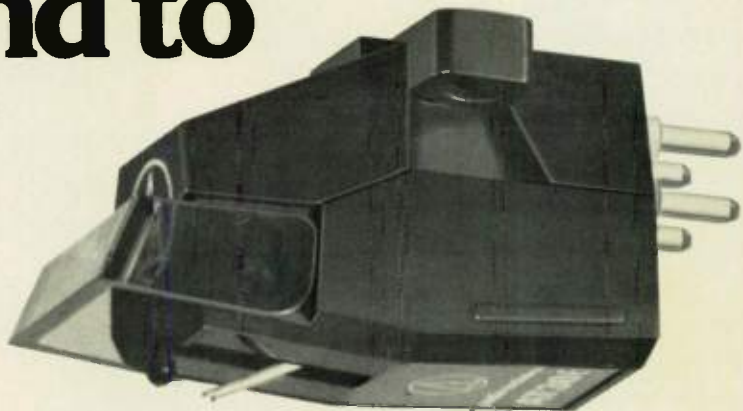


STEREOTYPES



At last a moving coil cartridge you can recommend to your best friend!

New AT30E Stereo Phono Cartridge with Vector-Aligned™ Dual Moving MicroCoils™ and user-replaceable Stylus



The subtle, yet unique characteristics of moving coil cartridges have had their admirers for years. A top-quality moving coil cartridge exhibits remarkable sonic clarity and transparency. This performance can be attributed to the very low mass, and low inductance of the tiny coils used to sense the stylus motion.

But until now, moving coil cartridge popularity has been limited by three major problems which seemed almost inherent to moving coil designs.

1) It seemed impossible to make a user-replaceable stylus assembly without compromising performance; 2) most moving coil cartridges exhibited relatively low tracking ability due to rather stiff cantilever mounting systems; and 3) output of the cartridge was below the level needed for commonly available amplifier inputs.

direct. Rather than locate the coils in the cartridge body, they are integral with the stylus assembly. If the stylus becomes worn or damaged, the *entire* moving system, coils and all, is simply unplugged and replaced, just like a moving magnet cartridge. Large, gold-plated connectors insure loss-free connections so vital at the low voltages generated by a good moving coil cartridge. The result is easy field replacement with no penalty in terms of performance.

excellent tracking ability throughout the audio range. Compliance is individually controlled during manufacture of each assembly to optimize performance. This extra step, impossible with most other designs, coupled with our unique radial damping ring, insures excellent tracking of the high-energy modulation found in many of the top-quality recordings now available.

Each coil is located in the ideal geometric relationship to reproduce "its" side of the record groove. This Vector-Aligned™ design assures excellent stereo separation, minimum moving mass, and the highest possible efficiency. It's a design concept which is exclusive to Audio-Technica, and a major contributor to the outstanding performance of the AT30E.

We can't take credit for solving the low output problem. The AT30E output is similar to many other fine moving coil cartridges. But an increasing number of amplifiers and receivers are featuring built-in "pre-amplifiers" or "head amplifiers" to accommodate moving coil cartridges directly. Thus the new systems buyer can make a cartridge choice based on sonic characteristics rather than on input compatibility.

In addition, Audio-Technica offers the Model AT630 Transformer for matching to conventional amplifier inputs.

The new Audio-Technica AT30E Dual Moving MicroCoil Stereo Phono Cartridge. With the introduction of this remarkable new design, every important barrier to full enjoyment of the moving coil listening experience has been removed. Progress in sound reproduction from Audio-Technica... a leader in advanced technology.



Introducing the new Audio-Technica AT30E and the end to all three problems! Our design approach is simple and

Careful research indicated that good tracking and moving coil design were not incompatible. By controlling effective mass and utilizing a radial damping system similar to our famed Dual Magnet™ cartridges, we have achieved



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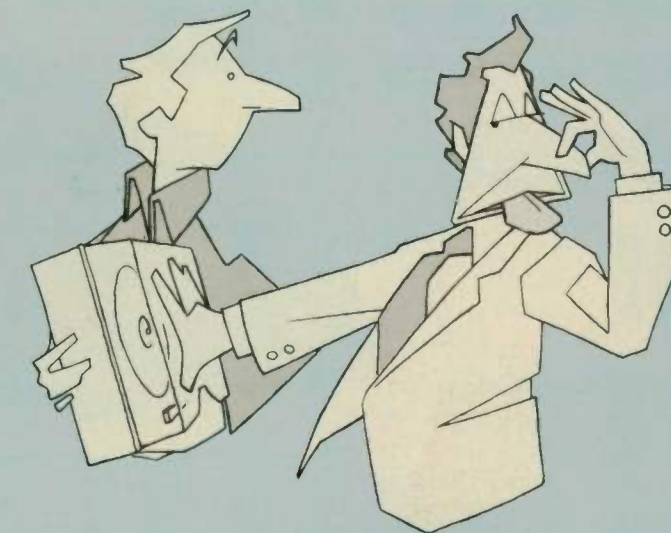
audio salesman

Knocking Products Poor Substitute

The subject of product disparagement often comes up in connection with hi fi selling. Knocking products is a poor substitute for selling, but it occurs more often than most of us care to admit.

For example, we know of a shop that has a unique view of selling turntables. When you enter the store and ask about them the salesman cuts you off by raising his hands and exclaiming, "Well, before you look around at anything, let me tell you, forget -----, they *stink!*"

The brand that he's warning you against is a very popular line of turntables. The manufacturer also produces receivers, speakers, tape decks, and accessories. This store does carry this line of tables and equipment, but the salesman obviously has his own ideas about which line of turntables represents the best equipment at the best value. Maybe he is afraid



that we'll like the brand he feels compelled to warn us against. Or possibly he feels that his price isn't competitive. Maybe he just isn't paid well enough to be motivated enough to sell the popular line. Maybe he genuinely believes that they are bad turntables.

But the question remains, does disparaging one brand really help him sell another? No, not if the customer begins wondering how that other line of turntables ever

achieved such a good reputation. The customer may already own one of these turntables and be looking for another as a replacement or gift. Or he may own a receiver or other equipment made by the same manufacturer.

In a word, the salesman is off to a lousy start. He's forgone any kind of greeting or qualification in lieu of a warning against buying a brand that "stinks". If the customer does not believe his statement, then he'll have

lost credibility and he has probably lost hope of any sale at all. If the customer is naive enough to *believe* him, he still might be skeptical of buying *any* turntable.

Disparagement, simple put, is a technique borne out of general inexperience and fear of the competition. Part of the blame may be placed on the salesman's manager, store owner, or sales reps for not providing him with proper sales training. The real solution, however, lies with the salesman himself. Lack of confidence in himself and insufficient knowledge of his competitor's products has got him resorting to this crude and ineffective method of moving merchandise.

If you find yourself disparaging equipment sold by you or a competitor, start listening to your customers and respecting your competition. Like others who unthinkingly slip disparagement into sales pitches, you must eventually learn that the way to sell equipment is not to make the competition seem poor, but to make your own merchandise appear great.

WALK-BY . . .

Continued from page 41

any given item.

Don't bemoan your misfortune in having to deal with all those "lookers" in your high traffic situation. Give them a good reason to come back and visit you. Take all lookers seriously.

Even systems can be set up along impulse-buying guidelines. What's called for is a simple, attractive system priced at a popular price point. If your store accepts credit cards, takes deposits, or arranges financing, you might have

some signwork alongside the merchandise, mentioning these policies.

Special packages such as tape decks with blank tape or turntables packaged with a cartridge and record cleaner also make attractive specials.

Naturally, you can't expect a moviegoer to forget the flick and buy a tape deck or system instead, but you can aim your selling at the person who has been *thinking* about a new deck or system. A deposit or even some literature and your business card is a start towards a close for you.

SUCCESS . . .

Continued from page 33

authoritative clothing. Light dress and footwear softens the effect of their size, and puts customers more at ease. Small people need to wear very neat, conservative clothing to help to instill confidence in potential customers. The smaller salesperson needs

to appear precise and credible. Contrasting colors and a bit of distinctive jewelry can also help achieve this effect.

Of course, no mode of dress works for all individuals in all situations. But if you haven't given much thought to the way you've been dressing, perhaps it's time to consider it now. Take a good look at yourself in the mirror — do you look like the kind of person that you'd fork over \$1500 to — for *anything*? If the answer is anything other than yes, start clothes shopping immediately.

**HIGH FIDELITY
trade news**

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UPDATE: The Digital Audio Disc

Meet The Video Disc's Technological Brother



YAMAHA'S VERSION
Of A High-Density Disc Player

By Greg Nomine

It goes by two names these days: *Digital Audio Disc* or *All-Digital Disc*, and perhaps that is part of the reason for the confusion surrounding it. *The other source of confusion may be its close familiar resemblance to a technological brother — the much discussed videodisc.* Whatever the causes, practically no one in the hi fi business knows exactly what is going on with the newfangled digital way of reproducing music.

To begin at the very beginning in the interest of clarity, therefore, let's define all of the basic terms and concepts of the digital audio disc, and then string them together to make sense out of a very confusing situation:

Digital recording is a way of storing music in groups of numbers, using as long strings of zeroes and ones. One of the great virtues of this zero-and-one approach is that the storage can be done in almost any medium. On tape, a magnetic spot can mean a one, and an unmagnetized spot can mean a zero. On flat plastic surfaces like credit cards or discs, an indentation can indicate a one while a flat spot can mean a zero. Any way you can think of symbolizing an "on" and an "off" can be used to store music in digital form, and as long as you or a machine can recognize which sections are zeroes and which are ones you will have a vir-

tually perfect copy of the original performance. **Digital recording therefore has obvious advantages over the analog recordings we've been using for the past eighty years.** The advantages are so big and the sound is so good that almost everybody in the technical world believes digital recordings will be the universally accepted method of storing and playing back music in the Twenty First Century. So far, so good.

The strings of numbers required to store music, however, tend to be very long, and a machine that is going to play back these long strings as quickly as the music must be very fast in its reading of the numbers, and the software must be able to hold a lot of information. It just so happens that these same requirements also apply to the storage of television pictures and sound — where the machine must read information fast enough to conjure up and keep changing a moving image on the TV screen, as well as a sound track. For this reason, a lot of the work that has been done on developing videodiscs, which store sound-and-picture information very densely on their surfaces, is also applicable to storing digital music. **The one slightly confusing point here is that videodiscs don't store their sound tracks in digital form; rather, they build it into the picture signal and then pull it back out again in a somewhat distorted mid-fi form.**

All of the giant electronics firms that have spent decades developing videodisc machines also have some connection with the hi fi business, and therefore an interest in finding a way to store music digitally on all-music discs. Each of these firms has spent some time dabbling with machines that play back music digitally, using the same technology as employed in their videodisc machines. Some of these outfits, like RCA, see the videodisc as much more important, and have put their digital-audio research on the back burner. Others see the two as being equally important, and are going forward full-tilt on both projects. The potential benefits to be derived from being the company that sets the worldwide technical standard for digital-discs — this includes defining all of the dimensions, shape, and electrical parameters of the disc to be used, and the electromechanical characteristics of the player — are huge, in terms of both licensing fees paid by other companies that want to make disc players and discs, and the advantages of being out in the marketplace with ready-to-go products years before the competition. **Among the contenders to define the digital-audio disc standard are:**

Philips, the Dutch conglomerate. Owners of Magnavox and inventors of the enormously successful 'compact cassette' (we in this country call it simply the 'cassette'). Philips has developed a videodisc player that uses a miniature laser beam to read the surface of a reflective 12-inch disc covered with patterns of microscopic dents. Their proposal on a digital-audio disc format — called CD for Compact Disc — uses this same basic approach: a laser reads the dent-covered surface of a 4 1/8-inch shiny disc, and converts the patterns of dents into music. They see the 4 1/8-inch size as being useful for autosound and other portable applications as well as for home use. **Pushing hard for victory, Philips has already lined up Sony and Revox, among others, as allies.**

Telefunken-Decca. A cooperative technical venture of the German electronics conglomerate and the British record company (Decca, by the way, developed the first truly wide-range LOP records just after World War II). De-

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spite working on a videodisc format for some time, Teldec (as it is often called) has now called off their videodisc effort and is pushing for adoption of their MD (for Minidisk and Microdisk) digital-audio format. The MD approach uses a good old-fashioned stylus to play a grooved record about 135 millimeters in diameter, with an hour per side capacity (the Minidisk), or alternatively a 50 or so millimeter record with ten minutes per side (the Microdisk). But rather than wiggling side to side as on a conventional LP, the MD format's groove is vertically modulated in hills and dales, with each hill representing a "one" and each dale a "zero." (or vice versa; it is only a matter of convention). The MD discs are stored in plastic sleeves called caddies that protect them from scratches and dust; the player extracts the disc from the caddy after the whole affair is inserted into a slot in the player's front panel.

