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Audio • Video • Autosound

High Fidelity Trade News

A PUBLICATION OF COMMUNICATION CHANNELS, INC.

APRIL 1983

VIDEO
Special Bonus Section



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HAWKES TV SOUND CELLAR A 3DG
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Effective P.O.P. Displays Move More Merchandise

1983's BIG CONSUMER

The Consumer Electronics Industry itself is big news in 1983. Several new technologies promise unprecedented consumer interest in many different categories.

Within the Consumer Electronics Industry there's one company making really big news, offering four of the most significant Home Entertainment product introductions of the year.

It should come as absolutely no surprise that the company is NEC. Not if you consider that NEC is one of Japan's largest electronics manufacturers and a leader in the field of Computers and Communications (C & C).

Even if you're not familiar with NEC's 83 year history, these four new products tell the NEC story quite well by themselves.

AUDIO: THE CD-803E COMPACT DISC (CD) PLAYER.



If it seems like you're seeing CD players everywhere you turn, in Japan no less than sixteen manufacturers have models of their own. Many of these are already on the Japanese market and in a recent survey of twelve CD Players conducted by a leading Japanese "buff" magazine, NEC's CD-803 was singled out as "best." Perhaps the most likely explanation for this success is the CD-803E's ND digital filter technology adapted from NEC's Computer and Communications (C & C) experience.

There has been so much publicity about CD players that almost everyone has heard that they are capable of reproducing music without background noise; +90db dynamic range, and unmeasurable wow, flutter and crosstalk. For the NEC CD-803 to stand out from a range of machines that all boast these amazing specifications is even more amazing.

NEC Home Electronics (U.S.A.) Inc., 1401 Estes Avenue, Elk Grove Village, Illinois 60007 (312) 228-5900

VIDEO: THE VC-739E BETA HI-FI VIDEO CASSETTE RECORDER.

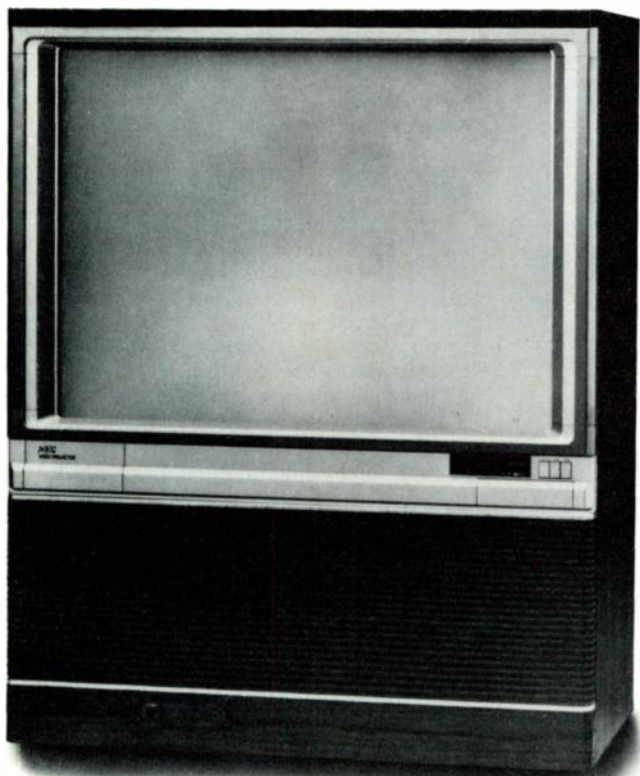


As a prominent member of the Beta Group, it only seems fitting that NEC is equipping their first hi-end VCR, the model VC-739E with Beta Hi-Fi. Thus, in addition to being an 8-event, fourteen-day programmable; 134 channel cable ready; four-head; wireless remote control machine, NEC's VC-739E is capable of sound reproduction comparable to professional studio audio tape recorders!

With audio performance specifications approaching those of the CD-803E, the NEC VC-739E is capable of both "high fidelity video and audio." This is the true beginning of the total home entertainment system.

ELECTRONICS NEWS:

LARGE-SCREEN TV: THE NEC PJ-4000 REAR-SCREEN PROJECTION TV.



It is an accepted fact that the future of projection television is in rear-screen projection. This is undoubtedly based on their greater compatibility with home living environments. NEC's new PJ-4000 is clearly the most "livable" of all comparable sets currently on the market. Its mere 22" depth means that the PJ-4000 is scarcely larger than a component video system or console television in any dimension. Moreover, its proprietary "dual-pattern" screen gathers more of the projector's light output and disperses it over the industry's widest viewing angle (120 degrees).

The PJ-4000 will do more than outpace its competition; it will expand the entire large-screen category.

VIDEO CAMERAS: THE NEC TC-100 CCD COLOR VIDEO CAMERA.



The TC-100's solid state pick up (CCD) technology with its incredible sensitivity only "saw the light" because of NEC's vast experience in large scale integrated (LSI) circuit design and manufacturing.

The TC-100 does much more than win the solid state "low light race;" it insures users that more of their available light videography will turn out properly, with far fewer annoying "lags" and "streaks" that can ruin a shoot.

If these new products and the technology they embody sound more like a recap of an entire industry rather than one powerful company, it's understandable. They are presented here for one purpose: to let you know that from now on NEC is "The One to Watch."

NEC

THE ONE TO WATCH.

NEC Corporation, Tokyo, Japan



"P" is for progress!

A new, standardized phono cartridge mounting system has arrived...and it's about time! For decades, the closest we have come to mounting standards for phono cartridges was 1/2" mounting centers, and four separate 0.050" pins to accept the wires at the end of the tone arm. While most cartridges also required a 15mm overhang, and many were about 17mm from the record to the mounting surface, these were just popular dimensions, not standards.

Installation for Experts Only

Because the industry couldn't agree on better standards, it's been difficult for users to install, replace, or adjust cartridges. They had to find the instruction manuals for both cartridge and tone arm, have considerable dexterity, and enjoy hunting tiny screws in the carpet.

Next, the "Universal" Headshell

More recently, the "universal" headshell simplified mounting by allowing the manufacturer or dealer to pre-mount the cartridge, then sell both headshell and cartridge as a single unit. And most tone arms would accept the same universal headshell mounting system. Even so, adjustment was still necessary, and total mass was rather high. But now the linear-tracking turntable is changing everything.

The Simple, Light P-Mount

Enter the "P-Mount" concept appearing on more and more linear-tracking and now on pivoted-arm turntables. By standardizing the size and location of the electrical terminals, then using them to support the cartridge, direct plug-in with minimum mass is achieved. And with standardized tone arm specs for every turntable, the same cartridge mass, size, and tracking force are correct for every model. While the need for this new system was apparent, no single cartridge manufacturer could bring it about. Hats off to Technics who had the foresight and marketing clout to make the idea work.

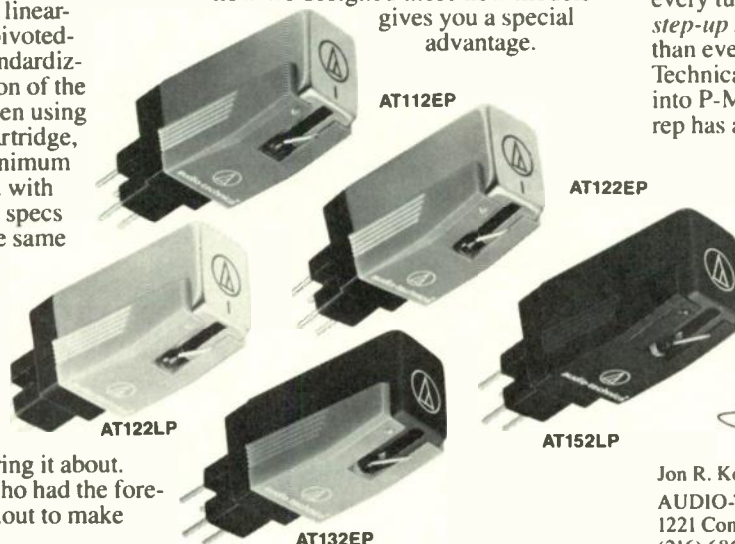


True Plug-In Design

Loosen a retaining screw on any new Technics (and now Hitachi and others) plug-in tone arm and slip out the old cartridge, plug in the new. Consumers can install cartridges with confidence, and with no resetting of tracking force, offset, cartridge height or any of the adjustments common to the old system. Cartridge selling and step-up sales couldn't be easier!

The Audio-Technica Advantage

While several manufacturers are now making P-Mount cartridges, at Audio-Technica we feel we have an edge on all the rest. For one thing, because we work closely with turntable manufacturers, we got an early start. Our plug-in cartridges were first introduced back in January of 1981. But how we designed these new models gives you a special advantage.



Our Best-selling Features Intact

If you are already selling A-T cartridges, you'll find an *exact* equivalent in the new Direct Plug-In Series to cartridges you are now selling in our standard line. For instance, the plug-in AT152LP is functionally identical to our famed AT155LC. With all the features you've sold so successfully: Vector-Aligned® design, Para-toroidal coil construction, Radial Damping, square-shank nude-mounted Linear Contact stylus, and all the rest. And the other four models in the Direct Plug-In Series all have their match in our standard models. You offer the same benefits of extended flat response, excellent stereo separation, and superb tracking in either line. With nothing new to learn...or unlearn.

The Audio-Technica Extra Step

And we have one big advantage not enjoyed by the others. Because we hand-tune *every* stylus assembly during construction, we can match the compliance of each cartridge to the exact requirements of the tone arm far more precisely than anyone else. It's the only way to meet or exceed the design goals of the turntable manufacturer, and our own rigid standards with *every unit* we produce...and *every cartridge you sell*.

Step-Up Selling Made Easy

Because most linear-tracking turntables are sold with moderate-price P-Mount cartridges (or none at all), every turntable is an opportunity for a *step-up sale*. A sale that is far easier than ever before. And with Audio-Technica the sale is easiest of all. Plug into P-Mount profits today. Your A-T rep has all the details.



Jon R. Kelly

Jon R. Kelly, President
AUDIO-TECHNICA U.S., INC.
1221 Commerce Dr., Stow, OH 44224
(216) 686-2600

Circle No. 2 on Reader Service Card

April 1983

Audio • Video • Autosound

High Fidelity Trade News

Volume 27 No. 4

features

MERCHANDISING

EFFECTIVE P.O.P. DISPLAYS MOVE MORE MERCHANDISE

Eye-catching, self-demonstrating point-of-purchase units are unpaid salesmen that really pay off.

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One of the oldest forms of P.O.P. merchandising honors successful retailing aids.

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VIDEO

VCRs, TELEVISIONS LEAD SPRING CAMPAIGNS

Manufacturers are counting on new products debuting in the coming months to help wake up sales.

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TRACKING VIDEO'S ELUSIVE PROFIT

Making a profit in video is possible, and suppliers offer tips on increasing margins in a competitive business.

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PLUG INTO HIGHER PROFITS WITH ACCESSORIES

Turn a low-margin hardware sale into a profitable venture by demonstrating the benefits of add-ons.

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IS THERE A SELL-THROUGH MARKET FOR VIDEO SOFTWARE?

Some pre-recorded home video producers are optimistic about early experiments with the \$39.95 price point. Others, however, are more skeptical.

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Audio/Video Salesman
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The Cover: Mattel, Audio-Technica, General Electric and RCA are only four of the audio/video/autosound manufacturers that are supporting retail sales efforts with increasingly efficient and effective point-of-purchase fixtures. Design by Assistant Art Director Greg Amason.

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The Oil/Electronics Relationship

Or how OPEC's loss *could* be your gain.

Despite concern by financial observers that rapidly declining oil prices could spell economic chaos in the world, there are many who feel that the ultimate benefits of reduced energy costs far outweigh the potential liabilities.

As energy prices drop, so too, does inflation, as is evidenced by recent real declines in the indicators used to measure it. As inflation abates, consumers end up with more real income, which translates into increased purchasing power.

According to a recent economic report by the CIGNA Corp., this increased purchasing power will affect positively several economically depressed categories, including consumer electronics.

With the real value of home electronics equipment, in terms of features and performance vs. price, going up demonstrably, and disposable income also going up, the opportunity to show the consumer how much he can get for his dollar presents itself as never before.

As reports of recent Washington's Birthday sales bonanzas indicate, retailers are already experiencing the effects of diminishing gasoline prices (of course, the fact that many buyers were also flush with cash from tax refunds probably helped), and as those prices drop to the projected 80-90¢ per gallon range, consumers will experience further jumps in their disposable income unprecedented in recent times.

The message here is clear — The retailer prepared to capitalize on this new-found wealth with the right product mix, enough stock, strong promotion and advertising, determined salesmanship and good hard work, will reap the rewards. Instead of wondering when economic recovery will come his way, he'll be making it happen.

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ONKYO U.S.A. WELCOMES NEW PRESIDENT: Kimihiro Fujioka has been appointed president of Onkyo U.S.A. Corp., replacing Shintaro Tanaka, who is returning to Japan as administration manager of Onkyo's International Division after six years as the U.S. president. The new president announced that Onkyo plans to introduce 24 new products between March 1 and the June CES. Most recently, Fujioka was regional manager for the Hiroshima Branch of Onkyo in Japan and studied in the International Division in preparation for the U.S. market.

EMPIRE SCIENTIFIC NAMES STOWE PRESIDENT: Larry Stowe has been promoted to president of Empire Scientific Corp. from vice president and general manager, according to Empire chairman of the board Ernst Benz. Stowe joined Empire as vice president in 1981, responsible for all office and manufacturing operations as well as corporate financial planning. Dan Collins has been retained as counsel to the president.

ITA, TIME HONOR VHS DEVELOPERS: Matsushita Electric, Victor Co. of Japan and the Consumer Electronics Division of RCA Corp. share the Man of the Year award presented by the International Tape/Disc Association and *Time Magazine* during the ITA Annual Seminar held last month in Hollywood, Fla. The companies were recognized for their contributions in establishing VHS as the dominant home video system.

PARAMOUNT BREAKS \$30 PRICE POINT WITH AIRPLANE II: Paramount Home Video took advantage of the ITA conference in Florida last month to unveil a new release, *Airplane II*, priced at \$29.95 for VHS and Beta. The move continues the \$29.95 pricing experiment started when Paramount released the Beta version of *An Officer and a Gentleman* at that level. With the VHS version of *Officer* priced at \$39.95, sales in early March totaled 105,000. Sales of *Star Trek II: The Wrath of Khan*, Paramount's first \$39.95 experiment, were at 125,000 units, with orders coming in at the rate of 1,000 per week. (See story this month on page 25: *Is There A Sell-Through Market For Video Software?*)

ITA CALLS FOR PASSAGE OF 'FIRST SALE' LEGISLATION: Leaders of ITA and some attendees of its March seminar urged Congress to pass proposed revisions to copyright law regarding right of first sale. Ron Berger, president of National Video, was among the proponents of what is called the Fair Marketing Amendment, telling the ITA audience that dealers should share rental dollars with the video producers and push for passage of the legislation, which, he said, would result in "certain security permitting simultaneous rental and sale releasing."

PHILIPS LICENSES U.S. PRESSER FOR COMPACT DISCS: Digital Images has signed a licensing agreement with U.S. Philips to become the first custom presser of Compact Discs in the United States. The Virginia-based company indicated that it expected to be producing the discs this fall.

TDK SPONSORS TRACK AND FIELD CHAMPIONSHIPS: As the official supplier of audio and video tape for the International Amateur Athletic Federation World Championships of Track and Field to be held in Helsinki, Finland, Aug. 7-14, TDK will be provided with extensive ground-level signage in the Helsinki Olympic Stadium. In addition the TDK logo will be imprinted on all participants' numbered bibs, and TDK has the worldwide use of the IAAF logo for its own advertising.