JVC and its corporate parent Matsushita, which in turn also owns Panasonic, Technics, and Quasar. The JFC approach is called AHD for Audio

High Density, and is in fact only a slight variant on JVC's VHD videodisc format. In both, a 9-inch plastic disc with patterns of dents on its surface is read by a flat-bottomed electrode that slides along the disc surface like a dance shoe across a polished floor, sensing tiny changes in electrical capacitance caused by the dent patterns. JVC and Matsushita propose an interesting arrangement: using the same player for both videodisc and digital audio applications with an outboard black box added for digital audio purposes. This reduces the consumer's outlay for hardware, of course, but the larger size of the AHD disc also limits its usefulness in auto and portable applications.

The Cool Cats. The handful of companies that have demonstrated their ability to make a working digital audio disc player, but are waiting to see whether they should adopt one of the above formats or propose their own. These include RCA, which has built prototypes of a black box that connects to their CED-format videodisc player for purposes of digital-audio-

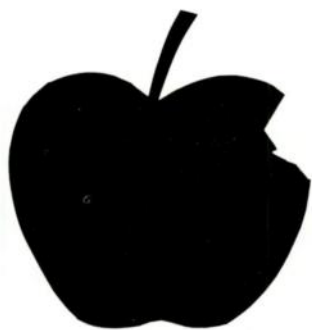
disc playback; Pioneer, which has shown a similar add-on for their optical-format videodisc player; Mitsubishi, which built an optical-format digital-audio player similar in technical approach to the Philips CD but using a larger disc; and Thomson CSF, a European firm that is keeping an extremely low profile for their experimental digital audio player.

All of the major systems described here have one strong virtue or another. For the Philips, portability, and durability (the laser doesn't touch the disc, and the lifespan of both is therefore unlimited); for The Teldec, portability and low manufacturing cost; for the JFC and many of the Cool Cats, reduced expenditure on hardware because of the dual function player.

Therein lies the problem: no single organization can mandate a technical standard for a product in a capitalist society. The only way to define that standard is to slug it out in the marketplace, competing for the consumer's affections with massive advertising budgets, or alternatively to "fight the fight" in a smoke-filled room somewhere via negotiated licensing agreements. Both run the risk of producing a device that doesn't best suit the needs and desires of the consumer. In many cases in the past, in fact, the standards that have been set for technical developments in hi fi have turned out to be much less than ideal. Most FM engineers agree that the way we broadcast stereo FM is mediocre at best, and cartridge designers have been complaining about the phono equalization standard for decades.

In the case of the digital disc, it looks like we'll see the second approach. **In Japan, where hi fi is virtually a national industry, the government has requested the electronics industry to recommend a technical standard, evaluating the various proposals in a large committee that has come to be called the "D:A:D:Committee".**

It's understood by all parties involved that whatever approach receives the committee's final recommendation will almost certainly become the worldwide standard, given that Japan now dominates consumer electronics manufacturing, and so the lobbying efforts are now at fever pitch. All the rest of us in the audio industry can do, though, is wait for the issue to be decided on our behalf, and then try to live with and turn a reasonable profit from the final decision. Some would call that a technocratic obligarchy; but we know better. It's just Big Business as usual.



In the Big Apple ya gotta be awake to get a bite

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Receiver buyers expect uncommon products from Sansui. And Sansui delivers. The Sansui "Z" Series of synthesized digital receivers are designed and built with a loving logic that can be seen, touched and heard. Take the Sansui 5900Z, a reasonably priced receiver with every important feature in the business, every "hot button" needed to turn your customers on.

SYNTHESIZED DIGITAL TUNING

You can't mistune a Sansui synthesized digital receiver. Not even a little. Press the up/down tuning buttons. The digital circuitry ensures that every station received is automatically locked in for lowest possible distortion, with its frequency indicated both on a digital readout and by an LED indicator along an analog type dial.

TOUCH VOLUME CONTROL & LED PEAK POWER LEVEL INDICATOR

The Sansui 5900Z uses a pair of touch-buttons to adjust the listening level. Relative volume control setting is indicated on a fluorescent display. Actual peak power amplifier output is shown by 14-segment LED indicators.

12 PRESET STATIONS

To make FM and AM tuning still easier, up

to 12 user-selected stations may be "stored" in the 5900Z's memory circuits for instant recall. The last station received will be remembered when the tuner is turned on again; and memories are kept "live" even during a power outage.

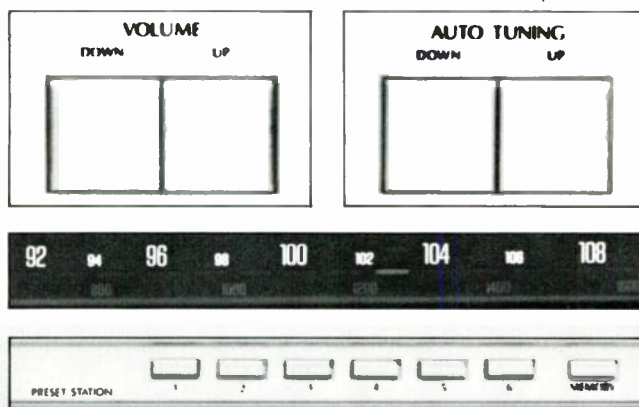
DC-SERVO AMP FOR DEPENDABLE POWER

The leader in DC technology, Sansui uses a servo-controlled amplifier circuit in all "Z" receivers to eliminate unwanted ultra-low frequencies — like record warps — while maintaining the advantages of direct-coupled circuitry in their amplifier sections. The 5900Z delivers 75 watts/channel, min. RMS, both channels into 8 ohms, from 20-20,000Hz, with no more than 0.03% THD.

And there's more. Like LED's for every important function. Two Muting Modes. Two tape deck connection with dubbing. And much more.

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make sure you see all the wonderful stereo receivers in the Sansui "Z" Series. And expect great things. You won't be disappointed.



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Ohm's Drelinger Prepares Future With More Emphasis On Marketing



Sandy Drelinger

The arrival of Sandy Drelinger as vice president of marketing at Ohm Acoustics buttresses a company that has always featured technology and good sound as its long suit, but which has tended to place less emphasis on marketing.

"I fit this company as marketing vp," Drelinger told *High Fidelity Trade News* in an interview shortly after he joined Ohm after 11 years at Micro-Acoustics.

At Ohm, Drelinger expects the Brooklyn, N.Y., speaker supplier to shed some of its traditionally conservative marketing stance. "I expect to give Ohm a clear, consistent and aggressive image in the market. We're preparing a new consumer ad campaign and new programs to support our dealers. We're also looking at additional product categories to enter, but it's premature to discuss that in detail now."

Drelinger emphasizes the strengths of Ohm in terms of product. "The company is basically an engineering-oriented firm. It is now in the process of putting together the marketing expertise to back what is a tremendous product. From a distribution point of view, the firm has been content with small numbers of dealers and has built loyal relationships with them rather than pursuing a numbers race in the market."

However, Drelinger notes, "there are areas in the U.S. where Ohm is not represented as well as we would like . . . and we're going to add dealers where none exist. The company will maintain existing dealers where they are and encourage them to grow with us in the future."

In the short time since he joined Ohm, Drelinger has found "one of the most technically advanced companies in the speaker industry." He cites the

"totally unique" Model F based on the Walsh design concept, which established Ohm's fundamental concept of loudspeaker design based on principles of phase coherency. Drelinger notes that Ohm produces as many or more critical components of speakers than any other company in the market.

Ohm's line departs from the Model F concept into more easily attainable price points utilizing conventional technology tailored to Walsh principles. "As a result," Drelinger says, "the basic engineering of even the conventional technology we utilize practices the theories and realities of manufacturing of phase coherent sound learned from the Model F. We're also interested in phase coherence in crossover and driver placement and design in terms of developing

a lot of bass response with less distortion and greater efficiency from smaller enclosures."

Overall, Drelinger comments, Ohm strives constantly to achieve two basic goals. First, to produce drivers that handle more power than any competitive driver by as much as a factor of 10. "An example is our mini Model m which can be driven by as little as seven watts but which can handle up to 1000 watts.

The other goal concerns dispersion. Ohm speakers are designed for use with special high frequency driver configurations to radiate sound over a wide area. The payoff is stereo that can be appreciated anywhere in the listening room. "This technology is clearly derived from the lessons learned from the Model F," Drelinger adds.

KEF Favors Bextrene In Polypropylene Controversy

There's been a great deal of talk recently about the advantages of polypropylene cone materials, but what about the other side of the issue as expressed by backers of other cone materials? One of the most notable of the polypropylene opposition includes KEF Electronics which is more favorably disposed to its own Bextrene cone materials which it uses throughout its line of products. Addressing this question, and other questions regarding this U.K.-based manufacturer's views of its U.S. marketing and product plans, is KEF national sales manager Fred Yando.

HFTN: KEF uses Bextrene cones in most of its speakers. How does Bextrene differ from the polypropylene cone that some other producers are using?

YANDO: Polypropylene, we feel, does not live up to all the claims made for it, for a number of reasons. One is that, on its own, it doesn't take glues well, a critical factor in loudspeaker assembly. When trying to coat polypropylene, or hook it to a voice coil, it

doesn't work very well. Moreover, when you use viscous dampening on a Bextrene cone, it tends to have much flatter frequency characteristics — and also tends to be much smoother. And, as polypropylene will not accept dampening material for a long period, its frequency response does not stay linear.

When KEF first started experimenting with plastic cones back in the early '60s, we looked at both Bextrene and polypropylene. The polypropylene just wasn't good enough acoustically — or adaptively for our applications. Right now, we are the largest manufacturer of Bextrene cones in the world, so we are able to dictate the quality of the Bextrene we get. Very few other companies use Bextrene as such, but we use a very special kind of Bextrene. It is possible, that when some people are comparing the properties of Bextrene to polypropylene, they are not comparing to the type of Bextrene used by KEF. Bextrene, like polypropylene, is available in many different grades and qualities. There are a lot of claims made for polypropylene that have yet

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3 YOU NEED AUTOMATIC/CONTINUOUS OUTPUT-OVERLOAD WARNING SIGNAL: SOUNDCRAFTSMEN'S 2 top L.E.D.'s glow brightly, (bottom L.E.D.'s off), if output voltage is boosted excessively, thus eliminating the danger of distortion and/or damage to related equipment resulting from the high voltages that can be generated by any fine equalizer.