VCR SALES DOUBLE IN FEBRUARY: VCR sales to dealers in February totaled 246,797 units, a 100.7% jump over sales for February 1982, according to EIA/CEG figures. The trend continues from January, with VCR sales for the first two months of 1983 up 98.2% over the same period in 1982. Other video categories experiencing gains included projection televisions, up 52.8% from February 1982; color televisions, up 13.5%, and color video cameras, up 22.7%.

DISCWASHER CONGRATULATES POINTMASTER SALES LEADER: Stark Record & Tape Service Inc. (Camelot Music and Grapevine Stores) has been chosen Pointmaster Dealer of the Year for 1982 by Discwasher. The award was based on sales of Pointmaster video game joysticks and in-store merchandising of the product.



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We'd like to, if you'll give us a chance. We'll show you the most sophisticated record care and sonic enhancement devices (record sleeves, preeners, anti-static guns, disc-stabilizers, etc.). We'll demonstrate cassette deck head cleaners, tape winders, splicers, as well as a full line of VHS-VCR maintenance equipment.

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Warner Adds To Digital Disc Pool

BURBANK, Calif. — Warner Communications Inc. expects to begin worldwide distribution of digital audio discs from its Warner Records library this summer, even though it does not anticipate generating any profit from the discs for probably five years, said Stan Cornym, senior vice president at Warner Communications.

Cornym said this new digital software is still expensive to produce, and, although the company has not firmed up any retail prices for the discs, it wants to stay under the \$30 per disc price that would be required to make a profit given those production costs.

Right now, said Cornym, Warner is largely concerned simply with providing enough digital disc software to make the new players worthwhile to consumers. About 25-30 titles from Warner's library should be available on disc in the United States this summer. Cornym said the company will try to provide a variety of music and is choosing the titles that have been the most popular and that Warner believes will have the best sound impact on digital disc.

With no plans to begin pressing operations of its own, Warner is still negotiating with both digital disc producers, Philips (Polygram) in Europe and CBS/Sony in Japan. Cornym said Warner already has a good offer from Polygram and that he believes Warner will be doing a substantial amount of pressing there, though not all.

"We have good friends at both Polygram and CBS and we believe we can achieve our goals for digital audio disc production," Cornym said.

Recording Lobby Pushes Legislation

NEW YORK — Legislation to compensate the creators and copyright owners of recorded music for an estimated \$1 billion annual loss from home taping and to allow the copyright owner to control record rental stores was introduced in both the U.S. Senate and House of Representatives in February.

Known as "The Home Recording Act of 1983" (S.31 and H.R.1030) and the "Record Rental Amendment of 1983" (S.32 and H.R.1027), the bills

were introduced by Sen. Charles Mathias (R-Md.) and Rep. Don Edwards (D-Calif.). Both bills are being lobbied for heavily by The Coalition to Save America's Music, a group that says it represents more than 2 million people and several hundred companies and organizations from the music community.

Coalition co-founders Stanley Gortikov, president of the Recording Industry Association of America, and Leonard Feist, president of the National Music Publishers' Association, urged the passage of the entire legislative package. In 1980 alone, said Gortikov, home tapers copied recordings with an estimated market value of \$2.85 billion, the equivalent of 455 million record albums. By comparison, he continued, the recording industry sold the equivalent of only 475 million albums in 1981.

Gortikov and Feist also emphasized the need to address what they call the emerging problem of unauthorized commercial record rentals. They say there are more than 200 record rental stores in operation in the United States, making it possible to rent an album for a modest fee, buy a tape on which to copy the album at home and then return the record to the rental store.

Opposing the efforts of the recording industry coalition is a group of audio and video equipment manufacturers, trade associations, retailers and consumers called the Audio Recording Rights Coalition.

TDK Japan Names New President

TOKYO — Yutaka Otoshi was confirmed as the new president of TDK Corp. at a general meeting of shareholders here Feb. 25. Most recently senior executive vice president of the corporation, Otoshi succeeds Fukujiro Sono who became chairman of TDK.

Otoshi joined TDK in 1938, three years after its establishment. In 1960 he became the first head of the Magnetic Tape Division, and in 1974 he



Yutaka Otoshi



Fukujiro Sono

was appointed executive vice president. In 1970, Otoshi also headed the Corporate Planning Office, where he played a major role in management of the corporation.

Sono has been president of TDK for the past 14 years and, in his new position, plans to counsel management and spend less time in the daily business of running the corporation. No major policy changes are anticipated as a result of the executive change.

The shareholders also approved four new executive directors: Hiroshi Sawano for the Magnetic Tape Marketing Division, Goro Suzuki for Manufacturing, Makoto Komoda for Materials and Components Marketing and Yasuo Imaoka for Research and Development.

JVC Reports Record Sales

ELMWOOD PARK, N.J. — Triple-digit increases in sales of all VCR products spearheaded high double-digit increases in all products for JVC Co. of America during 1982.

Harry Elias, vice president/home entertainment and hi-fi divisions, said 1982's record sales also carried over into January of 1983, with portable and home VCRs, cameras and blank video tape continuing to lead the way.

He said the entire video line is benefiting from the success of JVC's HR-C3U compact video deck and GZ-S3U compact camera in the portable video field. The portable VCR success has rubbed off on all JVC products, as well, reported the company, which began as essentially a hi-fi company when it came to the United States, but since has expanded into a full-line consumer electronics supplier.

Even hi-fi, Elias pointed out, was expected to finish JVC's fiscal year, which ended March 31, 20% ahead

Correction & Clarification

A typographical error resulted in the incorrect reporting of the power handling capacity of the Advent 6003 loudspeakers in the February issue of HFTN. The correct specification should have been 150 WRMS, 300 watts peak. HFTN apologizes for the error and any confusion it may have caused.

of sales from the prior fiscal year, with system sales accounting for a significant share of overall hi-fi volume.

Elias credited the company's strong dealer base as much as the products for its success. JVC recently concluded dealer meetings in San Diego, which had strong dealer turnout, Elias said. The company was planning pre-CES dealer meetings in Florida early this month.

Despite Blizzard, Show Goes On

WASHINGTON, D.C. — More than 13,500 people attended the 1983 Hi Fi Stereo & Video Show here Feb. 11-13, despite a record blizzard that virtually shut down the city.

Expected to attract about 60,000 hi-fi and video shoppers, the show,

nevertheless, resulted in good retail sales. The show opened Friday, Feb. 11, with all exhibits in place, and remained open throughout the scheduled hours, except for an early closing at 8 p.m. opening day.

According to show president Teresa Rogers, attendance on Friday totaled 500, but by Saturday, 5,000 people were able to make their way to Washington's new Convention Center, and Sunday's attendance was about 8,000.

B&O President Retires In August

MT. PROSPECT, ILL. — Jack Trux, president of Bang & Olufsen of America Inc. since its formation in 1970, will retire Aug. 30, although he plans to remain as a consultant to Bang & Olufsen until 1987.



Jack Trux

In a letter to the company's staff, sales representatives and retailers, Trux said that although he had fully recovered from the effects of an illness suffered last year, "I have found it to be increasingly difficult to reconcile my personal and family priorities with the demands of my work. So with more than a little anguish, I have decided to retire at the end of August this year."

The name of Trux's successor was not known at press time.

(Advertisement)

(Advertisement)

Soundcraftsmen Announces "Dealer Assistance" Program

A unique and unusually comprehensive dealer program which guarantees a steady flow of qualified prospective purchasers, raises dealer profits, makes possible the payment of invoices from profits generated by sales, rather than from working capital, and even helps compensate floor salespeople for their selling efforts, was started January 1st by this major American manufacturer of high fidelity and professional equalizers, analyzers, amplifiers and preamplifiers.

The new program, called "Prime Dealer Phase II," recognizes the fact that higher-technology products, such as those produced by Soundcraftsmen, require more knowledgeable salespeople, more elaborate demonstration facilities, more time spent with each customer, and a sincere desire on the part of management to cater to this small but very profitable segment of the audio buying public. All of these requirements translate to higher overhead, making higher than normal dealer profits on individual sales mandatory.

The New Customers

Soundcraftsmen sends a special offer every month to thousands of people who have expressed an interest in the company's products. To obtain a free "EQ Evaluation Kit" the prospective customer must visit one of a specific group of dealerships for an audition of the components he's interested in, have a store salesman complete and sign a special survey post card which is then returned to Soundcraftsmen. The Kit, which has been specially developed by Soundcraftsmen, makes it possible for the consumer to quickly measure the performance of his or her stereo system, including room effects, in order to

determine whether an equalizer would improve overall performance. The Kit retails for \$19.95 normally, so the incentive to the prospective customer is very high. Initial response to the special offer is, according to company spokesman Rod Bell, "much greater than any of us ever anticipated."



Floor traffic motivator is this free EQ Evaluation Kit

Increased Profits, Dating

Soundcraftsmen, historically a high-tech limited-distribution, "profit" line, offers dealer discounts of 50% on all demo models, plus long-term dating. This allows the dealer to turn inventory several times before invoices are due, and to earn additional profits when demo models are finally sold.

Salesperson Compensation

Each time a salesperson sells a Soundcraftsmen piece of equipment, he receives a check directly from the manufacturer. This assists the dealer in keeping the best, most knowledgeable salespeople satisfied and well-paid. In addition, Soundcraftsmen makes available its products to these salespeople, for their own personal use, at substantially greater discounts than the industry-standard of 50% off list.

No "Loading Program"

Soundcraftsmen is quick to point out that this is *not* a typical dealer loading program. All a dealer is required to do to participate is to display a model from each of the company's five product categories and maintain whatever the dealer feels is an adequate 30-day supply of backup stock, with at least one piece as a minimum.

"With only 250 dealerships nationwide, it is imperative that we have a qualified stocking dealer in each major market," says Bell. Soundcraftsmen products do not appear in mail-order catalogs either, further limiting access by prospective buyers. "We recognize the needs of the specialist dealer, and the interrelationship of companies like Soundcraftsmen with them. This program, while a costly one for a small company, is an expression of our commitment to the audio specialist dealer, the audiophile, and to the audio industry as a whole," he said.

Interested dealers are encouraged to contact Rod Bell at Soundcraftsmen at (714) 556-6191 for further information.

Chrome Production Master Improves Pre-Recorded Tapes

A series of classical pre-recorded cassettes that take advantage of the low noise and high-frequency retention characteristics of a chrome running master has been introduced by Sine Qua Non.

All recordings in the series are made from first generation digital or audiophile analog master tapes, then transferred to the chrome production tapes and finally onto BASF chrome tapes. SQN is the first company in the United States to use the "chrome to chrome" technology, a process recently developed by BASF in Germany.

"There has been a desperate need and demand for better quality in pre-recorded cassettes, especially at a price that is realistic in today's market," said Sam Attenberg, SQN chairman. "Seven Star cassettes are designed to retail for \$6.98 or less, as compared to \$18 for many top-of-the-line cassettes currently on the market. The sound quality of these cassettes is so outstanding that even non-audiophiles have been able to hear the difference," he added.

Bob Piselli, BASF professional products sales manager, said that production tests made at the Sine Qua Non ratio of 64-to-1 have produced cassettes that are indistinguishable from those made in real time and that the economies that result allow SQN to offer the product at the attractive retail price.

He explained that the ferric production master used previously was a limiting factor in producing high quality cassettes at high duplication speeds because of high noise and low retentivity. "In the past, the only way to take advantage of the benefits of chrome cassettes was to increase the speed of the production master," he said, "and even that didn't solve the problem of magnetostriuctive losses at high duplicating speeds."

Sine Qua Non is the first firm in the United States to use this master in large production quantities. The first 30 titles in the Seven Star series include a number of digital masters from the SQN vaults covering a range of

music from Beethoven to baroque to Broadway. In addition, other audiophile labels, including Varese Sarabande, Chalfont and Orion, have agreed to join the company in releasing their masters within the series.

SQN's Attenberg said other features of the Seven Star series are a cassette housing manufactured in Switzerland exclusively for SQN, mechanical parts designed to eliminate alignment problems, a built-in head cleaner, Dolby B noise reduction and a full replacement guarantee. Packages include complete program notes with information about the music, composers and musicians.

Other companies specifying BASF Pro II chrome for their pre-recorded products are CBS, Vanguard, RCA and Connoisseur Society. Recently A & M Records became the first major record producer to offer a general release, Supertramp's *Famous Last Words*, on BASF Pro II chrome at popular prices.

Telephone Ring Suits The Mood

When Joe Paterno's Penn State office phone rings these days, it plays "Charge!" In John Black's Belcaro Barber Stylist shop in Denver, the phone plays "Shave and a Haircut." At Allens Bridal store in Denver, the telephone strikes up the "Wedding March" when someone is calling.

Former professional football player Carl Schaukowitz is to thank for the inventive telephone alarms he calls Phone-Tunes, being marketed by his Denver-based Citation Marketing.

"The telephone is an audio medium — it's more important to hear it than see it," said the former Denver Bronco and Penn State Nittany Lion. "This might be among the first times where the audio rather than the visual aspect of the telephone has been improved upon."

Citation Marketing believes that millions of people would like an alternative to the monotonous, unimaginative, abrasive, boring and rude rings with which their phones summon them. Phone-Tunes, a computer microchip device slightly larger than a cigarette pack, replaces the ringer with a selection of 30 familiar songs. It connects to any standard telephone outlet, is approved by the Federal Communications Commission and can be powered by either two nine-volt batteries or an optional AC adapter.

Like the conventional ringer, Phone-Tunes continues to play the selection until the phone is answered. It can be plugged directly into a telephone wall outlet and used as a remote ringer to a telephone located elsewhere in the home or office.

"We're marketing a fun item," admitted Schaukowitz, who is a lawyer and mechanical engineer. "but we're also talking about a device that has a definite and varied appeal. The phone used to look like a box with a bunch of ugly pieces. It now resembles anything from Mickey Mouse to a piece of modern sculpture. It's time for the telephone to sound differently as well."

Investors Bet On Rental Idea

At least 25 video industry entrepreneurs seem to agree with Ted Thrush and J.R. "Joe" Bowman that there is a market for an entertainment service that rents a video player and a video cassette for home viewing.

Thrush and Bowman launched PortaVideo eight months ago and made their first major pitch for franchise operators at the January CES. "No less than 25 investors made applications for exclusive distributor-



Initially available in 30 titles, the Seven Star Chrome Series will be expanded to 150 titles by the end of the year, including jazz and other categories of music in addition to more classical selections.

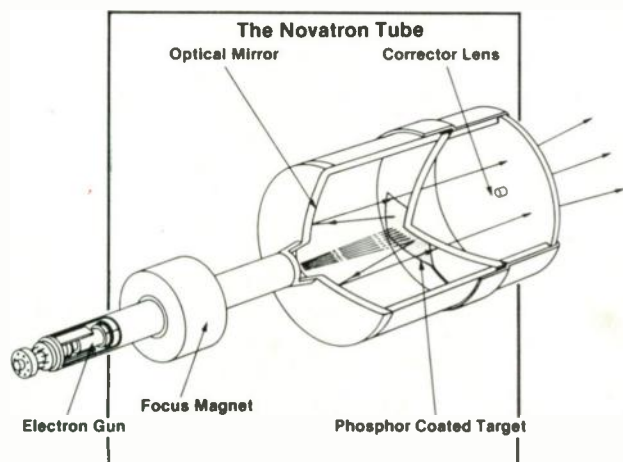
ship franchises in the United States, and more than 12 foreign countries expressed interest in negotiating for exclusive PortaVideo franchises," Thrush said.