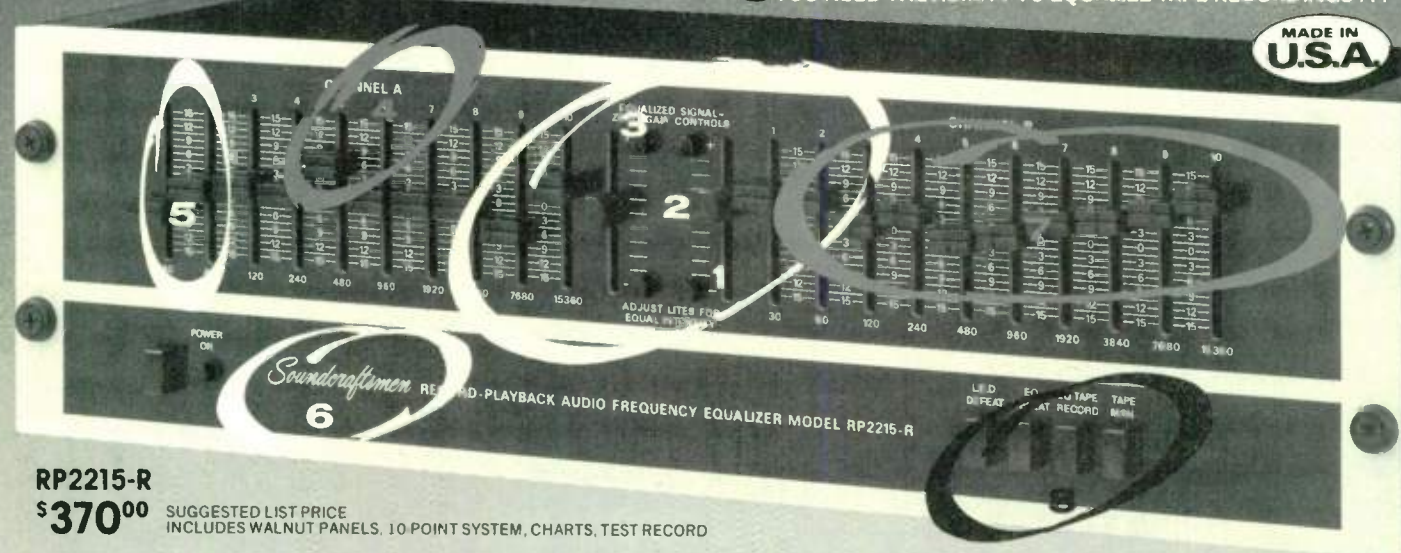
4 YOU NEED A POSITIVE METHOD OF READING dB SETTINGS...

5 YOU NEED AT LEAST 30 dB TOTAL CONTROL OF EACH OCTAVE...

6 YOU NEED A UNIT THAT WILL ADD ZERO NOISE AND DISTORTION: SOUNDCRAFTSMEN'S signal-to-noise and distortion performance figures are far superior to most high fidelity components. SOUNDCRAFTSMEN products are used in professional broadcast and recording systems, assuring you of completely noise-free and distortion-free integration into your system.

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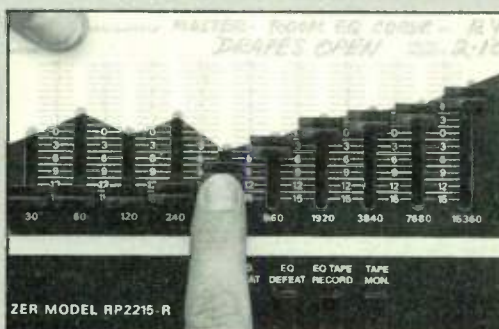
8 YOU NEED THE ABILITY TO EQUALIZE TAPE RECORDINGS...



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\$370.00

SUGGESTED LIST PRICE
INCLUDES WALNUT PANELS, 10 POINT SYSTEM, CHARTS, TEST RECORD

9 YOU NEED A REAL-TIME FREQUENCY-SPECTRUM ANALYZER TEST RECORD, using your own ears for read-out. Every Soundcraftsmen equalizer includes a Test Record recorded and designed exclusively for Soundcraftsmen equalizers. Without any expensive test equipment or technical knowledge you can quickly tune the acoustics of your room to ± 2 dB, just by following the announcer's step-by-step directions.



10 YOU NEED A MEMORY SYSTEM FOR "EQ SET-RESET REFERENCING": SOUNDCRAFTSMEN provides you with a quantity of "COMPUTONE CHARTS" for recording the exact setting of each octave control for future reference and resetting. Automatic "Instant Memory Programming" is readily available by cutting off the "Computone Chart," holding against front panel, and moving up knobs into position.

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to be substantiated — claims which we feel cannot be accurate. Therefore, we will continue to use our special BX Bextrene. It may be that other companies are trying the regular, black Bextrene and are getting totally different results.

HFTN: On another subject, what

about the true mini-speaker market — five liter volume or less — and the car speaker market. Will KEF proceed in the directions of those markets?

YANDO: We have a relatively small speaker, the Model 101 which is 6.7 liters. Its frequency characteristics are down only 2 dB at 90 cycles and only 3

dB at 60 cycles. That is about as small as we can go and still maintain the type of acoustic standards we really want. If we went down to five liters in volume the bass response would not go down as well as we would like. Also, if people are going to blend this system with a subwoofer or something of this type, there would be problems with the crossover frequency range. Car systems? Our drive units are often used by others for automobiles, but we are not interested in this market at this time. We are still perfecting techniques to build accurate home loudspeakers.

HFTN: The Model 303 Series II and the Model 304 Series II represents different speakers that what KEF has traditionally produced. How are they different and will the differences affect your distribution?

YANDO: KEF plans no changes in its existing dealer network, and the purpose of our new products is to offer existing dealers the possibility of selling KEF speakers to a broader customer range. The idea behind the Model 303 and 304 is to offer the traditional KEF tonal qualities, but with a bit more efficiency to make them useable with lower-powered receivers and music systems than possible with the traditional KEF speaker. The key point to note here is that it gives the dealer the chance to sell a highly regarded KEF speaker with a compact or Japanese rack system. Rack systems are popular sellers, however the speakers provided by systems manufacturers are often a weak point. A dealer can upgrade the customer to a pair of KEF 303 or 304's, noting that the improvement in sound quality is dramatic.

HFTN: How does KEF's S-Stop protection circuit distinguish between overload signals and music?

YANDO: KEF's S-Stop circuit is a very complex affair, and we were the first to really introduce such a feature in a consumer speaker system. It doesn't really attempt to distinguish the different types of signal as much as it does the varying intensities, lengths, etc. Simply put, the very complex S-Stop circuit continuously monitors the voice coil of each drive unit in terms of overheating or excursion. It is the combination of KEF's accuracy in sound reproduction, as well as the protection afforded by the S-Stop circuit, that makes our product very applicable to today's modern digital recording requirements.

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First, point out the proof of performance graph on every Genesis loudspeaker packing carton.

Next, mention that only Genesis confidently displays actual proof of each loudspeaker's performance.

The implications to the buyer?

Superlative performance — superior quality.

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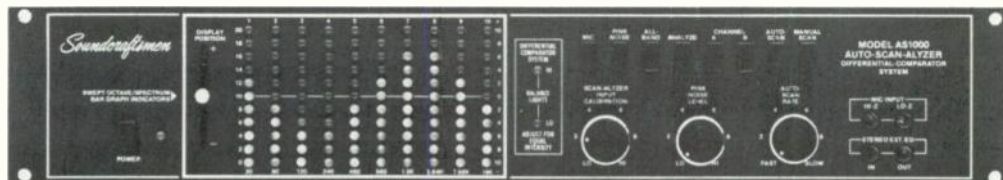
An easier sale.

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**SOUNDCRAFTSMAN'S
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Model AS1000 with 1.1dB
readout accuracy carries a
suggested retail of \$449.



ARISTON AUDIO'S RD110 SL turntable carries a suggested retail of \$749 and is Ariston's top-of-the-line model.



FROM EPICURE PRODUCTS IS **THE SPEAKER Model EPI-300**, a compact acoustic suspension, three-way type that can be used as a floor-standing model or placed on a bookshelf.



THIS IS DUAL'S TOP OF THE LINE 741Q, a fully automatic direct-drive model which features an advanced version of the ULM 8-gram tonearm.



THE ARISTON RD 80, Buffalo, New York, has a suggested retail of \$449.



The **dbx 150 Type I Noise Reduction** unit is suitable for small studios and carries a suggested retail of \$350.

blank tape

Osawa's Metal Tape Alternative

"We're offering the dealer an alternative to the least-price-sensitive aspect of the premium cassette market," says Osawa's Jack McMurray, vp sales.

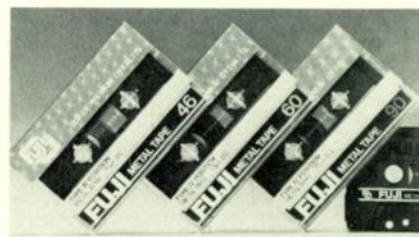
Osawa's entry into the premium



price cassette area includes tapes in metal, ferrichrome, and chromium oxide.

According to Osawa, its metal compares favorably with other metals on the market. The Osawa MX series is available immediately in 46 and 60-minute lengths and shortly will be available in 90-minute lengths.

Fuji Calls For Push On Metal



"We feel the market potential of metal has expanded more rapidly than actual sales," says Fuji's John Bermingham.

According to Bermingham, he already has seen especially healthy sales where retailers have promoted metal to their customers. To assist the retailer, Fuji is positioning its tape as the "affordable ultra-premium tape" within the reach of all music lovers, not just audiophiles.

Fuji's list price start at \$8.30 for C-46; C-60 at \$9.10 and C-90 at \$12.00.

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#1 CHOICE

Hundreds of retailers have made the CLASSIC 1 their #1 choice in record care.

THE QUALITY PRODUCT

The CLASSIC 1's handsome wood-grain handle not only looks good, it feels good. Superbly designed to combine beauty with function.

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The key to the CLASSIC 1 Record Care System is a unique process utilizing capillary action to maintain a field of humidity over the velvet fiber surface. And when used with the CLEANER ONE Record Care Fluid, its cleaning efficiency is unsurpassed.

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If you sell records or audio equipment, you know that the CLASSIC 1 Record Care System with its high profit margin is becoming an increasingly important part of your business. Now more than ever.

DEALER SUPPORT

We support your retail efforts with aggressive marketing strategies. National advertising, handsome counter displays, and even special promotions to keep customers coming back into your store.



Why have so many retailers chosen the CLASSIC 1? Easy. The CLASSIC 1 sells profitably.



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Autosound Sales Predicted Up In 1981

The prospects for car audio sales in 1981 could be great, provided car stereo producers get out there and advertise, point out industry leaders such as Sparkomatic's Ed Anchel, Mitsubishi's Mike Hyde, and Kenwood's Tom Westover.

Specifically, notes Anchel, "We must through constant messages, develop a mind set in the consumer so that he will buy his car stereo in the aftermarket — from a specialist — rather than from his new car dealer who is primarily interested in selling cars, not great sound."

According to Phil Christopher of Audiovox, the message is also the same, further explaining, "The essential message that should come through as part of the coordinated advertising is that the audio dealer and car sound specialists offers consumers *the best choice and variety* and the best service in the event of problems."

The issue of choice particularly, feels Christopher, will be clincher in fighting off the power of Detroit and bringing about a good sales year for dealers in autosound.

Many cars coming out of Detroit are fitted with car sound systems, naturally cutting into prospective sales of car stereo specialists and audio dealers. Adds Jerry Henricks of Jensen, "The dealer should point out to a consumer that he has the option to delete the car system pushed by the car dealer so that he can buy one of his own selection."

Many dealers have voiced concern over another issue affecting the sales of car stereos, that of the slow pace of car buying in general. But, explains Tom Westwood of Kenwood, this situation doesn't have to be considered a negative — in fact it points up potential sales possibilities.

"A consumer may not have the money to buy a new car, but he may wish to improve his car in some way, so there is a potential for upgrading it by buying a better car sound system."

According to Audiovox studies, there also have been changes in the



SPARKOMATIC'S Anchel

buyer profiles in the car stereo segment, with women in the past three years gaining about 10 per cent points

of the market. The age level is also expanding — upwards to as high as 60 years old. Single customers are outnumbering the married ones by about 20 percent, but young men in the familiar 18 to 25 year old range remain the chief customer.

The impact of higher gasoline prices is expected to have a minimal effect on car stereo purchases. Although less dollars per purchases may result, car stereo manufacturers feel it will be the audio or car stereo specialist that will be consulted as the expert in most car stereo purchases — not the new car dealerships — according to Mitsubishi's Mike Hyde.

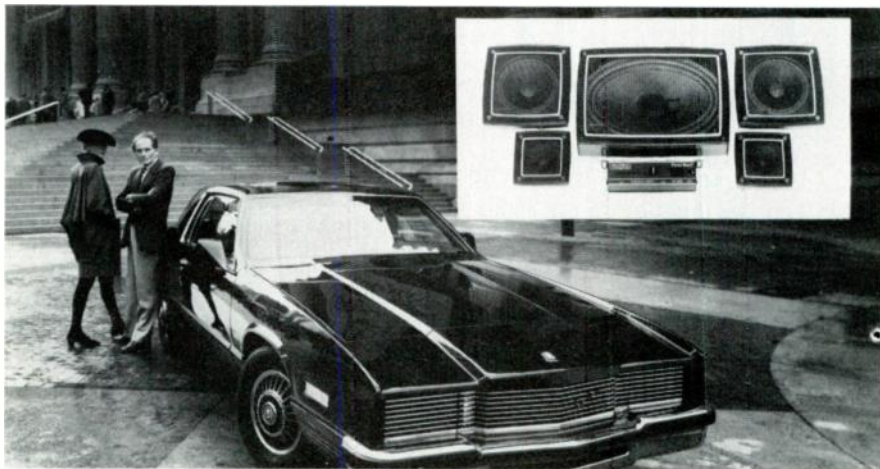
Altec-Lansing AL1 Speakers Travel In Style

An Altec-Lansing AL1 speaker system is travelling in style as standard equipment in Evolution I, the first automobile designed by fashion designer Pierre Cardin. Ten cars of a limited edition of 300 already are on the road.

"The finest sound system ever designed for a car" is the way Altec describes the AL1, which includes a TK1 tweeter in the dash, SK1 midrange speakers mounted in the doors, and the SW1 subwoofer on the rear deck, using the trunk as an enclosure.

The TK1 3-inch high frequency speaker, covering the top of the musical spectrum, is a companion to the SK1 5 1/4" extended range speaker with precision die-cast alloy structure and metal mesh grille. The SW1 power bass uses built-in electronic circuitry developed from Altec Lansing subwoofers used in professional sound systems.

Other luxurious appointments in the \$55,000 car a custom Eldorado, are real wood trim inside, English wool carpet, hand-tooled leather seats and door panels, 22K gold-plated interior accents, serving console stocked with Waterford crystal, on-board computer, and electronically controlled sunroof with photochromatic glass. Options include a Betamax and computerized bar.



Pierre Cardin's Evolution I

CASA Hears Ford Motor

CASA (Custom Automotive Sound Association) heard an explanation of Ford Motor Co. standardization policy and delete options on car radios from Richard B. Rogers, Ford associate counsel recently.

Key queries concerned the delete option, alleged coercion of dealers to order cars with radios, and consumer confusion about the actual price of an upgraded sound system purchased through a car dealer.

CASA members, objecting to a group of options, one including a radio, offered with the Ford LTD and the 1980 Fairmont, learned that there are no present plans to offer similar options "because they were unsuccessful for Ford and sold few radios."

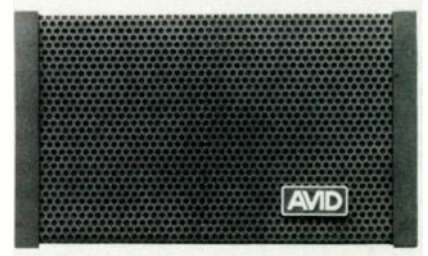
In replying to a CASA claim that Ford coerces dealers to take factory radios, Rogers said he is unaware of coercion, which is against company

policy, and that an updated anti-trust manual has been distributed to key personnel. CASA requested a copy of the manual and asked for dealers to be informed that coercion is a cause for firing or demotion.

Dealers also objected to a new Ford order form which they maintain confuses dealers and results in ordering cars with unwanted radios and to the way consumers are informed of the actual cost of deleting a Ford-supplied radio and buying an upgraded model from a dealer.

CASA President Philip Christopher said nearly 3.5 million automobiles have been affected by the organization's agreements with car manufacturers, including General Motors, Volkswagen, Toyota, and Chrysler. He added that Honda voluntarily changed its policies on equipping new cars with radios.

Avid's Model 5 A Tight Fit



AVID'S MODEL 5 CAR SPEAKER features a 1-inch soft dome tweeter and a 4½-inch woofer within its small 9-3/16" x 5-13/33" x 1" dimensions. This efficient speaker fits into most tight places.

SPECO Division Makes Up New Mirror



Speco's new Auto Visor Make-Up Mirror, model AVML-1, is made of ABS plastic and has built-in vanity lights. The unit uses 4 penlight batteries and has clip-on brackets to attach the unit to a car's sun visors.

Autosound Speaker Prices Shifting To Higher Levels

The autosound speaker business has a long way to grow. At least, it does in the eyes of Kent Davidson, Craig Corp.'s vice president of marketing.

Davidson estimates industry volume in 1980 at 10 million units with dollar sales up 8% from 1979 to \$286 million. "This growth has come in a



CRAIG'S
Kent Davidson

tough business environment and despite the fact that a large number of speaker manufacturers have not enjoyed increases in sales and share of market. Obviously, well-established brand name autosound speakers are the force behind the growth.

"Craig has developed the programs designed to increase our share of market in 1981, and by promoting brand names the dealer can boost his share of the aftermarket car speaker business, too," Davidson observes.

The current heavy replacement market is one basis for Davidson's optimism. "Besides this, there are new

people coming into the market all the time," remarked Davidson. "We have other things working for us, too. The consumer's search for better sound is open-ended as long as technology keeps delivering better product — and that means there will be continued growth in this business. For example, we've seen the market move from two speakers in a car to four speakers to component speaker systems. Right now I have six speakers in my car. So one of the strong factors creating the basis for more growth is the upgrading to more and better speakers."

And, as the consumer moves to more and better, autosound speaker tickets are shifting to higher price points. And with brand-name manufacturers typically offering various higher margins on a speaker sale (any speaker above \$25, the dealer usually makes 40%, according to Davidson), dealers have a dual opportunity to increase volume and — more importantly — profits, at virtually no extra cost of doing business.

Key price points currently on autosound speaker systems run from \$24 to \$99 with \$24 and \$39 the hot price points at the lower end and \$59 and \$69 at the upward end of the range. Davidson estimates that 75% of all autosound speaker systems sold fall

Car Audio Accessories Cover A Lot Of Ground



BURBANK'S Audio Safe
In-dash Security Device

By Kathleen Lander

Car audio today covers a lot more than the customary in/under dash components and speakers. Personal audio adaptable for car use, dbx-encoded cassettes, and a variety of accessories to make car listening more pleasant or convenient were previewed at WCES. They're all in the category of easy, extra sales that can help the volume and profit side of the ledger.

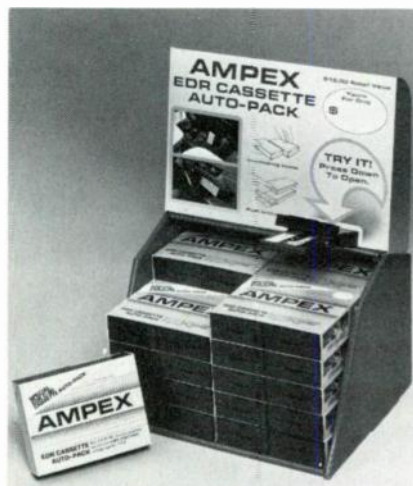
Neckfone is a lightweight personal stereo listening device which attaches to the headphone jack or auxiliary speaker terminals of an auto or home stereo system. Like its parent, **Bone Fone**, it is a flexible, lightweight fabric-covered unit worn over the shoulders like a scarf.

"Through patented speaker placement, we have accomplished somewhat the same effect created by expensive time delay and image restoration accessories at a small fraction of the price," says Bill Hass, **Bone Fone** president and inventor of the product. He adds that ham or CB radio enthusiasts find the **Neckfone** good for monitoring airwaves and that it improves audio fidelity on CB due to low power requirements and proximity to the user's ears. Suggested retail is \$34.95.

The new pre-recorded dbx-encoded cassettes, billed as the first full dy-

namic range cassette recordings, can be enjoyed in the car with new **Rockford-Fosgate** RX1 and RX5 models, which incorporate dbx noise reduction as part of systems with a separate power amplifier and pre-amp. Eight of the 12 initial releases are from original digital recordings.

Audio-Safe is an in-dash security system to protect the car audio system from theft. It consists of a base and cover which lock together to enclose the knobs, "nose" control elements,



AMPEX Auto-Pack
Prepacks Cassettes

HARADA'S Antenna
PMB-95H Classic

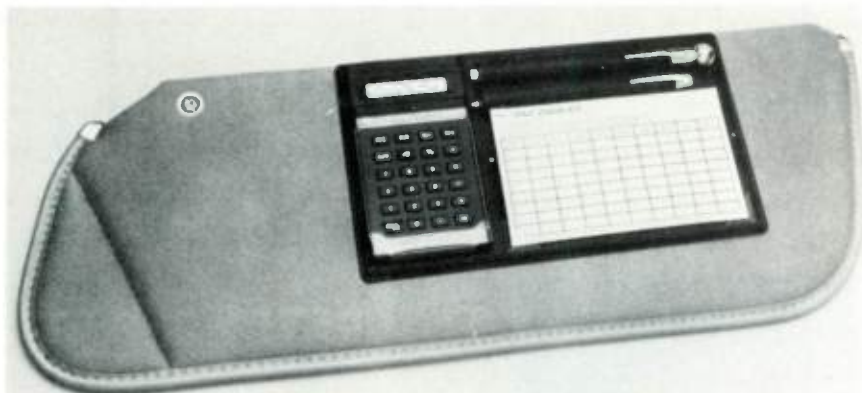


and the two mounting nuts. The base replaces the indash car stereo trimplate and mounts into the dash using existing hardware.

"Besides being easier to install and more affordable than an auto alarm, **Audio-Safe** protects expensive components even when there is no one present to respond to an alarm," points out Melody Burbank, president of Burbank Enterprises, and "today theft protection is as needed for car stereo as a lock for a bicycle."

The **Protone** music wallet is a compact cassette carrier that can be mounted with velcro. A six pack is sized to fit a car's sun visor. Constructed of cordura nylon, the music wallet has transparent pockets to protect cassettes and allow easy selection of tapes. The 3, 6, and 12 pack sizes are available in black, blue, or tan.

Ampeg showed an EDR (Extended Dynamic Range) cassette Auto-Pack, which pre-packages the cassettes in a



BELIEVE IT OR NOT Texas Instruments Offers Its TI-1850 Visor Kit

compact, protective container. "The spring-loaded Cassettebox automatically feeds the stored cassette to the user, offering both extra convenience and safety while driving," explains Peter F. Cain, Ampex market development manager for consumer products.

Interlocking horizontally or vertically, the cassette boxes have integral hub locks to keep cassette hubs from turning during storage. The Auto-Packs come in a pre-packed display shipper/merchandise requiring less than one square foot of counter or shelf space. Included is a mounted demonstrator Cassettebox that allows customers to test the new product before they buy. Each display/shipper contains 20 Auto-Packs consisting of three EDR C-60s or C-90s and four pop-out boxes, the fourth one a bonus for the consumer.

"With a retail value of \$13 for the C-60s and of \$16 for the C-90s, both Auto-Packs offer the retailer major profit opportunities, even at attractive retail prices," says Gain.

Texas Instruments introduced the TI-1850 Visor Kit to track automobile performance. Including a TI-1850 calculator, auto record pad, ball point pen, and tire gauge, the kit comes on a vinyl organizer which can be clipped onto a sun visor. With replaceable log sheets, it's organized to help the user calculate travel mileage, miles per gallon, and travel costs on the spot. Available now, the price is \$19.95.

For distribution through aftermarket outlets with installation capabilities, Whistler added Fuelscan, a dashboard fuel/mileage monitor which the firm bills as "a high profit, simple-to-install item." It installs in, on, or under the dash with five connections — to the car's 12-volt power source, to ground, to "tank high," to "tank low," and to the speedo transducer. Cutting into the

fuel line or draining the gas tank are not required.

The Fuelscan automatically reports "miles to empty" as the car is driven and "gallons in tank" when the vehicle stops. At the push of a button, the digital readout shows "recent miles per gallon" based upon the last 40 minutes of driving, allowing the driver to monitor fuel usage and alter driving habits if needed.