At \$100,000 per franchise, PortaVideo will realize \$2.5 million from U.S. candidates and, with involvement by the United Kingdom, France, Spain, South Africa, Venezuela, Mexico, Belgium and Denmark, will add several million more when contractual agreements are consummated.

Thrush also said a \$7 million franchise purchase for Texas, an Albuquerque, N.M., franchise and a Dominion of Canada franchise were arranged before the CES.

"Additionally," said Bowman, "we had more than 200 inquiries for the various investment levels, which we are following up to ascertain acceptable applicants."

Bowman said he previously had projected PortaVideo's entry into the international market for September of this year, but now is running about six months ahead of schedule.



Kloss Patents Projection Tube

A U.S. patent was issued Dec. 21 to Henry Kloss, president of Kloss Video Corp., for the Novatron tube, which improves the brightness and quality of projection television.

Unlike previous projection television tube designs that require elaborate optical assemblies, the optical elements in the Novatron are part of the tube itself. The major elements of the Novatron tube's envelope are, themselves, the major picture-producing and projecting elements. Kloss said the result of this one-piece design is high performance, unequalled projection picture quality and brightness.

The Novatron tube is the basis of Kloss' Novabeam line of projection television systems and has allowed the manufacture of a portable projection television, called the Novabeam Model Two, because of the high brightness produced by the Novatron tube.

Electronic Photography Studied

The Institute for Graphic Communication has just published a study examining all aspects of both silver halide and electronic consumer still photography, which suggests that there is a significant business opportunity for hybrid products during the next five to 10 years.

Although the imaging technology still faces a major challenge in developing a suitable cost/performance still video system, particularly for color, the study found that it also opens a sizable opportunity, especially for those involved in major advances in conventional video photography.

It is expected that key aspects of electronic photography, such as image enhancement, will have an important impact on the photofinishing business as it exists today, but that the key market for still video photography will be the same as that for 35mm still photography.

In addition, the report states that public interest in still video systems will be encouraged by broader usage of such home color TV attachments as games, personal computers and home video movie recorders.

Sci-Fi's Lead Videodisc Sales

Pioneer Video Inc. has released its 10 best-selling laser videodisc titles for 1982, a list dominated by science-fiction favorites and music discs.

Star Wars from CBS/Fox ranked at the top of the list, followed by Columbia's *Close Encounters of the Third Kind*. In third place was Pioneer Artists' *Elephant Parts* with Michael Nesmith.

Olivia: Physical, featuring Olivia Newton-John, held fourth place for MCA. Paramount held both fifth and sixth places with *Star Trek II*, *The Wrath of Khan* and *Dragonslayer*.

Pioneer Artists music discs, *The Music of Melissa Manchester* and *Kenny Loggins Alive*, ranked seventh and eighth. *On Golden Pond*, from CBS/Fox, ranked ninth. Another Pioneer Artists release, *America Live in Central Park*, was the tenth best selling LaserDisc.

Hotels Consider Video Games

Inn-Room Video Games, a subsidiary of Universal Concepts Ltd., is distributing ColecoVision for use by the hospitality industry.

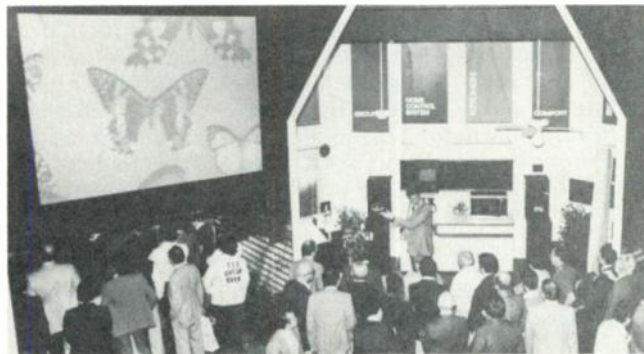
The company suggests that video games installed in hotel/motel rooms can provide built-in entertainment for business travelers and vacationing families and profits for the inn manager. They say the games will encourage guests to stay in the hotel and to use hotel services.

GE Shows Video Technology

A video technology developed by General Electric that allows projection of bright, clear color video images up to 25 feet wide was demonstrated by GE at the January CES.

The Talaria system is a professional large screen television projector currently used for a wide range of commercial applications. However, GE says it also accepts video signals from off-air TV tuners, videotapes and discs and computer terminals.

The large, high-resolution images are made possible by an exclusive GE-developed single electron gun and single optical path "light valve" system. GE demonstrated the Talaria by projecting images of tiny objects, such as butterfly wings and sea shells, onto large screens via a live color camera set up at the GE exhibit.



WCES visitors judge Talaria picture.

Effective P.O.P. Displays Move More Merchandise

Eye-catching, self-demonstrating point-of-purchase units are unpaid salesmen that really pay off.

By Deborah Merck

Today's retail electronics environment all too often resembles a ship without a navigator. Caught in the throws of spiraling labor costs, with a dwindling number of sales personnel to service customers and organize merchandise, it is a struggle for retailers to keep track of the endless deluge of product lines coming their way. But an even greater source of dealer frustration stems from trying to persuade an often uninformed public to part with shrinking disposable income for products and state-of-the-art technology they've never had exposure to and therefore don't understand.

It is with these concerns in mind that manufacturers are making today's point-of-purchase displays more accessible for consumer hands-on experience. Though it is not a totally new idea, self-demonstrating display units are turning out in record numbers.

Today's point-of-purchase material has not only the consumer in mind but also addresses the dilemma of the retailer who needs help with information dissemination and organization. There is more evidence of departmentalization in the materials coming out today, and this is a trend that will continue, say spokesmen for the Point-of-Purchase Advertising Institute (POPAl). They say semi-permanent and permanent product merchandisers and shelf management systems will be-

come increasingly important to ensure sell-through.

Another trend, recognizing the retailer's need to acquaint the consumer with products, is increased support for in-store promotion and display vehicles by manufacturers who will include actual photos of product displays in magazine ads and television commercials. Although P.O.P. materials work when used by themselves, POPAl claims that surveys have found that the addition of P.O.P. materials to an advertising program can increase awareness of the entire campaign by up to 500%. These are called synergistic advertising programs, and they are considered the most effective way of getting the maximum out of point-of-purchase displays.

Right Place, Right Time

The institute also points out that advertisers are not necessarily getting their dollar value out of very costly TV and print ads. Since production costs for TV commercials have risen 100% in the past two years along with an increase in placement costs, they're predicting that advertisers will begin to divert some of those commercial dollars to P.O.P. materials, the only marketing medium, they say, that is consistently at the right place at the right time for the right audience.

Besides cost, another reason the institute expects to see more dol-

lars diverted to P.O.P. is because many manufacturers are recognizing that they shouldn't be paying for a mass audience when in fact a more targeted audience would suit their marketing needs better. Creative visual merchandising at the point of purchase, they maintain, is one of the few controllable elements that can give one brand an advantage over its competitors, so P.O.P. institute spokesmen say there will be less spent on TV and more in-store. Already the institute is quoting an increase in P.O.P. business volume of 6% based on third quarter '82 figures. This quarterly increase is compared to a similar period in 1981 that posted a 31% increase.

Basically, four design concepts will predominate tomorrow's P.O.P. displays: shelf management systems, frame-out systems that create a separate department within an area where the product is normally stocked, mobiles and counter displays and boutique/departmentalization.

All these design concepts represent creative merchandising that should reach certain objectives for the retailer. P.O.P. materials that miss the target with all of these objectives will probably miss the target with the consumer as well, so retailers should evaluate the worth of P.O.P. materials in view of the following four objectives:

- P.O.P. materials should merchan-



Clockwise from top: Shure's V15 Type V cartridge display is designed to stimulate questions; Magnavox's Star System counter display incorporates a remote control unit; new-comer Bib Audio Video Products groups computer care items in one place.

dise by organizing inventory and highlighting cross-merchandising tie-ins between related products.

- They should inform the consumer by introducing new products, packaging, sizes, refunds, sweepstakes, warranties and premium offers.
- They should remind the customer by calling attention to price promotions and related advertising.
- And finally, they should persuade the customer by allowing him to touch, feel and, through all the aforementioned methods, get to know the merchandise.

P.O.P. That Draws Customers

Getting the customer acquainted with the merchandise can often ensure a sale, but that means getting him into the store to sample it. One company has devised a method of doing just that, and it has been quite effective. California-based Soundcraftsmen, maker of power amplifiers and equalizers, has developed an equalization evaluation kit as part of its P.O.P. program. For every prospective customer who contacts Soundcraftsmen, which amounts to about 8,000 to 10,000 leads per month from advertising and referrals, the company sends standard product information plus an invitation to participate in a market research program.

The manufacturer uses the promise of a free equalization evaluation kit, a \$19.95 value, to lure the cus-

tomers into the retailer's store to participate in the survey. Once in the distributorship, if the prospect auditions Soundcraftsmen equipment, has that verified by the signature of a salesman and returns written verification to the company, the customer is sent the kit free. The kit will determine to what extent an equalizer would enhance their system. In addition, Soundcraftsmen offers the salesperson a cash incentive for every sale actually made.

Of the 100 participants who followed through with the survey in the first month, 26 actually bought a Soundcraftsmen component — an amazing figure says company president Rod Bell, who is quite pleased with the results of the P.O.P. marketing program. Through past experience with the equalizer kit, the company knows that 25% to 50% of kit recipients actually purchase an equalizer. Just as important is the fact that for the first time the company has a measure of what happens to the prospective purchasers once they receive the mail-out.

Counter Units Serve Many Purposes

All totaled, it's a mutually beneficial situation for manufacturer as well as retailer. The retailer benefits by the customer seeking his particular store out. It's the coupon concept in marketing applied to consumer electronics and it is proving to be effective sell-through.

Today's consumer electronics are very high-tech and call for a high-tech image conveyed through futuristic graphics. At the retail level, this translates into overhanging signage that makes use of dead space and prepares the customer for a waltz with technology. It also means cardboard counter displays and counter demonstrators that allow the customer to experience today's technology. These counter displays also reinforce advertising campaigns by picking up advertising slogans.

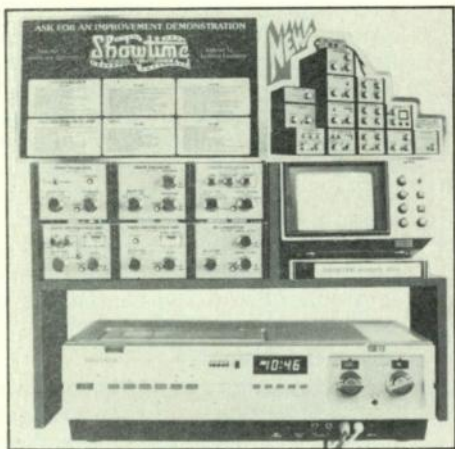
Jewel Case Display

Each display should have a marketing objective in mind and the features of that display should achieve that objective. They can be made out of many different materials other than the standard cardboard variety. With the Shure V15 Type V cartridge, for instance, the objective was to stimulate questions about the different Shure cartridges available. It does this by mounting a clear acrylic rod in a V-shaped jewel case type of display, giving the unit a unique, high-tech look. The header card in dramatic four-color graphics outlines the features of the cartridge and makes a special introductory offer at the same time. The cartridge display proved so successful, Shure has decided to distribute it internationally.

Another counter display that worked well is GE's graphic introduction to its new line of video products. In this case GE employed a mixture of several materials. By use of over-the-wire banners, a counter unit holding a remote control and a display that sits on top of a TV, GE presented its new products in red, white and blue style. The counter displays were designed so that they could be updated easily. The kit was rerun as new dealers signed up for the program.

Many counter displays are designed to increase impulse sales. This is particularly true with accessory products. Maxell introduced a new merchandising rack for its line of five accessory products at last June's CES. The rack introduced two new products and featured a line of one-of-a-kind specialty items for the audiophile who has everything. The company says that this line fills a market gap and therefore will continue to offer great promise. The rack is a good example of how accessories can be packaged so that, first of all, the small items are visible and, secondly, they are organized so that people can examine them. If the customers can become acquainted with the product, they are naturally more likely to buy it.

Another of Maxell's latest P.O.P.



From left: Showtime Video Ventures' merchandiser demonstrates its products; Pioneer's offers six display faces; Jensen's custom designed racks showcase its line of A+V products.



counter displays is its new high-tech dispenser designed to boost XL-S sales. Not only is the display eye-catching, the offer is appealing, for the company is introducing a new test pack that contains one UD-XL II cassette and one XL II-S cassette for the price of two UD-XL IIs.

Counter units can be simply cradles to hold a product as well as information pieces. RCA wanted to design a unit that was compatible with the RCA video camera P.O.P. display produced last year, so they designed a display using mirrored plexiglass to hold the product and to enhance it and yet not detract from the VCR unit. The mirrored plexiglass has a futuristic high-tech look that blends with the brushed aluminum housing. The graphic presentation is simple and uncluttered and features uses of the product that tie in with other products. The target market for RCA is greatly influenced by P.O.P. material as it tends to be made up of impulse buyers with greater disposable income, according to company spokesmen, so they expect good results from the display.

A counter display can also be an effective demonstrator. Magnavox's Star System TV counter display was designed to introduce a new Magnavox TV by inserting a remote control unit in the cardboard product display so that customers could operate it. Accompanying signage acquainted the customer with product warranty. The bracket arrangement extended the life of the P.O.P. material by permitting rotation of the product line changes.

Showtime Video Ventures has a

compact demonstrator unit that lets the customer experience six of its video improvement products. The demonstrator features a panel of information explaining the features of each and a TV screen to accompany it.

Merchandisers and Salesmen

While counter displays have the advantage of flexibility for the retailer, who must often times juggle space for new arrivals, a good floor display compensates the retailer in other ways for the extra space it consumes. First, sheer size is an attention grabber, but more importantly floor displays as merchandisers are helpful organizers, and as demonstrators they are good salesmen.

One company making use of more floor displays is Pioneer Electronics, which has embarked on an ambitious display program. The company is introducing 23 new product lines. To aid in this marketing campaign, it came up with a six-sided floor rack that introduces the full line of 10 headsets, plus provides literature on each. It weighs 130 pounds and its many faces make it accessible for more than one customer at a time.

Accompanying GE's graphic introduction to its new line of video products is an actual floor demonstrator that offers the customer different combinations of cameras and recorders as well as a disc player, speakers and TV for viewing. By simply pushing a button, several combinations of recorder and camera are presented. The camera is able to photograph the customers as

they view it, thereby involving them in the equipment without the aid of a salesperson.

As part of its retail support program, Jensen Sound Laboratories is offering specially designed furniture for in-store displays. The oak veneer units have a vertical stacking modular design and are custom-made to house Jensen Audio + Video components. To accompany the unit is a P.O.P. blue and silver plexiglass product identity sign and a literature rack for the Jensen Audio + Video in-store display furniture. The manufacturer hopes to ensure sell-through by enhancing the look of the component system.

Eliminating Display Problems

While most manufacturers supply all the gadgetry needed to present and secure P.O.P. material within the retail shop, there are always some dealers who need to adapt P.O.P. material to the uniqueness of their particular store, in order to use it. For these dealers, there's a company in Cleveland that sells just display fasteners including pole foots, pole grippers, flag holders, display poles, poles for mobiles and a multitude of other installation devices. Appropriately, the company is named Fasteners For Retail and claims to be able to solve 101 display problems.

Point-of-purchase displays should never create problems; however, they should pique customer interest and ensure sell-through. They should inform, remind, merchandise and persuade. Ultimately, the display means nothing if the customer doesn't take the product home. □

The Cigar Store Indian Awards

One of the oldest forms of P.O.P. merchandising honors successful retailing aids.

By Deborah Merck

Every year the Point-of-Purchase Advertising Institute selects merchandising award winners from among 45 industry categories. Within the Audio/Video category this year are two gold Outstanding Merchandising Achievement award winners and a number of bronze OMA award winners, representing the best in P.O.P. displays.

Atari Inc. and Clarion Corp. of America were awarded the gold OMA awards, while TDK Electronics Corp., North American Philips Corp., Mattel Electronics and Texas Instruments each received bronze awards.

The awards themselves are in the shape of a stylized cigar store Indian, representative of one of America's earliest forms of P.O.P. advertising.

Each of the winners is a success story that underlines the purpose of P.O.P. displays and reinforces their value in the marketplace. They are good examples of what works. From a more analytical perspective, the reason they work is because each has a predetermined market goal and achievement of that goal is accomplished by the features of the display.

Each of the home entertainment/autosound entries was evaluated on the basis of four criteria. Carrying the most weight was effectiveness of the unit as a solution to marketing objectives, representing 40% of the scoring. Others were originality of concept, excellence of design and engineering and quality of production and/or manufacturing.

Judging of the more than 1,000



Winning displays were awarded either gold or bronze statuettes.

units or programs entered this year was carried out by 39 teams of three persons apiece, each working outside his own industry for the contest.

Only 16 of the 1,000 entries judged last November during the POPAI (pronounced Popeye) 23rd Annual Merchandising Awards Contest were honored with Best of Market Place Awards. The winners included two temporary and two permanent units from each of the following categories: advertising, selling, merchandising, incentive programs and promotions.

Both Atari and Clarion took Best of Market Place citations for outstanding achievement among permanent selling units at POPAI's Display of the Year luncheon held recently in Chicago.

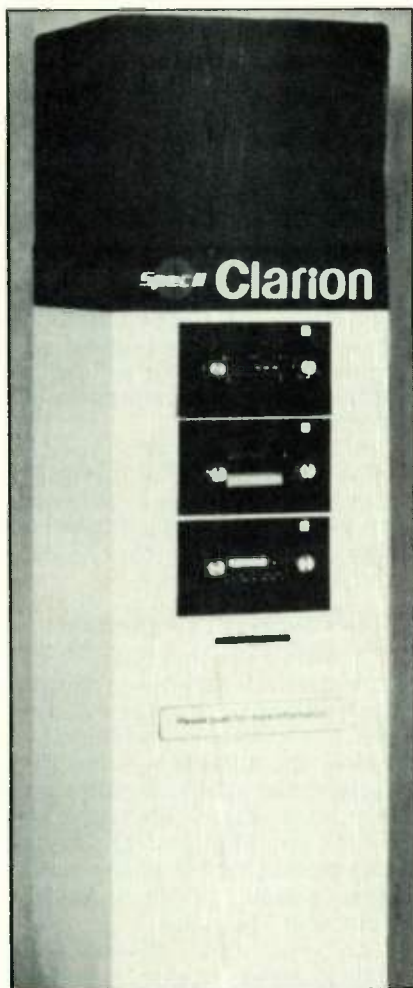
Atari's Synergistic Approach

The Atari unit that utilizes what is considered by advertising experts as the best approach in the industry — the well integrated campaign or the synergistic approach — ties in media advertising and promotions with in-store displays. The system, which has an overall high-tech image, is anchored by the company's promotional theme, "We've Brought The Computer Age Home."

An electrical power source housed within the display permits it to operate and demonstrate each of the Atari product units. These displays can also be connected in a series so they interact with each other. When the displays are used in multiples, they form a computer department with individual product literature and inventory storage in the base of each unit. The computer contains a self-demonstration program cartridge, which provides cus-



Clockwise from top left: The synergistic approach taken by Atari; TDK's Video Cassette Rotating Counter Display; TI's Home Computer Display; and Clarion's Gold OMA winner.



customer education without the need for floor sales personnel.

The demo program is designed specifically to involve customers by asking them to insert their names at critical points of the demonstration. This approach reduces customer resistance, the company has learned.

Since an adequate professional sales staff is a quantity a retailer can't always guarantee manufacturers, the self-education approach helps ensure the manufacturer and dealer of more exposure for the product.

For the manufacturer, there is an

additional advantage. This type of display helps him to sell a complete line of his products to new markets. Atari, for instance, was able to introduce more products this way. Rather than offering dealers the standard sales route, whereby they have the option of selecting certain products

from a line while rejecting others in that line, this unit requires that the dealer take the whole line.

Although this is an alternative that doesn't always appeal to a dealer, perhaps the manufacturer knows best sometimes, for this arrangement apparently was successful for the dealer as well as manufacturer. The products sold so well, in fact, that within the first six months of the distribution sell-in year, sales were increased 400% over 1981, which created a six-month production backlog. And while no dealer wants to run short of saleable merchandise, having merchandise that doesn't move is certainly not the lesser of the two evils.

Atari's system not only has integrated advertising working for it with its new demonstration unit, it also has flexibility in placement. The unit can be a free-standing floor display or counter demonstrator or fit into an end-aisle gondola. These factors combined make the Atari unit a very successful one in the marketplace.

Clarion Sets Itself Apart

Like Atari, Clarion aims to set itself apart from its competition with the use of in-store displays. The Clarion unit features the company's best radios, speakers and antenna in this unit. It, too, is a self-demonstrating system with a "push-in, pull-out" literature drawer that provides information on the complete product line.

It is high-tech and built to last for four to five years. In addition to the fact that the permanent system provides consumer information, it also represents an investment savings for the retailer. Instead of purchasing an entire range of products, with this system the retailer purchases only the three top-of-the-line radios. The 125-pound system is one that will go just about anywhere because it requires only 2.25 square feet of floor space, so it is practical for small specialty stores as well as larger dealers. Its innovative design so far has aroused enough curiosity to increase dollar volume and improve profitability for retailers who carry the unit.

Common Features Shared

Contributing to increased profitability is, of course, the primary function of all the award-winning entries. Each has its own unique design, but nonetheless, a thread of commonality is evident. All the entries, gold and bronze winners alike, are trying to effect a high-tech look and reinforce advertising slogans introduced in other media forms. In addition, they all share the common

goal of disseminating information to the consumer.

Texas Instruments' prize-winning Home Computer Display, for example, is a demonstrating unit that consumers can actually buy products from. Although the merchandiser doesn't house all that it is selling, it does store cartridges for sale. Like the Atari unit, it comes in two sections for easy shipping and is designed to take advantage of the end-aisle gondola position primarily. It is also consistent with the other units in its self-demonstrating capabilities.

On the top is a working counter with an instructional panel that eliminates the need for sales personnel to help operate the computer console, disc drives and printers contained within the upper unit. It also holds up to 20 demo cartridges. The cartridges include educational and home management software as well as games. Because the company's research showed that computer sales increase five times over normal when a variety of demo cartridges are on display, the rotating cartridge display panels flanking the computer show a total of 60 titles.

The bottom of the unit is designed for easy visibility, yet tempered glass doors provide security. In addition, acrylic pockets on the sides provide product literature.

The company credits its computer demonstrator with increased sales growth. Already there are 900 units in the marketplace and Texas Instruments' promotional budget calls for continued large commitments in 1983.

Along the same line as Texas Instruments all-in-one demonstrator are Mattel's award-winning Intellivision Game merchandiser and Mattel's Children's Discovery System demonstrator. While the Intellivision game unit is a merchandising system that demonstrates as well as houses, the unit for children is simply a demonstrator.

Effective Counter Displays

Mattel's intention was to give the consumer hands-on experience with its games without the help of sales personnel. The Intellivision system enables the consumer to select electronically from 10 to 30 cartridges to use on its self-contained demo-computer, while the display has inventory capabilities of up to 270 cartridges and can accommodate future products to be released over the next two years. The sturdy unit, which weighs 250 pounds, had instructions on the panel, as well.

Mattel's children's learning unit is a good example of a counter sys-

tem. It has both a micro circuit computer and cartridges, but with the flexibility that goes along with being a counter model. The instructions for the unit are on a tape recording.

The display accommodates all micro circuit chips as changeable push buttons to activate each individual program. The revolving drum permits complete changeability of keyboard as overlays. The micro circuit interfacing electronics permit completely changeable graphics and programs.

Another effective counter model design is TDK's Video Cassette Rotating Counter Display, which accommodates Beta and VHS format tapes interchangeably. Clear doors with clasps on TDK's multi-faced rotating vertical configuration make format and playing time easily visible without compromising security. Only 1½ square feet of counter space is needed to display the 60-video-cassette unit.

Outstanding P.O.P Temporary Aids

While all of the aforementioned awards went to designers of permanent P.O.P. displays, the POPAI awards for exemplary temporary displays went to Magnavox and Odyssey. Both represented a signage that offered reinforcement for advertising campaigns. Each had a one-month lifespan.

Odyssey's paper kit was developed to sell its main frame and software games. Kit pieces describe the system's selling features and reinforce the television ad's "Excitement of a game — the mind of a computer" slogan.

A wall chart illustrates the variety of Odyssey games available. An easel card promotes the Odyssey permanent arcade unit. These colorful pieces are quite dramatic in graphic design. They also use the Odyssey logo throughout.

Whereas the Odyssey promotional pieces were used to introduce products, Magnavox uses the same device to communicate product quality and reliability. Its five-year warranty kit presents a high-tech look in its color and design and features Leonard Nimoy, who serves as the spokesperson in the television ads. The major visual draw of the graphic design, however, is the number 5. The kit's color scheme is coordinated to be compatible with the advertising campaign.

Altogether these permanent and temporary works exhibit a lot of imagination and good market sense. They are persuasive pieces that speak well for the amount of creativity being generated with the audio/video industry today. □

VCRs, Televisions Lead Spring Campaigns

Manufacturers are counting on new products debuting in the coming months to help wake up sales.

By Marcia Golden

April may be the month American housekeepers break out the new and toss off the old, and video suppliers will soon follow suit. This month, dust will fly in factories and warehouses across the country, as well as in the Orient, when manufacturers indulge in a bit of spring cleaning themselves and introduce new lines of video product.

Televisions and VCRs will be the stars of most spring campaigns through June, although neither product may be reflected in supplemental advertising and promotional campaigns.

"TVs are where things are happening for JVC," agreed George Meyer, product planning manager. "For the first time in a long time," he said, "JVC will try to do something in television again."

And what will JVC do?

Starting at the high-end, the company will open its new "Network Se-

ries" with a 19-inch model. A cross between a standard TV and a video monitor, this initial product looks like a monitor but offers all the features of a TV. A 25-inch model will be added to the line shortly after. Prices had not been set at press time.

Next, JVC is marketing the Telstar Series. Current plans call for the introduction of three 19-inch sets, one remote, one lower-priced remote and one unit without remote; a 13-inch model and three portables.

Because this is the first time JVC has entered the TV market with such an extensive line, the company is holding off on new marketing plans until its second annual marketing meeting, also being held this month, said Meyer.

"At our showing in April, we will discuss component television and marketing plans for '84 and '85. We'll talk about what we want to do about Teletext and Videotext, and how to

handle cable. There is an EIA group trying to formulate standards right now. We'll be talking about the possibility of adding a circuit in the back of a TV set to take cable companies out of the hardware business. After all, why should consumers have to buy outboard equipment when everything could be worked through the set?"

Meyer pointed out that JVC has plans to add two new cameras to its current line, under the heading "Low Lux." Targeting the high-end consumer, the lowest-priced model of the two should have a suggested list of \$900. There is also the possibility of new VCRs popping up in the lineup.

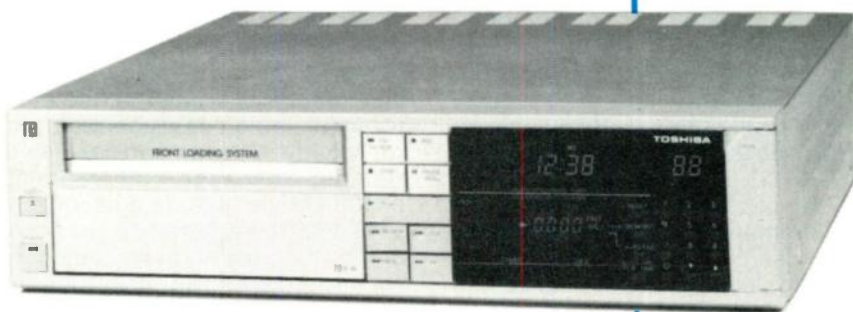
Magnavox Plans New Centers

Magnavox plans two more Audio/Video Centers, bringing its A/V line total to five. One will be a 9-inch portable, the other a 19-inch model.



Two of JVC's Telstar Series: the top-of-the-line C-2073US, left, and the model C-2033US.

Toshiba is introducing its first Beta Hi-Fi VCR, the model V-S36, listing at under \$1,000.



When the video line officially previews in May, Magnavox will have increased the number of channels available on its portable models from 105 to 125. And in 25-inch models, the company will boost channel capacity to 125 and add a new picture tube to the high-end model.

Video disc hardware will remain the same while emphasis shifts to software and programs to increase its dealer network and sales. According to Jim Proud, vice president of marketing, Magnavox plans a series of Video Disc Specialist programs, based on incentives for both hardware and software retailers.

Proud hinted a new, all-electronic line of VCRs also could be previewed in May as well as at least one high-end camera. Projection TV plans will hold throughout 1983 with the existing 40-inch set.

In-Dash Television

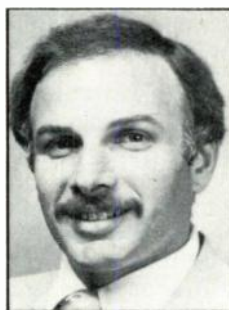
For the videophile on the go, Fortune Star's vice president Robert Gluck intimated that there will be a new in-dash AM/FM cassette deck car stereo system with a two-inch TV at the Summer Consumer Electronics Show (American Audio introduced a similar model at the last show). Also slated for spring is a 5-inch color TV. For use as a monitor, the system also connects to a VCR as well as video game consoles and computers.

No new products will be added to Sampo's video line, nor will there be specific spring video promotions, said James Chen, assistant to the vice president of marketing and sales. However, a new 25-inch console could raise its picture tube at CES in June.

It is also too early to be specific about new Akai products for spring or summer either, according to director of sales Mike Wiggins. In fact, he added, "the only thing we'll have new (this season) will be the Model VS-6 home VHS VCR we showed in January." It has a suggested list of

\$1,095, is cable-ready and offers remote control.

Neither is Akai ready to talk about promotions for the second half of the year. Like many suppliers sur-



Mike Wiggins
Akai National
Sales Manager

veyed by **High Fidelity Trade News**, Akai's current inventory levels do not warrant dollars-off specials, or other margin-breaking incentives to dealers or consumers.

Jay Yancy, Toshiba's national marketing manager for video products, said his company is marketing a leader VCR featuring front loading, 105-channel capability, frame-by-frame capability and an eight-function remote. With what Yancy called improved cosmetics, this newest VCR should be available shortly, with a suggested list of approximately \$440.

The company's big push probably will be in Beta Hi-Fi VCR. Although Toshiba offers a VCR with four heads, pre-programming and 112-channel capability, Yancy maintains a "wait and see" attitude about the product's initial sales impact. "It's tough to get excited about it yet," he admitted, "until the software comes out this summer. Having come out of the video disc market, I'll believe it when I see it."