Price of the Fuelscan is \$169.95 with a suggested installed price range of \$189.95 to \$199.95. Planned are national trade and co-op ad programs, P-O-P displays, and a consumer sales brochure telling drivers how to use the unit to get the highest possible mileage from their vehicles.

Harada, which is adding a consumer campaign to its trade advertising, introduced three new auto antennas, one of the most basic car audio accessories. Part of the Ebony Classic series, Model PMB-95H is a pillar mount model designed to fit the Honda Civic (1980 and 1981), Accord, and Prelude. It features a black, chrome-plated two section mast, extending to 77 inches, and has a 75-inch cable. Nationally advertised value is \$20.25.

Model MM-51, designed for recreational vehicles and trucks, is a mirror-mounting antenna with heavy-duty spring, 96-inch cable, and 31-inch mast in one section. Price is \$12.10.

A manual CB antenna, CM-51, is a center-loaded, single mirror mount with a 96-inch cable and two section mast that extends to 28 inches. Price is \$26.03.

What Audiovox Would Do To Show Off Hi-Comp II



Audiovox Corporation demonstrated its new Hi-Comp Phase II line in-dash units, via its own Audiovox Android (foreground above). The Android traveled around its CES show display playing music on a specially installed Audiovox Hi-Comp system. Posing with the Android from left to right are: David Sykes, manager of the Audiovox Speakers and Accessories Division; Samuel Sellem, president Societe Europeenne Du Son of Paris, France, one of Audiovox's largest European distributors; John Shalam, president, Audiovox Cor-

AUTOSOUND

within the \$24 to \$99 price range. Some 30% of all speakers sold are in the \$50 to \$75 price range.

"The consumer is on a continual upgrade of his total system as he goes through the ownership life-cycle, and may upgrade his speaker system two or three times in that period," says Davidson. "This is what I call the search for better — the perfect — sound. Of course, many of us in the industry recognize that the customer can buy a \$500 system with \$100 speakers and still not have the best possible system. The important thing, at whatever price level, is that the various elements of the overall system be matched and properly balanced. The dealer can play an important role in this process and should actively do so to ensure a satisfied customer — who most likely will be a repeat customer when he's ready to upgrade again. Keep in mind that the easiest thing to change in that search for better sound is the speakers."

What features and trends happening in the market today does Davidson see persisting through 1981? "Power-handling capability — more of it — will continue to be important, with the emphasis at the same time on efficiency. Ferro fluids are making this trend possible today. Liquid-cooled voice coils, an idea borrowed from the home speaker market, is being adapted and integrated into autosound speaker systems. What it does essentially is allow higher power-handling capability in a speaker system through improved heat handling and dissipation. This is a feature, by the way, which is not affecting prices to any extent."

Davidson commented that Craig is also exploring the use of polypropylene cones. "They're being touted as better speakers; yes, they're waterproof, but they're heavier than conventional cone material and perhaps less efficient. They do offer a more economical way to produce speakers. Craig, at this time, is still investigating this development."

It is Davidson's firm belief that dealers will benefit most by carrying a select number of name brands.

"Don't tie up floor and shelf-space with too much variety that can confuse your customer — not to mention your floor sales personnel," advised Davidson, "and stock what you do carry in appropriate depth — not one to show and one to go. This way you can realistically hope to achieve four to six turns a year on your inventory, controlling some of those hidden costs of doing business and realizing more profit for yourself. Less than four

turns a year indicates you may need to review your inventory while more than six turns indicates you're probably missing some sales due to frequent out-of-stock situations.

"The autosound speaker business is

in a state of flux. There probably will be a shakeout of no-name brands as the pressure of economic and business conditions continues on all brands over the next two or three years," Davidson concluded.

Kraco Team Are Good Sports

THIS SPRING KRACO SPONSORS major sports events on all three television networks. Shown here batting the new campaign around are (from left): Steve and Larry Kraines of Kraco; baseball's Hank Aaron; racing driver Larry "Boom Boom" Cannon, and Maurice Kraines, Kraco board chairman.



Autotek offers Hi-Tek Line

AUTOTEK, OF BURLINGAME, CA. is showing its model CSR-2300 with a suggested list of \$259.95 and which features a black anodized face.



MURA HI STEPPER

...the greatest personal stereo system to come down the road since Sony's Walkman but with a big plus. HI STEPPER offers variety by giving you a choice of three modes of listening pleasure, AM, FM and FM stereo, all in a unit small enough to fit in the palm of your hand.

The HI STEPPER radio weighs in at only 9.1 oz (inc. batteries), the headset at only 1.6 oz (less cord). Unless you hear it, it's hard to believe the dramatic, full rich sound that this small package produces.

HI STEPPER features include

- Automatic and manual stereo switching
- Slide rule tuning
- Stereo balance control
- LED stereo indicator
- Powered by 3 AA batteries (that provide 10 times longer playing time than a 9V battery) or with DC adaptor
- Built-in pocket/belt clip
- Measures 1.2 x 3.1 x 4.7 in.
- Carrying case included.

The ultra lightweight headset is MURA's model hs. It has • Rare earth (samarium cobalt) drivers • Tapered mylar speakers • A 4 ft. lightweight cord with a 3.5mm plug. The hs also features a foldable headband that permits compact storage and convenient carrying when not in use.

MURA's HI STEPPER is perfect for today's on-the-go people. And that's just about everyone. It's the ideal take-me-along stereo companion.

With its outstanding features and suggested retail price of under \$80.00, MURA's HI STEPPER is a big step forward in today's trend to high quality, personal stereo listening.

MURA

You'll be hearing from us."



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"If this is how your #1 line sees you..."

Nobody likes to be treated like a nobody. But unfortunately some companies have gotten so big, they've forgotten who made them big. Sound like anyone you know? Sure doesn't sound like Aiwa. To us there's really only one # 1 in this business...you. That's why we'll treat you like # 1 every chance we get.

First, our distribution is limited. That way we don't limit the profits you make on Aiwa.

In 1981, we won't limit our advertising support, either. An exciting new ad campaign—hard-hitting double page spreads and full pages—will be seen again and again in magazines like *Playboy*, *Penthouse*, *Newsweek*, *Rolling Stone*, *Psychology Today*, *Stereo Review* and many, many more. If you think that'll impress your customers, wait until you see the Aiwa product line.

In cassette decks, our AD-M800 gives you just a hint of the incredible features that attract customers to all the decks in our broad cassette deck line. In less than 30 seconds it's D.A.T.A. Computer System can make over 268 million tape compatibility adjustments, automatically. They'll be sold on its performance even before you press "play".

In mini-components, Aiwa isn't just the biggest seller, it's the biggest line. So no matter what features and prices your customers are looking for, they don't have to look any further than Aiwa.



In AM/FM cassette portables, we're so far ahead just about the only thing we have in common with other portables is a handle. Compare Aiwa sound. Compare Aiwa features. Then you'll know why your customers pay more for Aiwa.

Aiwa—cassette decks, mini-components, portables. We want to be # 1 with you, by making you # 1 with us.



...maybe it's time you saw us."—AIWA®

VIDEO **UPDATE**

March 1981

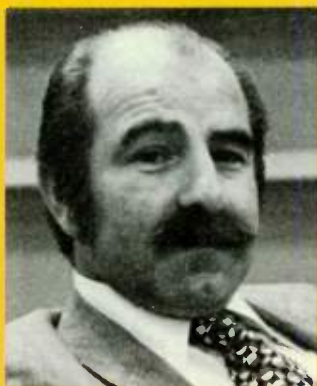


MEDIA BLITZES PROMOTE VIDEO.

Video marketers are pouring lots of money into consumer promotion. RCA takes lead . . . See page 74.

HI FI GUYS LOOK AT VIDEO.

Fisher and Advent, and other traditional audio makers, prepare for the video market. See page 68.



ENTER VIDEO WITH CAUTION.

The Videodisc retail battle poses lots of possibilities as competition stiffens. See page 63.



VIDEO PRODUCTS

KLH, G.E., RCA and TDK feature these new items. See page 71.

VIDEO INNOVATIONS.

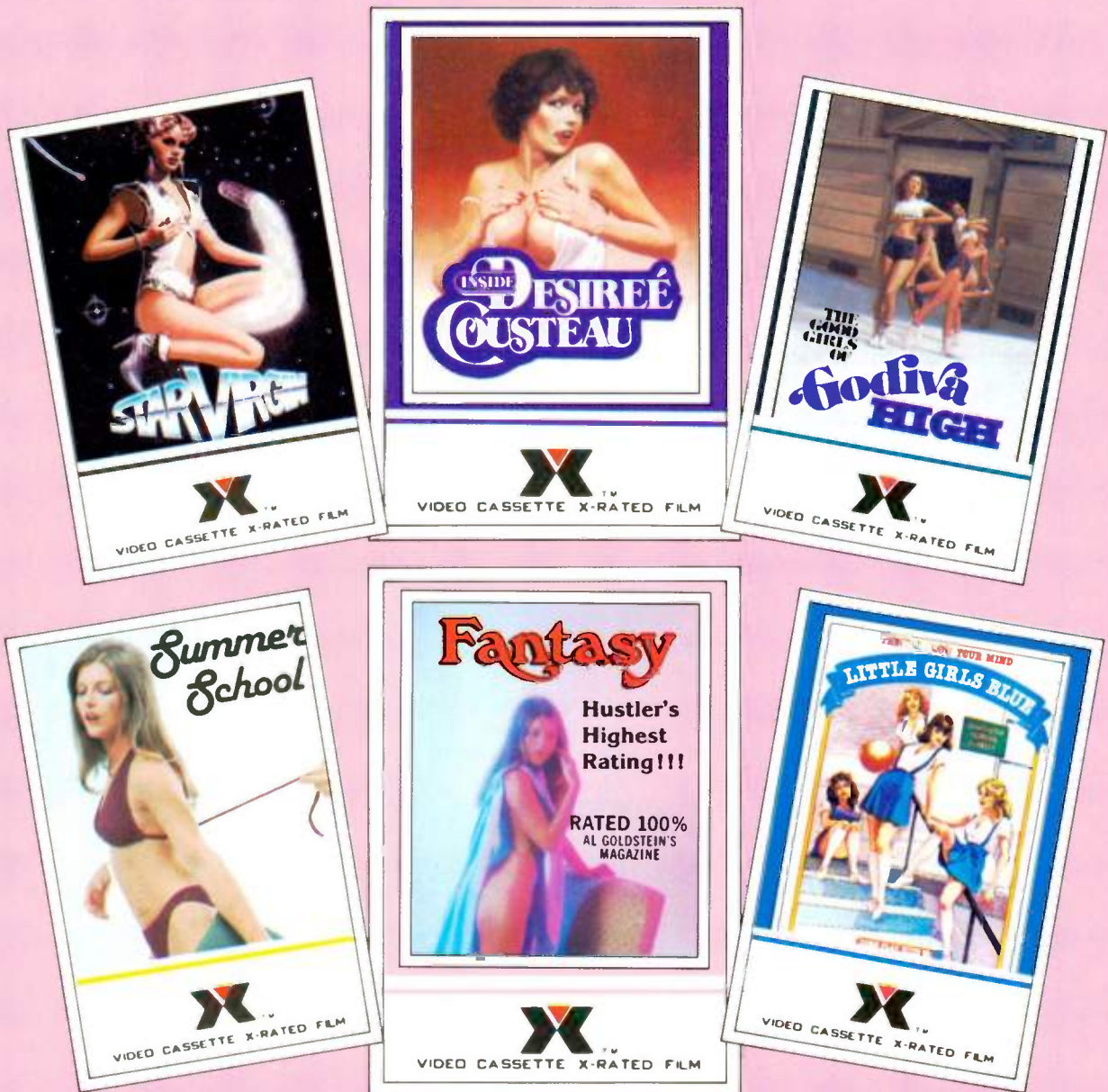
Products See development beyond 'toy' mystique. See page 76.

VCR MARKETING WASTES AWAY.

See page 76.

VIDEO EDUCATION NEW CHALLENGE

Dealers and retailers alike must figure out new ways to educate their customers. See page 76.