With some of the current Beta software now capable of being adapted for stereo, Yancy predicts that once additional stereo cassettes hit the market, Beta Hi-Fi should become a "mass market item after six months." For Toshiba, he said the category will be a "bit more high-end," with its stereo VCR ex-

pected to list for approximately \$899 when introduced this summer.

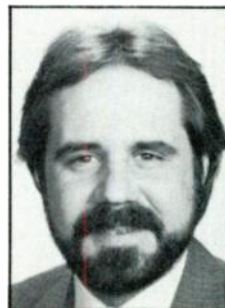
Look for summer introductions of new Toshiba portables, weighing approximately six pounds and offering 105-channel capability and wireless remote, and two new cameras. The first, expected to retail for approximately \$499, features a 4X zoom. The second camera will be a step-up model featuring a 6X zoom and an \$899 retail price tag.

According to Yancy, Toshiba's "video lineup is geared to increasing our distribution in a deliberate fashion. We're going to Japan and expect there will be some lengthy discussions about the direction we need to go in in this market."

In TV, Toshiba will market three different lines. The first, geared to the self-servicing dealer, offers one-year warranties and consists of 13- and 19-inch models. The leader model in both sizes will be mechanically tuned, while the step-up unit will feature 91 channels and remote, and the top-of-the-line system will offer 117 channels and a 10-key remote.

Non-servicing dealers or progressive department stores will be offered three different 13-inch models and two 19-inch systems. In 13- and 19-inch formats, Toshiba will debut an electronically tuned model and a 117-channel detachable remote. A third step-up unit will be available in the 13-inch category only. All of them will be covered by a 30-month warranty.

Finally, Toshiba will market its



Jay Yancy,
Toshiba National
Marketing
Manager

FST (Flat Screen series) models. To consist originally of four models, three of which will be 20 inches, the line also will be covered by a 30-month warranty and will feature stereo sound through detachable remote speakers. It also will include 117- to 133-channel capability.

Promotions for the line are a "little premature," at the moment, Yancy said. "We don't have inventory problems. Our units are selling off the sheet so we're not in a situation where we have had to dump goods, and (thus) need promotions. Right now, we're concentrating on moving up the introduction dates on our new products because our current line sold so well that our inventory hovers around 30 days."

Teknika Explores Options

Ray Penkola, Teknika assistant product manager, said it is too early to tell what new products will be introduced. New products were unveiled in January for both the Teknika and Citek lines and are expected to ship shortly.

Product predictions for June include a component television, monitors for computers and a CED video disc player. Also, Penkola added, as part of the Beta Group, Teknika could display a stereo Beta VCR.

Promotions include a recently developed P.O.P. display designed for Teknika's remote control cable tuner. It is being made available to

accounts purchasing any 10 units of either the 6301 or 6401 systems.

Sharp is shipping two component TVs that include the stereo amplifier and speakers, as well as the monitor, in a single package. According to Harvey Urman, national sales training manager, the summer lineup should include a new line of VHS VCRs. Targeted to the lower end of the market, the systems will feature new Sharp cosmetics. No promotion details had been completed as of press time.

Quasar introduced a totally new VCR line at the Consumer Electronics Show, according to a company official. This summer, though, the spotlight should be on TV. Nothing is official yet, but look for a redesigned look, probably along the high-tech lines most of the companies seem to favor, and some sort of component TV. Current promotions include a Quasar Spring Cleaning blitz.

Samsung cannot enter the VCR market yet, but it will be marketing new portable TVs. The line includes a 13-inch color remote, a 12-inch black-and-white and possibly a 9-inch color model.

With more VCRs to debut in May, RCA already has announced its first Hitachi-built VCR, a tabletop with plug-in portable recorder that will list for \$1,300. It features five heads, stereo record and playback, a 19-function remote and 7.9-pound removable recorder. A leader model, being sold open list, also will be marketed simultaneously. It is a wired remote unit featuring single-event/10-day programming.

The key this season at Pioneer Video is software. With 25 to 40 new titles awaiting a spring debut, the company will pursue actively a "sell razors for the razor blade" marketing policy, with no plans for additional disc players.

Sony is planning major promo-



**Stan Hametz,
Panasonic
General
Manager,
Consumer Video**

tions for Beta Hi-Fi. Although specifics are being tied up, look for a barrage of television-based promotions, including baseball tie-ins and additional department store promotions.

Plans for new Zenith video releases are under wraps until the annual May dealer meeting, according to a company spokesperson. "Talking about new products now would be jumping the gun a bit," he explained, but he hinted that new merchandising programs will be announced at that time.

Panasonic also will introduce a number of new VCRs in time for the June CES, but until then, Stan Hametz, general manager for consumer video, the company will focus on the replacement portable, BV6500, it introduced in January. A four-head, Dolby stereo machine with wireless remote, it will be paired with a brand new camera, the PK957. Designed to replace the current PK956, the camera offers additional features, including a stereo microphone, 8X power zoom lens and a simplified character generator.

Don't look for much in the way of Panasonic video promotions, Hametz continued. "Promotions for us are a direct result of mistakes, and thank God we don't have any mistakes. Every once in a while a few pieces trickle down, but we're bullish." □



**Harvey Urman,
Sharp National
Sales Training
Manager**

COMING NEXT MONTH

High Fidelity Trade News takes a complete look at Compact Disc players, with photos, specifications, prices and the distribution strategies of the 20 or so companies licensed to manufacture this exciting new technology.

In addition, Contributing Editor Norman Eisenberg will show you, the retailer, how to prepare yourself for your customers' questions about CD.

Tracking Video's Elusive Profit

Making a profit in video is possible, and suppliers offer tips on increasing margins in a competitive business.

By Marcia Golden

Are you tired of simply trading dollars for video equipment every time you make a "sale?" Are the margins you post on each VCR so low they give limbo dancers severe backaches?

The problem of extremely low margins is widespread, and manufacturers feel it as much as retailers do. Surveying a number of video hardware suppliers across the country, **High Fidelity Trade News** has tapped their collective marketing experience to bring you a number of ideas for adding points to every sale.

"Don't be the first to reduce the price of product," said Stan Hametz, general manager of consumer video for Panasonic Consumer Electronics Group. "Let someone else do it first. It will let you make a profit that much longer."

Bill Perine, assistant national sales manager for Teknika, offered these tips to retailers:

- Deal with a company that gives you a product you can make a profit on — not necessarily one that everyone else is carrying.
- Sell accessories. Sell the VCR and then sell the video enhancers, cleaners, cables and connectors to go with it.

"Sure you can trade a customer up to a more expensive VCR by capitalizing on the features," he pointed out, "but in general, there's not a lot of money to be made in a straight hardware sale."

"For example, a New York city retailer is lucky to make 10 points on a VCR. Accessories," he said, "make about 50% to 60%. Add two blank tapes, head cleaners and an enhancer to that initial VCR sale and you've added approximately 15 to 25%."

Jay Yancy, Toshiba's national marketing manager for video products, suggested a different tack:

"Look for lines that are more profitable, brands that aren't heavily dis-

tributed. Why compete with another retailer doing business off a 'laundry list'? Go with brands that give you some territorial protection.

"Also, maintain qualified, knowledgeable sales help. With a lot of customers shopping for the lowest of the low-priced retailers, having qualified sales help to help your clients distinguish between features and price could encourage them to trade up."

Emphasize Value, Not Price

The time-tested methods are also emphasized.

"Sell value rather than price," said Mike Wiggins, director of sales for Akai America. "I know that's easy to say, but I believe it's possible to accomplish that goal by becoming more familiar with the features and products and to use that knowledge to encourage consumers to step up from leader models."

Another idea comes from Robert Gluck, vice president of Fortune Star Products Corp., who suggested keeping an eye out for new products.

"Video, in general, is a very competitive market and it's difficult to make a profit," he said. "It's easy to get volume, but most of us achieve it at low profit."

"My suggestion is to be innovative. Constantly be on the lookout for new product. Buying the same old product at a cheaper price will not make you more profitable. The American public will always go for something different and pay any price to get it."

"As a supplier, I wouldn't go into 13-inch and 19-inch TVs, although as a retailer, I'd have to handle them. But then, I'd really promote my new items and I would rely on suppliers marketing interesting and unique items."

"Want my suggestion?" asked Jim Proud, Magnavox/NAP vice

president of marketing. "Raise prices!"

"Seriously, the key to profitability is to carry a representative product line on the sales floor and to spend time training salespeople to sell it. Encourage them to sell step-up models and not just the items on sale."

Ken Kai, president of Pioneer Video, said retailers should redirect their sales efforts. If they can't make money in hardware, turn to software.

"Since we are focusing our own efforts on software," he said, "I suggest dealers display as many video discs as possible with their players. We have found that consumers view video discs like records and purchase them much the same way."

"Many of our dealers are hardware-oriented and need to be reminded to get as much software out in front of the customer as possible, especially when the average purchase is two to three discs a month."

A spokesperson for Samsung Electronics America Inc. said retailers should "try to sell merchandise for retail. Merchandise it for what it means to the consumer in terms of value to that customer — not in terms of what it cost you to buy it. Too many buying groups make spectacular deals with manufacturers and then turn over the profit to consumers. If you saved yourself points, you don't automatically have to pass them on."

And finally, look at turning a single-item sale into a system sale.

"Not enough people are hooking together portable video systems in the store," said a Quasar spokesperson. "All of us like to see ourselves on television. Hooking up a video camera to a portable VCR and then displaying the entire package in the window will catch the eye of potential customers and passersby." □

Plug Into Higher Profits With Accessories

Turn a low-margin hardware sale into a profitable venture by demonstrating the benefits of add-ons.

By Dawn Gordon

Although video might be one of the fastest growing industries around, you may wonder why your profits are helically scanning themselves out the window. Many retail establishments have been frantically selling video hardware at rock bottom margins to keep up with the mentally disturbed discounters down the street, and that's fine. But the discounter is dealing in high volume sales and can get away with a 5%

markup. So how does the video specialist make money? By putting his sales pitch where the profits are, into video accessories.

Generally, the average VCR markup is between 5% and 15%, and that isn't much, especially if you have a storeload of desperate salespeople breathing down customers' necks in order to pay the rent. But, if Murray the salesman can persuade his customer to buy various care and maintenance products as well, Murray can feed his kids, and you can expect a margin of 35% to 50% on each item sold.

Actually, even discounters are taking advantage of the video accessory boom, and some of them are increasing their profits. I'm not saying you have to run out and order 6,000 varieties of cables, connectors, splitters and RCA phono jacks, and then change the store's theme to one reminiscent of Harry's Hardware Emporium, but a careful look at available accessories might be a good idea.

Ever since consumer video appeared seven years ago, various accessory manufacturers have cashed in on the revolution by sensing the consumer's needs and producing a complementary product. "The machine itself created the need," said Nortronics' international sales manager Peter Lang, "and the retail sale can only be completed when that need is satisfied."

It makes sense that if you bring

out a new product, there soon will be another new product to work with the first. In the case of the telephone, there are now any number of add-ons to go with it.

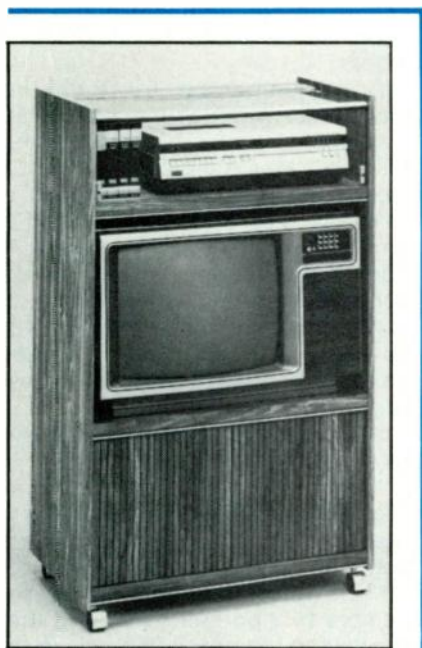
Besides their profit potential, accessories also can keep your customers happy with their video equipment purchases, said David Howe, director of marketing and product development for Discwasher. "By maintaining the customer's equipment with the proper accessories, the customer won't come back and complain that he was sold an inferior product," he suggested.

Because the video revolution is getting bigger every day, and also because the lower-priced VCR will cause sales to increase dramatically during the next few years, it might be a good idea to take a look at the various video accessories out there, and decide which ones you want to invest in.

Black Boxes

Probably the most interesting and popular black box is the video stabilizer (\$80 to \$175). As you probably know, most pre-recorded video tapes incorporate a copyguard signal that causes the picture to roll when a video dub is attempted with another VCR. This weakened synch is *supposed* to prevent piracy of copyrighted material.

The video stabilizer, when connected between two VCRs, corrects the problem and allows dubbing to



Gusdorf Corp.'s video control cabinet shows off components.

take place. Of course, it is illegal to make tapes of copyrighted programming, but it is legal for retailers to sell the stabilizer because it also can be used by consumers to dub their home-made movies and to correct picture roll and jitter on TV receivers. It's a good idea for the retailer to connect the stabilizer between two VCRs to demonstrate its usefulness to VCR buyers.

Image enhancers (\$150-\$300) are used to increase image clarity, brighten faded colors and eliminate white haze, all unfortunate symptoms of tape dubbing. The enhancer also improves any poor recording and can sharpen video camera images while shooting is in progress.

Any unlucky customer will gladly relate his misfortune at returning home from vacation to find his long-awaited archeological mini-series interrupted by menacing detergent commercials. You can make his day by selling him a commercial killer, as it is lovingly called. The commercial killer (\$150-\$350) automatically removes commercials during VCR timer operation, some by sensing the fade-out that occurs when a commercial is about to begin and others, which work only with black and white programming, by sensing the color signal and pausing the VCR. Almost all of these devices take a few seconds to stop and start the recorder, so there is a certain amount of lag time involved. However, most customers find this much better than a ring-around-the-collar narrative. Demonstrate this product freely also.

Other assorted black boxes worth noting include noise reduction systems, which subdue some of the hiss associated with video tape; color processors, which correct color and provide special effects like green hair and yellow eyes, and stereo simulators that recreate the real thing from a mono source such as a VCR or early CED video disc player. Both Vidicraft and Recoton Corp. feature a full-line of add-on devices to choose from. Some units are single function, and others provide multi-feature convenience, such as a combination image enhancer/color processor.

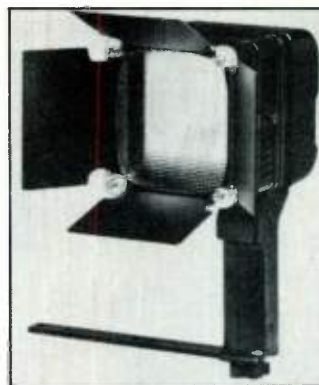
Signal Accessories

This next video accessory is the most useful one, it doesn't take up space, and its cost is fairly small (\$30-\$175). The RF switcher is a nice little device that conveniently switches between inputs and outputs. The RF switcher makes it easy to select the input of a VCR, video disc player, antenna, cable converter, video game or computer. It

eliminates the ubiquitous rats-nest of wires that often accompanies the above video gear and at the same time allows different sources to be routed to different TV sets. Most switchers will produce a small degree of line loss (3-7 dB) because they do split the signal, but the majority of homes with a strong signal shouldn't be affected. In residences with a weak signal, switchers will tend to increase the snow level. To

prevent this, and also to boost any weak signal, a signal amplifier (\$25) is the answer. This unit is sometimes called a mini-amp, and it boosts signal strength by about 10 dB. This usually will get rid of snow and afford a better picture overall.

This next scene will no doubt sound familiar: Mr. Cooper just bought a brand new video system from you. You sold him a VCR, video disc player and a super video game.