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Thinking Of Video? Enter With Caution

By Bob Brewin

There's no question that 1981 will go down in history as the year of the video disc — that long-awaited device that will allow everyman to be his own television programmer. The real question facing dealers — and their customers — is which disc system will survive. Neither dealers, nor customers they value, will want to be stuck with a disc system that turns into a technological dinosaur. And, with three competing and incompatible systems, it seems one will fall by the wayside.

Each of the systems — the CED system from RCA, the VHD system from JVC and the optical laser system originally fielded 18 months ago by Magnavox — has its own merits. The RCA system, due to be introduced this month with a nationwide blockbuster ad campaign comes in with the lowest price and the largest amount of software to back up its introduction. The optical laser system has a lot of technological bells and whistles — fast forward, freeze-frame, slow motion, still frame and random access capability. The VHD system seems to combine the best of both of these system — a reasonable amount of bells and whistles (plus through the use of an outboard processor, digital audio capability) and low price due to its stylus-based pickup system, making it technologically close to the RCA stylus system.

The similarities between the VHD system and the CED system are so close that one vendor, Sansui, has yet to make up its mind which of the two to field. But, according to Tom Yoda, Sansui sales and



SANSUI's Yoda
Prepares For Video

marketing VP, this technical closeness will allow the company some valuable breathing time to continue to compare how the two systems stack up before beginning production.

Each of the competing video disc systems are also more than products. They are game pieces in a marketing war by three competing teams of multinational giants, each ready to fight to a probably bloody finish. RCA, which has signed Sanyo and Hitachi to its standard on the hardware side as well as arch U.S. rival Zenith also boasts a strong software ally, CBS/MGM Home Video. RCA has put its corporate prestige and a lot of bucks — close to \$200 million or more than it spent to introduce color TV behind its version of the disc.

The optical laser system, originally launched by Philips and its U.S. subsidiary Magnavox, has a lot of muscle behind it too. The laser disc manufacturing marketing and development efforts in this country is being handled by an awesome consortium that includes not only Philips but the research genius of IBM, the software savvy of Hollywood-based movie and TV giant MCA Inc. and the Pioneer pitchmen who through their experience in the audio field definitely know how to move boxcar loads of products.

The VHD system is not backed by a bunch of lightweights. Originally developed by JVC, the VHD system is also backed by an international consortium including JVC's parent, Matsushita, Thorn-EMI of the United Kingdom and General Electric in the United States.

While each video disc system has its merits, each also has its flaws. Besides the fact that they are all incompatible, these flaws may eventually spell the demise of one or more of the systems. The RCA system definitely has a lot of marketing know-how behind it (Matsushita may build more VCRs than any company in the world. But, RCA sells more VCRs, most of them built by Matsushita, than any other company in the world) but can this make up for some very obvious flaws? The RCA CED system, at least in its original version, lacks the stereo track that the other two systems will show in their first models. Also, a stylus-in-groove based disc system has a built in wear factor, meaning that sooner or later those \$29.95 discs will wear out — and only the

marketplace, not the laboratory, will determine the true life span of RCA video discs. The RCA system, particularly in the model that company will be selling, lacks many of the features the other

systems incorporate, such as slow motion, fast forward and freeze frame.

In fact, RCA had to walk away from Winter CES where its giant booth dominated the Las Vegas Convention Center after being upstaged by two on its own turf by two CED licensees. CED players previewed by both Hitachi and Sanyo had more features than the RCA player. The Hitachi player featured visual search at 10 times or 60 times normal speed in forward and reverse while the Sanyo player featured fast forward and reverse visual search at 10 and 25 times normal. The RCA player has only a single speed both forward and reverse and won't have any additional features until a higher-priced step-up model is introduced, probably not until 1982.

The optical laser system, which will see players later this year from Gold Star, Fisher and Advent joining the two already marketed by Magnavox and Pioneer has a number of disadvantages also, probably the worst being the amount of criticism directed at the first product to hit the market. The optical laser system has been plagued by player shortages, and even worse for a software dependent system (without the software a video disc player is just an expensive hunk of metal) software shortages and defective software. Dealers report that defective software for the optical laser system — currently being pressed at the only operating Discovision Associates plant in California — run as high as 20 to 25 percent.

Discovision, the software duplicating arm of the IBM/MCA/Philips consortium, readily acknowledges it has had problems with defective discs but contend these should be rectified as additional pressing plants come on-stream, one to be operated by Pioneer in Japan and the other in the process of construction by 3M in the U.S.

The optical laser system not only suffers from defective software, it also suffers from the kind of strong catalogue that RCA feels will attract customers to its system. Currently the optical laser disc titles run heavily towards Universal



Sanyo is on the CED turf with its unit.



Pioneer sides with optical laser technology.



Optical laser systems are currently under criticism.

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movies and not very good ones at that. Universal, a MCA subsidiary, seems to be using the video disc as a way to recoup some of the millions of dollars sunk into such less than successful movies as *The Blues Brothers*.

Furthermore, even this thin list of titles is not even available. An almost weekly check of the optical laser disc titles available at Macy's flagship store in New York's Herald Square in the months of December, January and February showed very few titles available.

The optical laser system also suffers from the fact that all of its titles are currently offered on discs that can only carry 30 minutes of programming per side. Again, Discovision Associates acknowledges problems in development of the one hour per side disc on a mass basis, but contends that soon these problems will be solved.

The VHD system seems to have a number of technological factors going for it but is handicapped by the fact that it will be the last to

enter the market. This poor timing could make this system an also-ran, despite its versatility unless the companies backing it engage in some first-class marketing. Also, while the optical laser software catalogue may be thin, the VHD software is virtually nonexistent. Instead of signing software licensing deals with the major motion picture companies as both RCA and the optical laser camps have done, the VHD system is going the custom pressing route, with no titles announced to date.



...And Where Does the Disc Conflict Leave the Dealer?

of system. People are not stupid and they realize that one of these is just not going to make it.

"When is this industry going to learn from past lessons? This is not the first format war the industry has engaged in and in format wars it's the customers that end up getting stuck."

Jack Kelly of Sage and Sand TV in the Phoenix suburb of Goodyear is one dealer who knows which system will win — he claims it will be the VHD. Kelly, who is both an RCA and a Quasar (which is a VHD company) dealer said he plans to carry both video discs systems and he knows which one will succeed. He plans to A-B them and when he does that "I know which one will walk out the door. When you compare the two systems, the VHD comes out better."

Ralph Abraham of Sound Shack in Natural Heights, Pennsylvania, puts himself solidly in the VHD camp, citing that systems technological virtuosity as well as a price comparable to the RCA system as he reasons he believes it will succeed.

Many dealers however, as they look on the three competing video disc systems are not as positive as this. While they all want the video disc to succeed, these dealers contend that the three competing and incompatible systems will only make for slow acceptance in the marketplace.

Where do all these conflicting merits, problems, strategies and plans in the video disc field leave the dealer — and his customer? The answer in one word: confused. Michael Horn who operates Video Services a small Lafayette California video specialty dealer contends that the end result of all these systems vying for the consumers dollar will be the opposite of what the companies are trying to achieve: people aren't going to buy any of them. "People aren't going to buy a video disc

because they are aware of all the competing formats. No one wants to be stuck with a loser, and, since one of these systems is bound to be a loser, people will probably avoid all of them for a while."

David Liberman, who operates Marin Video Visions in Mill Valley California contends that the three competing video discs systems seem to have been designed to sabotage the growth of the video industry, hurting not only the manufacturers backing the systems but also the dealer. "This just works against the best interests of the whole industry," Liberman said when asked to assess the merits of the three competing systems "the consumers know that all of these systems are incompatible. It's not fair to me or my customer. Why couldn't they (the manufacturers) decide to produce the same kind



SANYO TECHNOLOGY

Goal:

Ultra-high performance car stereo, adaptable to any size and power requirement.

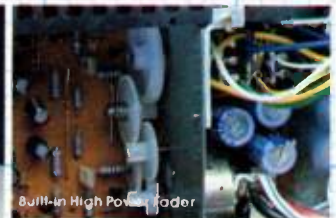
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The new audiophile car stereo line.



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Indicator



SP69A Cutaway

Results:

The PLUS SERIES is the latest in Sanyo audio technology for the mobile environment. Radio/tape units, outboard amps, and speakers incorporating all the most advanced technology to satisfy today's discerning audiophile. Designed to perform superbly together — or with compatible components from other manufacturers.

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- Automatic tape program location
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PLUS SERIES MODELS: FT C16, FT C18, FT2200, FT20, and FT30

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Power Amp Technology.

- Up to 120 watts total power (50 + 10 watts per channel, bi-amplified)
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- Unique motorized fader system with remote dash-mounted control
- 70V/ μ s slew rate
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6x9" Deck-mount system:

- Handles up to 120 watt peaks
- Massive cast frame & finned aluminum heat sink
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- 3-way design with high definition dome midrange and cast aluminum mini-horn tweeter
- Oversize 1-1/2" voice coil for added durability

- Char-proof aluminum bobbin & special lock wire construction

Enclosed system:

- Handles up to 120 watt peaks
- Tuned 5" passive radiator in die cast enclosure
- Phenolic dome tweeter with Ferrofluid damping
- 3-position high frequency level control
- Char-proof aluminum bobbin & special lock wire construction

PLUS SERIES MODELS: SP69A & SP90

Sales Implications:

With the PLUS SERIES, it is no longer necessary to look any further than Sanyo for a complete line of "high-tech," high-performance car stereo systems. A high powered line you can count on for total reliability, adaptability to virtually any vehicle, and uncommon consumer value.

Some listed features not available on some models.

Traditional Audio Makers Move Into Video

Two old-line primarily audio companies finally have decided to jump into home video. Advent and Fisher, having spent enough time on the sidelines to realize that the future lies with video, both debuted their first home VCR products at Winter CES. Both companies also plan to carve out a position in the videodisc field, with optical video disc players sporting familiar Fisher and Advent labels due later this year.

While Advent had been a pioneer in the wide screen TV field it had left the rest of the video market

By high technology, Mitchell firmly believes that audio dealers should firmly position themselves to handle quality products, not just any run-of-the-mill video product. That's why though the Advent VCR will be built under a long term contact by Sony, it will also be a sophisticated advanced product that can serve a demanding audiophile based market. The Advent VCR will carry a stiff \$1,500 price tag and will have features like Dolby C and a stereo track, according to Mitchell.

Advent plans to show its VCR at

Fisher, a Sanyo subsidiary, also decided to go the high end video route and opted for the optical laser format even as its parent lined up behind the RCA CED system. Fisher will be shipping its version of the optical laser system to dealer sometime this fall — but its an optical laser system with its own, unique, Fisher inspired difference. The Fisher Laserdisc has been designed with an eye towards giving it not only good technical specs but also pleasing design — a design reminiscent of high-end audio products. The Fisher video disc, unlike models from Magnavox or Pioneer which have formidable closed covers, features a smoked-see-through cover, "I really thought it would have an eye-catching appeal to give the player a clear cover," said Fisher sales manager Don Labenda, "The disc itself is interesting and the clear cover keeps people from trying to open the lid."

Fisher, like Advent also plans to market a VCR bearing a familiar audio nameplate. But while Fisher exhibited a Beta-format VCR at Winter CES, it has yet to decide which format to go with, according to Labenda.

Fisher also introduced a line of what could be dubbed "high end" television sets at CES. These sets, sporting a sleek chrome-and-glass audio component look are definitely super sets. Fisher soon plans to start shipping its top of the line model, a 105 channel, cable-TV ready, 26-inch color console with a five watt amplifier and dual speaker systems.

With these new video products from both Fisher and Advent moving into a traditional audio dealer network, the line between audio and video — already broken down at a number of other companies — in even more strictly audio stores will disappear, fulfilling Mitchell's prediction.



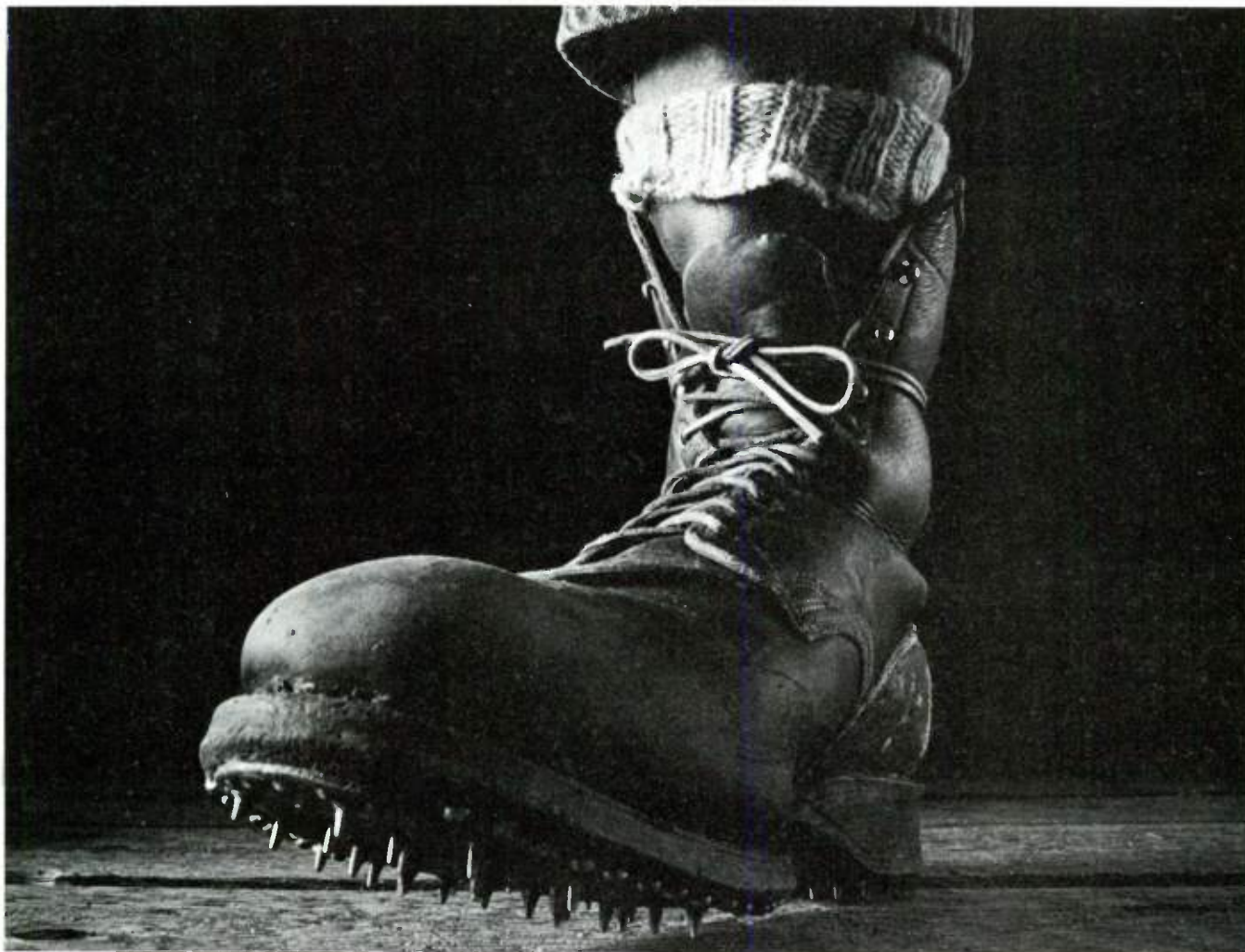
ADVENT'S Bernie Mitchell

alone until the legendary Bernie Mitchell arrived on the scene as president. Looking for a way to re-position Advent Mitchell decided to take the video plunge and now has put Advent solidly into the Beta VCR camp. Former Pioneer head Mitchell, not known for mincing his words at that company, didn't curb his tongue when talking about Advent's plans for video either.

"This is the last chance for the high technology dealer of the 80's," Mitchell said in reference to Advent's entry into video, "Audio will not be enough to support a store in the 80s, and dealers should get into video at once."

June CES and plans to start shipping soon thereafter. Mitchell envisions an initial shipment of 1,000 units a month for three months and then increasing to a volume of 2,000 a month, thereafter.

In what may be a confirmation of a trend for high quality audio companies who decided to move into video by adopting the stereo-tracked optical laser system, Mitchell also came down solidly on the side of that system. Mitchell, in typically brash fashion, also had less than kind words for the RCA video disc format. "The RCA system is just a toy," Mitchell said.



WHAT TO DO WHEN A CUSTOMER SEZ, "CUT THE CRAP."

Your customers' techno-hype B.S. overload level is dangerously low this year, guys.

More and more of them don't seem to give a flying ca-ca about the newest, sensational trivial difference in distortion, slewrate or stylus shape.

You gotta kick their butts with a hearable difference or your potential sale is gonna truck down the street to Louie's Video Hut or Neon Vincent's Car-Fi Emporium.

That's why more and more discerning capitalists are moving more and more Audio Control equalizers: At the push of a button, even dirtbag speakers sound sensational. Conventional warped, schlock-oid discs seem half-speed mastered. Car-fi tapes can be tweaked into sonic Godzilla-ness.

Needle-sharp sales points even a heavy metal rock freak can grok.

Sure, some of our stodgy competitors make equalizers, too. But none of them care enough about their customers' woofers to provide a subsonic filter.

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That's a great visual demo you don't need an EEE degree to pick up on.

So if that other EQ-line has been gathering cobwebs in the back demo room for too long, sign on with the rainforest rowdies who have singlehandedly made equalizers into a retail rush. Call your Audio Control rep.

And start cutting through with America's fastest growing equalizer line.



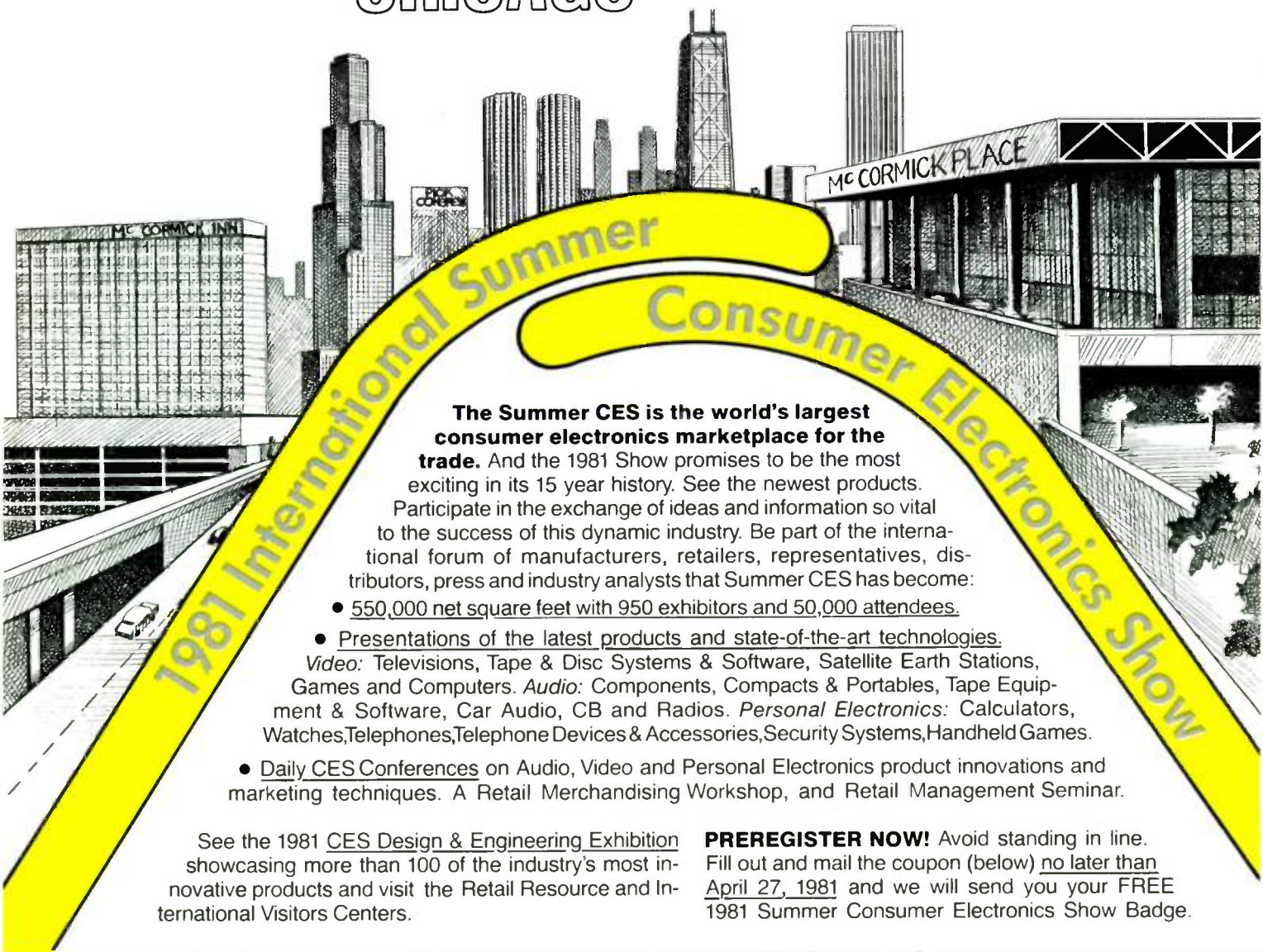
AudioControl

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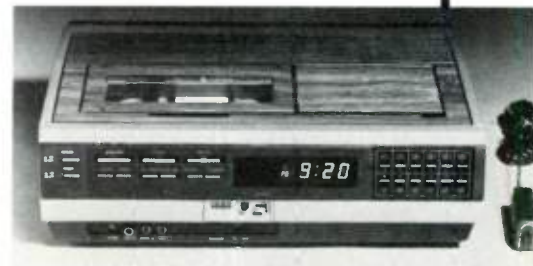
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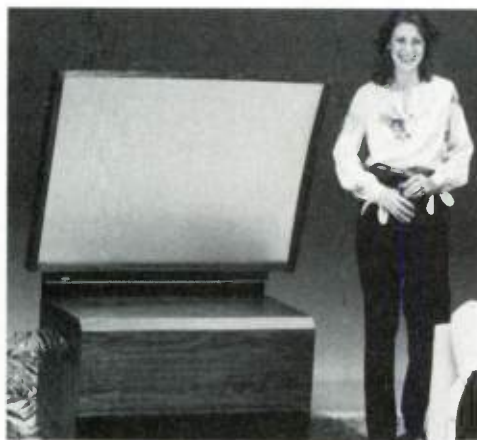


TDK offers this Beta format LCL-30 videocassette head cleaner in a precision molded shell. Model TCL-30 is available for VHS format machines. Both insert in machines like a standard videocassette.

General Electric is showing its 6-hour VCR with a video scan control to allow viewers to scan tapes at ten times faster than normal. The unit also has an audio dubbing feature.



RCA IS ENTERING THE VIDEO MARKET IN A BIG WAY and not just with its massive videodisc launch. Shown here is RCA's answer for the projection tv market, an area which RCA marketers feel is becoming more and more promising.



THE KLH BURWEN DYNAMIC NOISE FILTER REDUCES VCR tape hiss, a problem often noted by vcr users when they play videotapes through hi fi systems. The DNF-1201A provides 5 to 14 dB of tape hiss reduction. It can be used by any VCR equipped with an audio output jack.

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Mag Video Shows 'First Runs'

Nothing draws traffic like a hot ticket and dealers carrying Magnetic Video's line of pre-recorded cassettes will have the hottest ticket in town this year — first run movies.

Taking the first step towards a policy his company has had in mind since it first pioneered prerecorded VCR software, Magnetic Video President Andre Blay said that starting this year his

company plans to release pre-recorded tapes of first-run movies while they are still playing in the theatres. First releases to follow this new policy from Magnetic Video were *Nine to Five* starring Dolly Parton, Lily Tomlin and Jane Fonda and *The Stunt Man*.