Build a new technology, and a plethora of accessories is sure to follow. Clockwise above: Berkey Marketing Cos.' Slik 312V video tripod; BMC's Omega-reflecta 1004FC fan-cooled light; & Vidicraft's Commercial Alert video black detector.

Left: Showtime Video Ventures' VV-4700P RF Modulator.

Below: Vidicraft's Detailer II VCR image enhancer.





Counterclockwise: Monster Cable's Interlink II with gold connectors; Koss' V.I.P. cleaning cassettes with disposable cartridge; BMC's Halliburton custom video cases; & Microfidelity's Nagaoka cleaning tools.



The next day he enters the store and begins to whine in your ear, "I have cable TV and my converter box prevents me from watching one channel while recording another, and I can't use the programmable timer on my VCR. What am I supposed to do?"

Instead of screaming, simply suggest an up-converter, and the problem is solved. The up-converter (\$30-\$75), sometimes called a block-converter, relocates all VHF and cable channels to UHF frequencies that the VCR tuner can pick up easily. This approach restores a TV receiver's remote control capability and, when paired with an RF switcher, completes the package. The up-converter is a small device, and it need not be displayed on the selling floor. You simply can suggest it when the opportunity arises. Cable TV is growing rapidly, and up-converters will be an item in constant demand. Companies such as Rhoades, Bambi and Cable Works manufacture the latest in video switching technology.

VCR Maintenance

The next set of accessories to keep in stock are low in price but high in turnover. These staples are care and maintenance products, and they no doubt will move fast if you place them where the customer can find them. A bulk eraser, for instance (\$50), will erase an entire tape in seconds and can provide a cleaner tape than a VCR's erase head. Video head cleaners definitely should be included on your shopping list. They come in all sizes and shapes, and some are better than others. Head cleaners are available in kit form, and the customer must open his VCR to use this type. Other cleaners are in cassette form with

specially treated tape or cloth, and some manufacturers use a wet solution.

Discwasher is a company that recently went into the video maintenance arena, and it is offering both Beta and VHS cleaning cassettes, as is Allsop Inc., with its non-abrasive wet cleaning system. A new idea comes from the Koss Corp. whose unique VIP cleaning cassette features a replaceable pre-moistened cleaning cartridge that is thrown away after each use. The company is offering a 10% discount on the cleaning system in a spring promotion lasting through the end of this month.

Nortronics is another well known video accessory supplier, and this company produces demagnetizers, cleaning kits and a cleaning cassette, which now is featured in a promotion.

Storage Accessories

Consumers will always want their video libraries protected from humidity and dust. Fortunately, manufacturers have thought of that and offer an assortment of dust covers, storage holders and cases. These are easy to sell and often are considered an impulse shopping item. So, keep them out in the open, and be sure to stress the convenience and protection these products provide.

Cables & Connectors

The last, but not least, set of accessories you should be aware of includes cable, connectors and splitters. These items can be displayed on a pegboard and will be needed when customers purchase VCRs, video disc players and black boxes. Some cables are pre-packaged with F-connectors at each end, and this

makes them simple for your client to use. But you also have the option of buying a roll of your own cable and attaching connectors for the customer at the exact length he needs. Your profit can increase dramatically with this practice, and the consumer won't have to pay for more cable than he requires. Some retailers even add a small charge for attaching the F-connectors to custom lengths.

Two companies whose roots were founded in the audio field recently have begun looking toward video and are supplying connectors and cables. Discwasher and Monster Cable both manufacture high quality products. Discwasher has cables with separate shielding and grounding and offers gold plated connectors. And, as you might have guessed, Monster Cable provides Interlink II, heavy RCA cables with 24-karat gold plated connectors designed for direct audio and video inputs. This company offers special 18-karat plated adapters in F-connector and UHF configurations that fit over the RCA phono pins. The cable is available in 250-foot spools, and a special kit is provided for each connection of the separate RCA pins to the cable.

No matter how you look at it, accessories play an important role in your profit share. Between the various promotions and high mark-up potential, video accessories can pave the way to a more lucrative business overall. Video is growing at a fantastic rate, and you might as well cash in on a good thing. So, the next time Mr. Jones wants a commercial killer to prevent a cat litter ad from ruining an otherwise perfect recording, pull it off the shelf and ring it up. A higher profit is certainly better than a messy litter box. □

Richard Gere & Louis Gossett Jr.
in *An Officer And A Gentleman*

\$39.95

Is There A Sell-Through Market For Video Software?

Some pre-recorded home video producers are optimistic about early experiments with the \$39.95 price point. Others, however, are more skeptical.

By Karen Donde
Assistant Editor

Problem: If Paramount Home Video can sell 2.8 times as many copies of *An Officer And A Gentleman* at \$39.95 each as it could have at \$79.95, it will have achieved the same amount of net revenue as if the cassette had been priced at the higher level. Judging from past experience, the company estimates that it would have sold 30,000 copies of the video cassette at \$79.95 before the rental market reached its saturation point and sales leveled

off. Three weeks after the cassette's introduction at \$39.95, Paramount reported initial orders at 79,793 copies.

Question: How many video cassettes would have to be sold at \$39.95 by all home video producers in order to unleash the profit potential of a completely sell-through pre-recorded home video market?

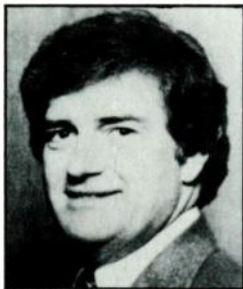
Answer? Just as a math teacher might find 10 different answers to this problem if it were included on

an algebra test, the real-life experiment being launched by Paramount Home Video and some others in the pre-recorded home video market is producing a lot of: I don't know's, We'll wait and see's, All of them's and The price will have to go lower than that's.

When Paramount Home Video announced its first "price sensitivity test," the release of *Star Trek II, The Wrath Of Kahn* at \$39.95, company officials were hoping to determine at

what price people would buy pre-recorded video cassettes to keep rather than rent for a one-time viewing.

"What all of us in pre-recorded video saw happening during the past year and a half was sales of between 2 and 2½ million video cassette recorders, and yet sales of pre-recorded video were flat," said Richard B. Childs, vice president and general manager for Paramount



Richard
Childs,
Paramount

Home Video. "Pre-recorded prices were spiraling and we were creating a rental market ourselves."

Childs said the company believed it had to convert the business to a healthier sale/rental ratio, because if rentals continue to dominate the market it might begin to look like the 16mm market, where movies were rented for anywhere between \$200 and \$800 each, largely to schools, shown several times and then returned to the distributor. And that market, he said, has almost died out.

"We wanted to see whether pre-recorded video can be a sale business before entertaining any other rental ideas for boosting revenues," he said.

So far, results have been promising. According to Childs, the \$39.95 *Star Trek II* achieved its \$79.95 revenue equivalent at about 80,000 units sold, and it now is approaching 120,000 units sold. That is nearly 40,000 cassettes that Paramount believes it never would have sold if the cassette had been marketed in the price range of other feature film releases.

Even with that test's initial success, however, the company was not ready to declare \$39.95 the magic price point. "We had been criticized in this experiment because *Star Trek* was viewed as a kind of 'cult' film with a built-in market," Childs said. So the company launched what it calls Phases 2 & 3 of the price testing with *An Officer And A Gentleman*. "We tried a different kind of title to see if it would be as collectible, and we also decided to test two price points."

The "raw costs" involved in producing the video cassettes allowed Paramount to price the Beta version

of *Officer* at \$29.95, while the VHS version stayed at \$39.95. Although Childs agreed this was not the best test situation for the less-than-\$30 price point, he said it was the best the company could manage, given the costs involved.

Paramount researchers have not yet released any sales comparisons for the two different price points, but the overall number of initial orders for *Officer*, which was 16% higher than the opening order for *Star Trek II*, have been convincing enough that Paramount has decided to continue the experiment.

"We are looking at our catalog now to find titles that we believe still have collectibility, and we will be putting them back on the market at prices in the \$39.95 and \$29.95 range," Childs told **High Fidelity Trade News**. Such titles include *Star Trek: The Motion Picture*, *Airplane* and *Grease*, so far.

Beyond that, Paramount will take "one step at a time," based on the success of *Officer* and the re-released library titles, and "may decide to continue the trend. At this point," Childs said, "it looks very favorable."

One of the most pleasing results of the experiment, according to Childs, is that retailers who relied largely on rental fees for their profits have educated themselves about the value of sell-through. "We have found that distributors, wholesalers and retailers have earned more on these titles than on others, some distributors earning a third more, because of the increased volume of sales," Childs said. "Some of the rental-only people have told us that *Star Trek II* was the only title they had ever sold."

Could It Be Magic?

Whether Paramount's extraordinary results are functions of finding the magic price point, or whether they also relate to the popularity of the titles, are two questions that have led other home video producers either to conduct their own experiments or sit back and watch what happens.

Embassy Home Entertainment released *Blade Runner* at \$39.95 in Beta and VHS at the January CES, and at the end of its first full week of release in late February, shipments had exceeded more than 50,000 cassettes. "That gives us the fourth highest initial sales for any title ever released," said Robert Cook, vice president/sales. "We were exceeded only by *Star Wars*, *Star Trek II* and *An Officer And A Gentleman*."

Cook said what is important about this release is that the title itself is

not of the ranking of the "super titles." It had a respectable theatrical release, although nothing like *Star Trek II* or *Officer*, he said, but it has had a "super" video cassette release. And that Cook attributes to the \$39.95 price.

"We bet that we would have double the sales, perhaps triple, with this cassette," Cook said. Already Embassy has sold more than twice what it normally expects to "take out the door" with an excellent release.

At this point, Cook sees \$39.95 as "definitely a trigger price" in convincing consumers to buy rather than rent video cassettes. He said he believes it may take legislation to move the market entirely away from rental, but that if the industry can offer the consumer an attractive alternative to obtaining the product through pricing, that will be the ultimate factor in establishing a sell-through market.

"There will always be those stores that rent, simply because they are in the 'rental' business," Cook said. "But if we can create a means for dealers to sell-through the product, then their gross revenues will be increased, along with those of everyone up and down the distribution chain. We will be providing a better value for the consumer and better operating revenues for dealers, distributors and ourselves."

Right now, he said, \$39.95 represents a substantial reduction in the price consumers expect to see for pre-recorded video, one worth paying for, but as for a next big price point, "Who can predict it?" In the long run, Cook sees prices for pre-recorded video headed downward. "We're betting on it," he said, and added that he anticipated Embassy would be making an announcement about another new product at a similar price point within the next quarter, probably around the summer CES.

Even with his enthusiasm for the success of Embassy's pricing experiment, Cook remains cautious about extending the \$39.95 concept to the entire pre-recorded line. "When non-feature films or non-hit product is released at a low price, it has a tendency to be seen as simply a bargain price, rather than the super value associated with those hit films or those with star quality," he warned.

While some other home video companies speculate, like Cook, that the \$39.95 price point can be successful only on a limited scale with "hit" product, Warner Home Video is testing just how far it can go with its own sell-through experiment.

A company spokesman reported to HFTN in February that Warner was launching a "Spring Fever" promotion in which it planned to release 22 previously released titles, which sold originally for between \$54.95 and \$74.95, and three new titles at \$39.98 for both VHS and Beta formats. The spokesman said Warner wanted to test the feasibility of product sell-through on a range of titles, some "super hits" that already have sold well in video cassette, and some others that haven't sold as well.

Included among Warner's library re-releases are *The Amityville Horror*, *Bonnie and Clyde*, *Bullitt*, *Caddyshack*, *Cool Hand Luke*, *Deliverance*, *Dressed To Kill*, *East of Eden*, *Four Friends*, *The Great Santini*, *The In-Laws*, *Jeremiah Johnson*, *Klute*, *Love at First Bite*, *Monty Python's Life of Brian*, *The Prisoner of Second Avenue*, *Private Benjamin*, *Rebel Without a Cause*, *Soup for One*, *10*, *Time After Time* and *Wolfen*.

The new releases at \$39.98 are *Force Ten From Navarone*, *Piranha* and *Rock 'n' Roll High School*.

Going Even Lower

Another company planning to experiment with lower price points is Media Home Entertainment. Paul Culberg, vice president/national sales, currently is reviewing Media's catalog with the aim to reduce catalog prices. He added, however, that Media has had lower prices in its catalog for years, many at \$39.95.

Now Media plans to go a step further. "We hope to have 50 titles at \$29.95 by the end of June," he said, but added that the success of those efforts depends on whether rights holders will cooperate by reducing royalty costs and whether initial price reductions provide good sales results.

Culberg said he also is considering lower prices on Media's "hot" new product, such as the recently released *Muscle Motion*, an aerobic exercise tape featuring the Chippendale men, which was previewed at the January CES and sells for \$39.95. Response to that release has been "incredible," Culberg said.

Although the Media spokesman said he expects a sale market to develop for pre-recorded video eventually, he suggested that to make it truly a collectors' market, the price must be even less. "That \$39.95 is now a market triggering price, but it is not necessarily what will be the hot price at the end of the year," he said.

Even in that sale market, certain titles, particularly those with limited theatrical exposure and no star name, will continue to rent for a long time, Culberg predicted. But he is confident that those dealers who now only rent will look increasingly to sales as a viable revenue source. "As interest in buying video cassettes increases with the new lower prices, retailers will see their inventory turning, and they will recognize that their profits on \$40 sales are greater than on \$5 rentals."

The X-Rated Market

The adult video market also is looking at lowering price points. Video-X-Pix, which released *The Erotic World of Angel Cash* recently at \$39.95, has received pre-orders of about 15,000 cassettes, according to company spokesperson Marcia Kesselman. She said that compares with about 2,000 initial orders for most other X-rated video cassettes, priced regularly around \$80-\$90.

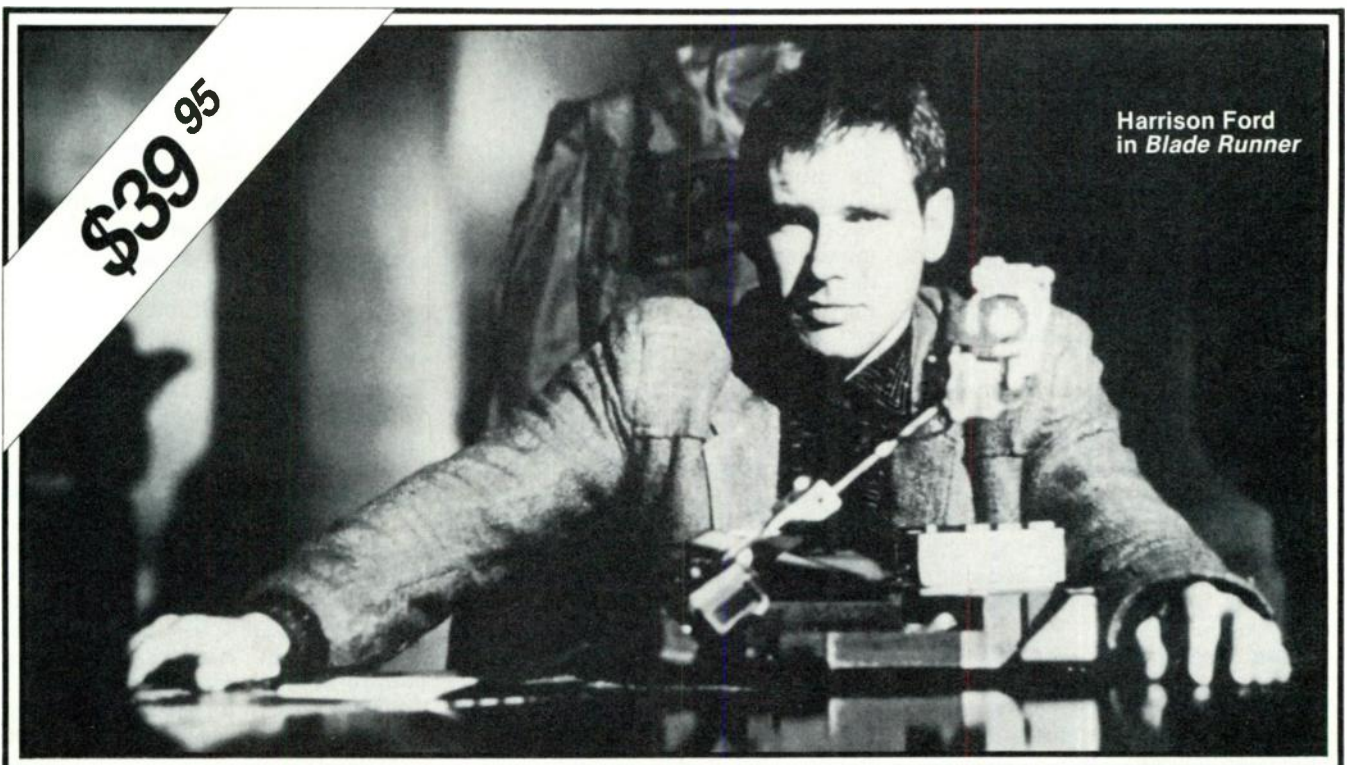
According to Ms. Kesselman, Video-X-Pix launched the experiment "hoping to increase retailers' abilities to stock enough product that they can sell and rent. A retailer now can get two of these cassettes for what he paid for one before and can make his own choices about renting or selling."