In the past films have generally been released on videocassette long after theatrical engagements, out of fear that home video sales would hurt the box office. But that's clearly not the case, according to Steve Roberts, president of Telecommunications for MagVideo's parent company, 20th Century Fox. Roberts cited a recent study done for his company by researchers at the Harvard Business School which the old foible about tape sales hurting theatrical box office just did not hold up because theatre-goers and VCR owners comprise two distinct markets.

Roberts said the study showed that the home video market catered to people primarily over the age of 35 who, while wanting to see current films, did not really want to go to theatres. The theatrical market, on the other hand, consists of people under the age of 35, who generally don't own VCR's. By releasing the same film to both markets concurrently, MagVideo will be able to capitalize on the advertising budget, word-of-mouth and publicity that accompanies a theatrical release to enhance sales to the home market as well, Roberts said. This will give dealers a prerecorded VCR product that is topical, not just a tape of an old chestnut that a collector or a buff might want to own.

While other companies have yet to follow MagVideo's pioneering lead, a number of industry sources contend that concurrent release of movie product to theatres and the home tape market will soon become the norm. In particular they cite the spectacular success of Warner Home Video's release of "10" starring Bo Derek early in 1980, while the film was still playing in theatres, with that tape quickly becoming a runaway best-seller.

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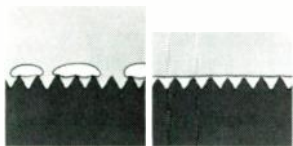
We've got the *only* system that cleans, anti-stats and reduces stylus friction—all in one easy step. All in one good-looking, highly engineered component.

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Deep-cleans grooves.

Scotch Sound Life fluid has super wetting action. It safely penetrates grooves to remove micro-dust and fingerprints. It actually leaves the record cleaner than when it was brand new!

Artist's representation



Water-based record-cleaning solutions bead up on the grooves (left). Sound Life with super-wetting action deep-cleans grooves (right).

Wipes out static.

Once the record is clean, it's generally the electrostatic charge that gets it dirty again. An anti-static gun is just a temporary fix. But the same

This side was cleaned with a leading record cleaner. Foam beads are attracted to remaining static charge.



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application of Sound Life that cleans the record also reduces the static charge to near zero. And it won't return no matter how often the record is played!

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Media Blitzes in 1981 Promote Video Products

By Bob Brewin

March 1981 may be the best month for sales in the short history of home video. Thanks to a powerful advertising campaign planned by RCA to promote the introduction of its video disc system, the nation's consumers will be saturated with commercials — both broadcast and print — talking about video. Sure, the main theme of this mammoth advertising campaign — estimated to be the biggest in history to launch a single product — will be to focus attention on the virtues of the RCA video disc system. But the \$20 million to \$40 million in advertising RCA will use to promote its video disc system can only increase consumer awareness of video as a whole.

Dealers, whether or not they handle the RCA disc system,

should plan to capitalize on this media blitz by placing their own ads inviting an interested public into their stores to sample the whole wide world of video — not only discs, but VCRs, the Magnavox and Pioneer optical laser video disc system as well as wide-screen television's and newer model TVs featuring not only RF but video inputs ready to handle such outboard devices as the video disc.

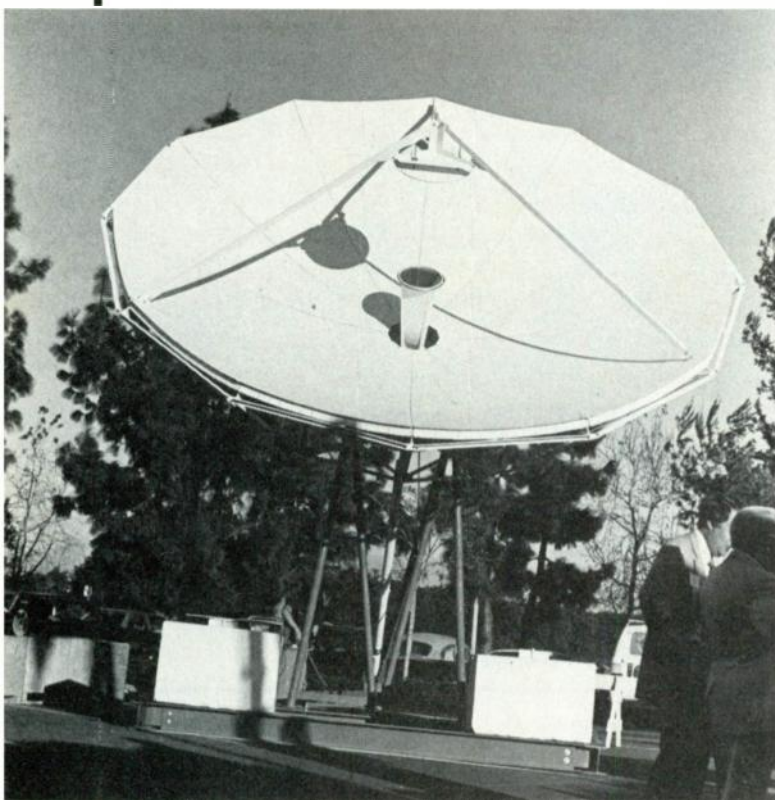
Dealers handling pre-recorded video software should not be daunted by the inroads the RCA video disc system might make into the pre-recorded tape market. Andre Blay, president of Magnetic Video, the 20th Century Fox subsidiary that still ranks as the largest outfit in the business predicts that 1981 should be the best year yet for pre-recorded

video tape sales. Blay estimates that pre-recorded home video tape sales this year should peak at about five million units, or roughly \$300 million to \$400 million in retail, this year from the three million pre-recorded video tapes he estimated were sold in 1981.

Sales for videocassette recorders also should continue to improve dramatically in 1981. While RCA has set a goal of selling 250,000 video disc players this year, that number falls far short of the number of home VCRs expected to be sold in 1981 — and is even further below video disc player sales in dollar terms. Dick O'Brien, executive vice president of US JVC corp predicted that VCR sales this year could top the "magic" one million mark for the first time in history, giving the retail value of the VCR market place a price tag of close to \$1.5 billion, compared to the \$125 million those RCA video discs players will bring in at a suggested retail price of just under \$500.

Blank videotape demand continues to outstrip capacity making this product area a strong one for 1981. According to Ken Kohda of TDK that company is shipping twice as much videotape as a year ago and he does not see this demand abating. John Dale, national sales manager for Fujii predicts that demand will continue strong through this Christmas while Don Patrican of Maxell finds that predictions for consumer demand for blank tape has been grossly underestimated. Patrican said that while industry seers estimated each VCR purchaser to buy four or six blank tapes in the first year he owned the machine, the real figures are closer to ten or 12 tapes per machine, or roughly three to four times the demand expected.

Dealers selling video accessories — which like audio accessories carry traditionally high mark-ups — such as patch cords,



'HOME SAT'
MANUFACTURERS
Are Doing
Their Bit . . .



MAXELL'S PATRICAN SAYS
Videotape's demand Underestimated

commercial killers, input and output plugs and black boxes to connect the growing family of devices that can be hooked up to the home TV set should also do well. Every new video product for the home means greater demand for these products, particularly when one customer owns a VCR, a video disc and or a video game. The resulting spaghetti-like mess of wires means added accessory sales for dealers who carry the black boxes capable of unsnarling this mess such as *The Switcher* from Fidelitone or the Video Techniques RF distributor. Both these devices have multiple video and RF inputs, allowing numerous outboard devices to be connected to the home set.

Dealers also have a new, exotic and high-ticket product to connect to that home set — the personal television earth station. These earth stations, or homesats, are capable of plucking signals off one of four orbiting domestic communications satellites and deliver a multitude of entertainment, sports and news channels directly into the owners home, without a cable tv connection.

While admittedly not the product

every dealer will carry, after all a suggested \$10,000 retail price for the dish offered by Third Wave Communications does not exactly make this a mass market item, earth stations generated a great deal of interest when they were shown by a number of manufacturers at Winter CES in Las Vegas. But, the dealer who sells even a handful of these dishes in a year can do a lot better on them than he can selling a lot of audio equipment barely above markup.

The homesat manufacturers are also doing their bit to spread the video word to the masses — Downlink Inc of Putnam Connecticut which offers a \$5,000 (installed) retail earth station package advertises in *Omni* magazine and reports replies running close to 20,000 and promises to send these on to its growing dealer network.

The home game and computer business continues to boom, driven for the most part by the increasingly sophisticated game cartridges offered by Mattel and Atari and the first independent software vendor in the business,

Activision. Activision designer Larry Kaplan estimates that the total software market for Atari cartridges at 8 to 10 million last year, making game cartridges the best selling pieces of software in the whole video business.

Mattel plans to start shipping the long awaited and much delayed keyboard component to its Intellivision home computer-game system later this year, finally giving Mattel dealers a competitive wedge in a market dominated by Atari, which has already fielded a computer with keyboard. Frank O'Connell, Mattel senior VP, predicts that the keyboard component of the Mattel system will sell for close to \$1,000 at retail, with good margins again giving dealers a high ticket item to help shore up profits.

So, dealers worried about the advent of the RCA videodisc system and its effect on the total video marketplace should not be too concerned. In fact, 1981 should be the best year the video industry has ever had, with the RCA video disc system playing a large, but definitely not dominant role in the industry.



ACCESSORIES LIKE THIS

Gusdorf video
entertainment
cabinet should
also fare well in
'81

Video Innovations Not Just Toys

"While 1980 was a rollercoaster ride politically and economically, the video industry remained faithful throughout to a rising sales curve. Video remained the one bright spot in a dismal economy," says Dick O'Brion, executive VP of US JVC Corporation.

O'Brion went on to say that 1980 will probably be remembered as the year in which video "finally came of age." He said that growing sales, especially VCR sales, reflect acceptance by the general public of new video



technology. "Video innovations are no longer 'toys' for a small band of videophiles, but for mass market products." O'Brion reported VCR sales of about 800,000 units in 1980, a 65 per cent jump.

Color tv hit the 10.1 million unit sales level, the next best to 1978's record of 10.236 level.

Monochrome sales hit 6.2 million. Projection tv sales were about 50,000 units. As for videocassettes, he said "a few million" were sold.

O'Brion said that improved consumer awareness of video was the most significant factor in VCR's potential. "Extensive advertising campaigns . . . certainly help. But more important is personal experience . . . seeing a neighbor own and operate a VCR . . . and then getting one for yourself. We are witnessing the beginning of true market penetration. This is more important than just improved sales."

VCR Marketing A Vast Wasteland

Robert Whitehouse, of Sharp Electronics, recently addressing the problems of slim profit margins in vcr, called vcr marketing, "A vast wasteland, with margins down to a mere 12 per cent. For a thousand-dollar product, this is unconscionable."

As to the cause, Whitehouse said it was a matter of "too many brands selling the same things. The basis for selling became price, a case of who had the lowest price."

Whitehouse is hopeful, however, and concludes that this situation will be changing because of a proliferation of product. "Sony and Matsushita are not the only ones



now . . . now an element of merchandising is coming in. The profit potential is growing."

As for the matter of distributors competing with retailers in the sales of vcrs, Whitehouse said that manufacturers should do something to see that there are realistic profits at all levels of distributions."



FOR THE FUTURE . . .

RCA's Jack Sauter thinks the FCC should "take a look at cable . . . and maybe take some action to set things straight." According to Sauter, "Manufacturers are making big investments on new products and we'd like to know where we are going relative to cable and its effects on the industry."

VCR Education Challenges Dealers

What's the biggest challenge in the emerging video business?

Magnavox's William Campbell thinks it is to educate relative to the vcr.

"We haven't done an adequate job relative to telling people about the uses of a vcr," said Campbell. "A lot of salesmen can't explain them in full. The retailer has an opportunity to make money relative to his abilities to educating the consumer on all aspects of vcr use."

On another subject, that of stereo tv, Campbell thinks, "That's the \$64 question. If anybody offered it, it would be wasted since there's no broadcasts to receive. What's needed is a correlation between tv set manufacturers and broadcasters. We have the capability to make stereo tv sets but 'When?' We have no idea."



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