She added, however, that the company will "wait and see what happens" before reducing its prices on any other titles.

Another adult video distributor, Select/Essex Video, is watching its competitor's experiment for results but is viewing cautiously the possibilities for stimulating a sell-through market for pre-recorded video by reducing the price.

"We have considered lower prices, even before Paramount came out with *Star Trek II*," said president Bud Schaffer. "And we are still considering it on some new titles that were bigger theatrically than *Angel Cash*, but I see only two advantages to the lower pricing."

One is simply to attract attention



to the company. "It gets good press," he said. The other is the creation of a larger sell-through market for adult video than exists now. But, he added, the success of that venture is doubtful. "It makes sense with a big product," he said, "but if the price of all pre-recorded adult video were dropped to \$39.95, eventually people would gravitate toward renting again, except that all the numbers would be lower."

Most retailers, he suggested, would follow "the course of least resistance" to turning a profit. And the easiest way to profit from pre-recorded video is to rent it. Many adult video retailers, he said, "are simply doing the best they can. Most are Ma-and-Pa stores out to make a profit, based on little retail back-ground and little awareness of merchandising. They will do what they



Bud Schaffer,
Select/Essex

have to do to survive, which is spend the least time possible with a customer to generate income."

Proceeding With Caution

Schaffer's questions about whether the lower price point will be the sell-through agent it is intended to be are shared by Robert Blattner, vice president and general manager of RCA/Columbia Pictures Home Video. Right now, RCA/Columbia Pictures Home Video is not releasing any new titles nor re-issuing any library titles at \$39.95, but, Blattner said, "we are monitoring the competition's efforts very carefully. We have started talking to our distributors and retailers about the pricing move and just have begun a market research project."

Blattner said retailers like what is happening with the less-than-\$30 releases so far, but warned that it is hard to extrapolate results based on the two titles Paramount released to the entire industry. "These titles are the cream of their offerings," he said, and most suppliers consider themselves lucky if they have one or two of those a year.

Blattner said he also wonders with how many new titles producers can reach that level of equivalent revenues and whether the trend will carry over to library titles. "There are

only one or two out there now as new items," Blattner said. "But if everyone brought out all their new releases at that price point, would



Robert Blattner,
RCA/Columbia

we all reap the same benefits, or would we just lower the price and profits for everyone."

The RCA/Columbia Pictures spokesman chose not to make a prediction about the answers to his questions and what they might mean to the pre-recorded video industry.

Walt Disney Home Video also is waiting before dropping any cassette prices, but executives there seem to have their answers, and they depend on legislation that would revise the "for sale" doctrine in the federal copyright law.

"We have concluded from what we have seen worldwide that the vast majority of consumers, the vast majority of the time will continue to rent rather than buy video cassettes," said Ben Tenn, Walt Disney Home Video vice president. He said most of the home video material being produced now is designed to be watched only once.

"Two things are required to encourage the purchase of video cassettes," he continued. "One, is it watchable over and over again? And second is a lower price." He said regardless of how low the price gets, people will still want to rent most home video.

Disney believes that the key to maximizing sales lies not in eliminating the rental market, but in finding ways to participate in it more profitably. "Lower retail prices don't address half of our business," Tenn said. "Therefore, our effort has been to revise the 'for sale' doctrine to allow us to sell certain cassettes as well as maximize and share in rental opportunities."

Changes that Disney and other proponents are suggesting would allow the video manufacturers to determine, up front, whether a cassette is available for rent, a power that they have in all other formats in which they are involved, Tenn added. He said this change would allow video producers to set lower prices to encourage consumer sales

and to develop new ways to price and distribute the rental cassettes.

For example, once the producers specified which cassettes could be rented, those copies could be made available for, perhaps, a two-, three- or six-month rental fee that Tenn believes probably would be lower than what retailers are now paying to buy a cassette. This, Tenn said, would allow retailers to have more for-rent copies in stock and generate more rental dollars during the peak demand period for a particular title. Manufacturers, who would be collecting continuing rental fees instead of the profit from a one-time sale, could then afford to provide retailers with more advertising and marketing support, which would benefit everyone in the video software chain, Tenn said.

These changes were proposed during the last session of Congress as part of legislation that would put a royalty tax on video recording equipment and blank tape, but the federal budget kept the Senate and House from paying them much attention. This year, Tenn said, the changes to the "for sale" doctrine have been introduced separately, and he is hopeful they will be moved out of committee soon.

Tenn said it is not surprising that some rental dealers are objecting to this legislation. (See *AVA Battles Copyright Change* in February 1983 HFTN) First, he explained, it is a change in the status quo, and most people resist change, especially if the status quo is making them money. But Tenn said those resisters simply "don't know what they're missing."

Disney is looking at the long run, he said. "We expect home video to be here for a long time, whether in video cassette or some other form. And we must determine how to maximize the potential of our business."

"Understand that we are not against the rental of our product," he emphasized. "The realities of the situation show that the consumer is anxious to spend his money renting home video. But the only way to maximize the rental potential is through some sort of participation by the manufacturers."

And as for promoting sales, Tenn said Disney has one of the best libraries of potential sale product around, in terms of video programs that consumers will watch more than once. He suggested that a sale market could develop for some video cassettes, but that for manufacturers to be effective with lower sales prices, they must also address the realities of the rental market and capitalize on them. □

The Ultimate In Amplification

Are *audible* improvements in today's best equipment economically practical, or even physically possible?

By Ralph Hodges
Technical Editor

Barry Blesser, a governor of the Audio Engineering Society and a very seminal figure in the digitalization of audio, has just published a magazine article waving a red flag at some areas of high-fidelity design development.

Perhaps his major thrust is counter to proposals to increase bit capacity of digital systems beyond affordability and, therefore, beyond reason to gain something on paper that the ear will never hear. But he extends his argument to other areas of audio, where he believes the zeal to sell new product is being translated into the instinct to foment irrational dissatisfaction with existing product — which, in the end, encourages the consumer to buy no product at all for the time being, and to wait until the agreed-upon “ultimate” technology emerges.

Yes, the point is well made. The sticky part is this “agreed-upon” business (my words, not Dr. Blesser's). For example, to what extent is the audio industry agreed that some amplifiers and preamplifiers, expensive though they may be, are audibly

perfect? Where should improvements go to make amplifiers audibly (not technically, but audibly) perfect? At what point does an amplifier become too *inexpensive* to preclude audible perfection? Why aren't amplifiers with less than 0.1% distortion across the board perfect anyway?

There *is* no agreement. Some years ago, when very-high-power amplifiers were making their first impact (with complex protective circuits to keep them from immolating themselves), there was a general and justified consensus that many of them sounded disgraceful. Similar charges were leveled against preamplifiers, and particularly phono preamplifiers. At this point, cooler heads took an interest and determined that the signal heard from many high-power amplifiers was more protective circuit than amplifier, and that many preamplifiers were designed without real understanding of how they would have to interface with the outside world.

Conservatism

Then the cooler heads, having investigated the terrain and formed their conclusions, went their own various ways, leaving two problems in their wake. The first was how to design and sell a brand-new amplifier (or one meant to supersede a current product in one's line) if the public understanding was that many better-than-adequate amplifiers already existed. The second involved consumers who had discovered it

was possible to spend \$1,000-plus on a bad-sounding or unreliable amplifier, but hadn't yet had their disillusionment repaired by the sober revelations of the authorities. For a time they were inclined to believe that \$1,000 was not enough, and the expensive-amplifier business boomed. But then the money ran out.

Tight money notwithstanding, the amplifier industry forged ahead, and early in the game it discovered a formula that neatly dovetailed problems one and two. Sell conservatism was the idea. No capacitor or resistor, wherever it was put in the circuit, could be too good. No semiconductor device was above suspicion unless the circuit designer enjoyed divine guidance. No power supply was all it should be unless it could run New York's subway system. And vacuum tubes might, after all, be the answer.

Conservatism Consummated

The matter never really got out of hand (unless you were a glutton for techno-punishment), but it did veer toward some problematic extremes, and it still lingers around some theories that are not in the best of health.

Take negative feedback, for example. NFB (*see box*), an ancient concept that came along right after the development of the triode vacuum tube, made high-fidelity amplifiers possible and has been hailed as one of the greatest inventions of modern times. But like anything



Before joining HFTN, Ralph Hodges spent 10 years as technical editor of Stereo Review and a brief time as communications manager for Dolby Labs.

else, it can work well or poorly, depending on how it's configured. The earlier high-power transistor amplifiers, having to depend on rugged but rather slow output devices to function and survive, saw in NFB a compensatory mechanism for high-frequency rolloff that would otherwise take place well within the audio band at full output. So the amplifier designers poured on the feedback, and the critics started calling what they heard and didn't like not "transistor sound" but NFB-induced distortions.

Today NFB is something most amplifiers would like to have a minimum of (although it is rarely practical to eliminate it entirely), but it probably acquired its bad name through improper application (several amplifiers of the 1970s tried to do far more with feedback than was reasonable) and because manufacturers were so vocal about using heaps of it that it became associated with listener dissatisfaction. Nevertheless, no one would argue that an amplifier that can do its job without NFB isn't more desirable than one that requires it. So we now find ourselves in a low-NFB race rather than in a high-power race, and the open-loop characteristics of amplifiers are becoming more well behaved than anyone thought they

could be, as well as possibly more conservative than they need to be.

Be that as it may, the first question low-NFB-race participants had to ask themselves was how, with the barest minimum of feedback, to provide damping factor and frequency compensation and also keep distortion down to the levels to which their marketing departments had pretty much become accustomed. The answers that emerged were bewilderingly diffuse in execution, but in principle they fell into reasonably well defined categories.

1. Use class-A operation and spend money. Class-A biasing can make for a pretty well behaved output stage, and expensive low-tolerance parts and conservative circuit design can do the same thing for driver and input stages. How little feedback correction such an amplifier can get away with is up to the discretion of the designer. But what is clear is with their size, inefficiency and expense, pure class-A amplifiers are monuments to conservatism, trusting little to chance and nothing to the "easy way out." Prominent American examples are Levinson and Krell products.

2. Use two amplifiers in the place of one. Examples of this technology have been almost too numerous to mention, particularly if we include

the conditional cases, such as amplifiers that shift their bias points and supply voltages according to signal conditions, thereby amounting to two different amplifiers sharing the same signal path. The group grows even larger if we admit amplifiers that track the signal in order to vary their operating parameters continuously, thus in a sense becoming an infinity of amplifiers sharing the same signal path. However, most of these designs were undertaken in the interest of electrical efficiency and cost effectiveness. For example, the latest of them, the Kenwood "Direct Linear Drive" configuration (which really has two separate amplifiers in the place of one), makes no real claim for distortion below what is obtained from a conventional class-AB topology.

However, a special case of the two-amplifier scheme, called feedforward (see box), is intended to replace feedback entirely and to accomplish a little more as well. It fits the category because, unlike NFB, a feedforward loop requires gain and is often modeled as a second amplifier operating in parallel with the "real" amplifier. Variants of it have cropped up in Sansui and Yamaha ("Zero Distortion Rule") products, and if you stretch the semantics a little bit, the concept applies to the

Feedback & Feedforward

Take an audio signal and put it through a gain stage of an amplifier. To some extent, however small, the signal emerging from the output will be distorted. Tap off a bit of this output signal, invert its phase and feed it back to combine with the input signal. What this accomplishes is the "predistortion" of the input signal. Because the feedback loop samples the gain stage's output, it has a reference to what waveform deformations the stage will introduce. By feeding back with phase inversion, it imposes opposite deformations on the input signal, so that the mistakes the gain stage will make are pre-compensated for, and the ultimate output of the entire system — gain stage plus feedback loop — exhibits reduced distortion.

Emphasis is on the word "reduced." In its classical form, negative feedback cannot eliminate distortion without eliminating gain, making the amplifier a non-ampli-

fier for all practical purposes. Still, the concept of negative feedback was what made high-fidelity amplifiers possible in the vacuum-tube era, and it is still very much alive and kicking today.

With transistors and their tendency to become rather cheap and run comparatively cool, many new possibilities opened up. While a typical vacuum-tube integrated stereo amplifier had eight gain devices (using more was pushing your luck and pushing up the price), a comparable transistor amplifier employing integrated circuits could have hundreds — and more. This led, among other things, to the practical implementation of feedforward distortion correction.

A Powerful Concept

The basic idea (and there are variations) is to build two gain stages, side by side, that are driven by the same input signal. One distorts in its own special way, while the other distorts in an equal but *opposite* way. Combine the outputs of the two and the true gain contributions reinforce one another, while the distortion additions cancel perfectly. That, at

least, is the master plan. Getting it to work just right with a real, live amplifier remains a little tricky, but the concept is powerful.

Another distortion-correction scheme that might be called active negative feedback has been in the news of late. The idea here is to place a comparator loop around a gain stage that taps off a little of the input signal and a little of the output signal, matches the two signals in level and derives the difference between them, which is solely and entirely the distortion added by the gain stage. This difference then becomes a predistortion signal that is added to the input, and distortion once again goes away completely, without impairment to useful amplification.

Readers in touch with amplifier developments will note the several thousand omissions and oversimplifications in the discussion above, but I hope they'll not be too offended by them. As Threshold's Nelson Pass remarked recently, the best imaginable amplifier is a marvel of simplicity. But arriving at that ideal entails passage through many valleys of stupefying complexity. □

Threshold "Stasis" amplifiers, which in a sense apply feedforward through cascading in increments throughout the signal path and employ no NFB whatever.

3. Use power MOSFETS as output transistors. Theory suggests that a MOSFET is an ideal transconductance device and one that you can bias to any point you wish without risking its self-immolation. Moreover, it is fast (in some circuits it is too fast) and brute-force frequency compensation is not required. But the experience of at least some designers shows that a MOSFET output stage is not easy to drive and also that MOSFETs do not behave as linearly as might be expected. There are some fine amplifiers (the Hafler products come readily to mind) that thrive on MOSFETs, but other designers have deliberately stayed away from them.

4. Refine and refine. Although NFB may be commonly thought of as a correction for distortion-producing errors in the output stage, it is often looped around the entire signal path and used as a corrective for the whole amplifier. It so happens that negative feedback is not effective with certain types of output-stage distortion and is irrelevant there. Of late, some investigators have been reporting that the real effect of feedback in many designs is to fix up distortions arising in prior stages — distortions that could be vastly reduced without recourse to feedback if circuitry were sufficiently refined there. Ideas for refinement of these stages are springing up all over, and some of them are bound to appear in products of the near future, as some have already appeared in existing products.

Bettering the Breed?

Anything you can do to an amplifier to improve it a little is a gift to civilization. We all have our day-to-day quarrels with expensive efforts to squeeze out an extra one-thousandth percent distortion reduction in a design that is already at 0.001, but the ingenuity that results in this is often worthy of note and may find who-knows-what vital applications in the future.

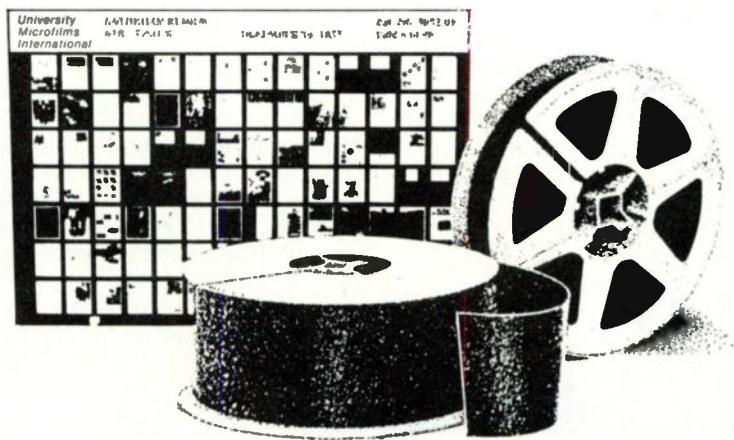
But can it be heard? At this year's WCES, Carver Corp. compared a modestly priced 200-watt amplifier with a horrendously expensive 25-watt class-A design of the most distinguished pedigree. The comparison took a classic form. Both amplifiers were loaded with devices simulating real world loudspeakers, and then taps were taken out, combined in anti-phase and used to drive an actual loudspeaker. Under these conditions, if the amplifier outputs

are identical, the actual loudspeaker shouldn't make a sound if both amplifiers are operating within their output capabilities. And it didn't.

Bob Carver had to make some trivial adjustments of frequency and phase to the 200-watt amplifier for the results obtained, but for his trouble he seemed to have gained (when the power-output disparity of the two amplifiers is considered) thousands of dollars worth of amplifier excellence. If you're inclined to take the Carver test as gospel (and it would be very hard, but not impossible, to fault it significantly), then you

may be justified in concluding that it's impossible to improve audio amplifiers, because audible perfection has already been attained in some cases. (This is assuming that if both amplifiers in the test were somehow imperfect, it is statistically unlikely that their imperfections would result in their sounding exactly the same.) I am not going to conclude anything just now, but it does appear there's evidence that, in future, bettering the amplifier breed will mean making it less expensive and more efficient, and not too much more. □

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The Greener Grass Syndrome

As manufacturers look into new distribution systems, retailers are looking for new manufacturers.

Mass merchant/discount stores, despite a reputation for sharp deal making, actually show surprising loyalty to their electronics suppliers.

According to a study by Venture Development Corp., a management consultant firm serving the electronics industry, more than 80% of the manufacturers handled by these stores have been carried for three years or more. This percentage is higher than that for any other retail category examined. Such constancy may change, however, as both manufacturers and retailers look more carefully at ways to extract more profit from their businesses.

Electronics manufacturers have been devoting more and more energy to the fine tuning of distribu-

tion. Whether, like Pioneer, a new dealer arrangement is developed, or more commonly, new territories, distributors or dealers are established, manufacturers are seeking to implement the most effective distribution strategies possible.

Retailers, for their part, are involved in a similar process. In an effort to develop the optimal product mix, retailers continually evaluate new product offerings and weigh the benefits of switching to new suppliers. Many retailers will be asking electronics manufacturers the question often heard in the garment industry: "What have you done for me lately?"

In its report, *Retailing Electronics Products to the End User*, VDC compares the distribution strategies of a number of consumer electronics and computer manufacturers and states that its study found considerable differences between them.

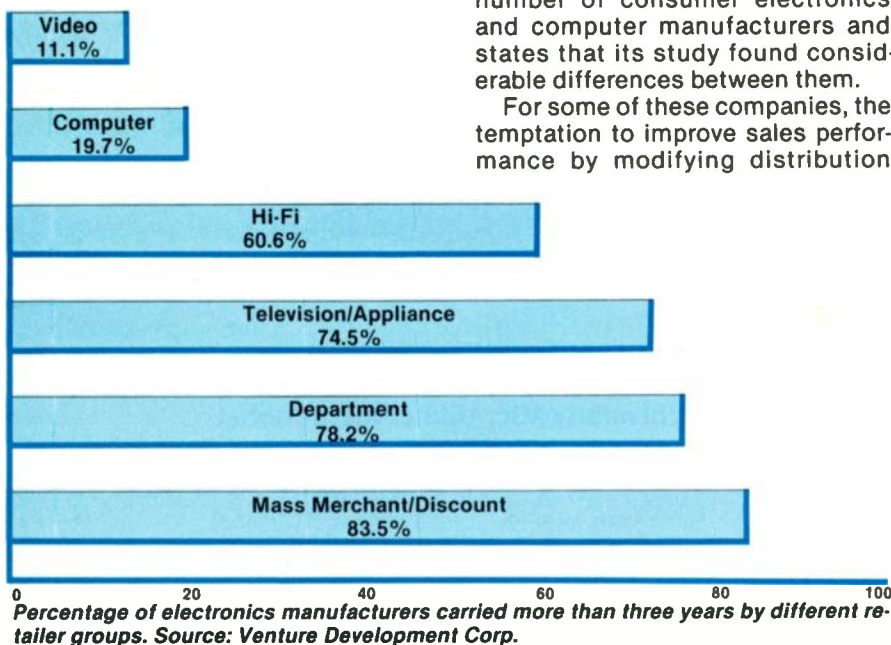
For some of these companies, the temptation to improve sales performance by modifying distribution

channels may be irresistible. Even as they envy the effective direct sales force of a competitor, that competitor may envy the cost savings of their own rep network. In general, however, manufacturers should be wary of major changes in their distribution channels; gradual changes are preferred.

Retailers are far more ambivalent in their attitudes toward manufacturers. While many indicate that they hope for long-term relations with their vendors, they also note that they are always on the lookout for something new.

VDC found that retailers of almost every type have developed an informal "tenure system" with regard to the manufacturers they carry. If a manufacturer is carried for a certain number of years, then it is very unlikely that the retailer will drop the manufacturer and add another. The greatest changes take place in those manufacturers that are handled for less than three years. If a new manufacturer offers exciting products with attractive margins, then it is likely that one of the "untended" manufacturers currently handled will be dropped in order to make room for a potential star.

An important exception to this pattern was found where there had been major personnel changes in retailer buying staffs. A new electronics buyer may wish to start fresh in positioning a store in the market. This attitude naturally will trouble those manufacturers that had built strong relations with the retailer. However, it offers considerable opportunity to manufacturers that can make a strong case but, thus far, had been unable to sell to the retailer.



Better Sounding Speakers Put Profit Back Into System Sales

Desperate times seem to call for desperate measures, but in fact attention to the same good practices that worked during good times in the consumer electronics industry will pay dividends now.

It might seem simplistic to say that the key to increasing the profit margin of system sales is to increase the average price of the sale. But it's true, and selling separate speakers in a mixed-brand system increases that margin even further.

Ten years ago, for example, the most popular price for a hi-fi system was \$600 — and the speakers accounted for about \$100 of that. Today the costs of doing business have more than doubled, but dealers still are pricing systems between \$600 and \$800. The average selling price of systems has clearly not kept pace with inflation.

Therefore, to be profitable today, the dealer and his sales staff must raise the expectations of the cus-

tomers — trade him up, and actually *give* him better sound for his money. Studies show, for instance, that if customers are offered a low-cost, low-quality system, a high-end system and a high-quality system at the mid-price point (about \$1,200), the customer will buy the mid-price system.

That's one message — the retailer must accept the fact that the new average system price should be around \$1,000. But *caveat emptor*: the real key to survival here is the number of dollars of profit per system, not just the margin.

This is where enhancing speakers makes a specialist retailer money. In themselves speakers are high-profit items. Backed up with reprints of favorable reviews handed out in your store, careful product demonstrations and a reputation for a consistent stock of reputable, high quality products, speakers can be a profitable single step-up sale.

As part of a carefully assembled system, however, the profit picture improves even further. Consider: a custom-assembled system that costs between \$1,000 and \$1,200 at retail will generate between \$500 and \$600 of profit. The speakers themselves, which retail at \$500 per pair, will generate at least \$200 of gross profit — at least half the profit of the system!

A system based on inexpensive speakers simply will not generate these figures.

And by the way, what a good audio retailer is really selling is specialization. His ability to evaluate and stock special styles of equipment and to put together the best-sounding system for the best price is his real stock-in-trade.

If he forgets that, he really has nothing to offer — it's his skill that keeps customers from using credit cards at department stores or shopping for price at mass merchandisers.

Automatic Music Relaxes Buyers

Managers of Brueton Industries, a manufacturer of quality living room and dining room furniture, agree with researchers at Loyola University that customers are more relaxed when listening to tempered background music.

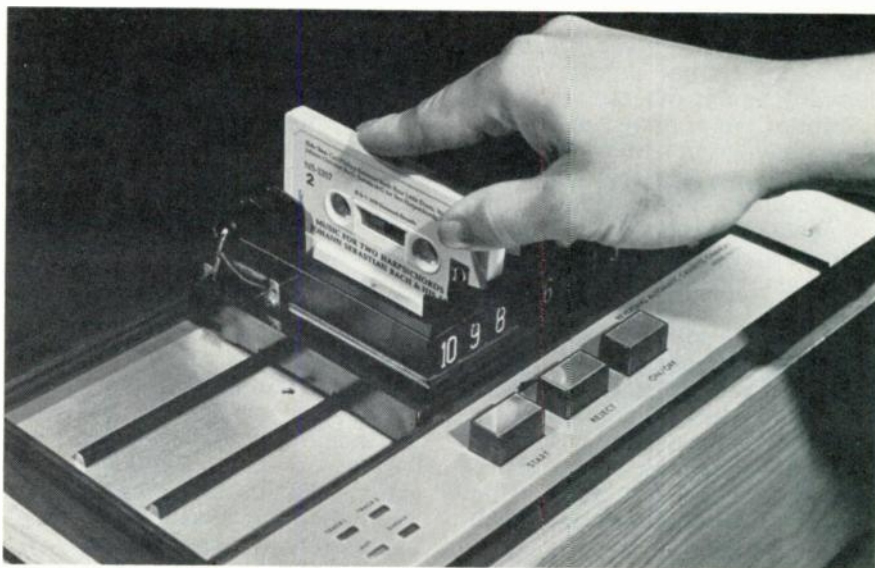
In a nine-week test, the team of Loyola researchers determined that slow instrumental music (60 beats per minute compared to fast at 106 beats per minute) upped gross sales more than 38%.

Brueton was hoping for the same effect when it purchased an automatic cassette changer to attach to its stereo system for use in its showroom in New York's Designer and Decorator Building. The model selected was the RAC-10 MKII DNR Automatic Cassette Changer by Benjamin Electropducts, which provides up to 15 hours of continuous music using 10 standard pre-recorded cassettes.

According to showroom manager Jack Rapp, the cassette player was installed because the store needed a convenient way to create a tranquil, comfortable atmosphere in which the sophisticated trade could

browse. "Once you select your tapes and turn on the changer, you don't have to touch it until the end of the work day," Rapp said. "In addition, the relaxing music is pre-selected to provide exactly what we want to hear."

Most of the music played at Brueton is contemporary instrumental, which, according to Rapp, "enhances and harmonizes with the showroom itself," and, as an added benefit, "helps to make our work day more enjoyable."



Once loaded, the automatic cassette changer needn't be bothered with all day.

Jensen Commits Resources To Audio+Video, Speakers

The Home Electronics Division of Jensen Sound Laboratories has launched two separate marketing support programs that it believes will help dealers with sell-through of its Audio + Video Components and its Concert Series line of home loudspeakers.

"We fully intend to provide our Audio + Video retailers with a fully coordinated marketing support program to help them ensure sell-through," said Chuck Wendt, director of marketing services for the Home Electronics Division of Jensen Sound Laboratories.

Liam Drady, the division's vice president/sales and marketing, noted that the company has invested in market research and product development for the line for several years. "We're not going to be satisfied with getting our Audio + Video Components out into retailers' stores and then taking a wait-and-see attitude," he said. "We're going to give our retailers as much support as possible."

The program includes a consumer ad featuring the headline "Jensen Introduces Goose Bumps," which describes the home entertainment experience offered by the Audio + Video Components. It includes a toll-free number to allow consumers to find out the nearest retailer and is featured in *Stereo Review*, *High Fidelity*, *Video*, *Video Review* and *Home Entertainment Quarterly*, among others.

Point-of sale items and floor salesperson information is provided with a 12-page, four-color brochure that includes photos, descriptions and specifications; in-store display furniture specially designed for the components; blue and silver plexiglass product identity signs and literature racks; a toll-free number for dealers to use when they have technical or operational questions about the components; a comprehensive guide for floor salespersons that describes the functions, operation and consumer benefits of each of the components; sales and technical bulletins; a retailer co-op advertising kit and a direct mail piece for retailers' use.



Modular furniture and point-of-sale items are designed to help retailers show off Jensen's Audio + Video System.

"This is the most ambitious retailer support program Jensen Home Electronics has ever undertaken," Wendt said, but added that its design presented some unique problems. "For example, when designing the ad, we were faced with the question of how to promote a new product line when many consumers don't even understand the concept behind it. We also were faced with having a brand name that has established a reputation for high quality home and car audio products, but had never before been associated with video."

"Our ad was developed in conjunction with extensive consumer research, which gave us information regarding consumer perceptions and buying habits," he explained. "Judging by consumer response, our ad dealt with each of these problems quite effectively."

Jensen's other new marketing program includes product literature and point-of-sale materials featuring the Concert Series line.

"Our Concert Series is designed for the first-time buyers who are looking for quality, reliability and value," Wendt said. "We feel that this consumer doesn't want us to exclusively talk specs. That's why our new Concert Series literature is written in language the nontechni-

cal consumer will understand. We talk about the high quality Jensen sound, our reputation for superior craftsmanship and our unlimited five year warranty, in addition to listing the specs for each model."

"The POS items include speaker ID toppers that describe each model," he continued. "Again, since we're targeting first-time buyers, the POS items are eye catching and informative, yet not highly technical."

Fuji Launches TV Billboard Ads

A series of 10-second television "billboard" ads has been placed by the Magnetic Tape Division of Fuji Photo Film USA Inc. The ads, which showcase Fuji audio and video cassettes, are running nationwide on nearly a dozen popular syndicated TV programs this spring, and Fuji expects to generate more than 2 billion impressions.

The ads complement the retailer support Fuji has been providing through its two rebate and sweepstakes promotions and display materials, according to Jim Auer, consumer products manager for the division. "The shows selected for this program have been carefully chosen to reach Fuji's prime tape-buying audience," Auer said. "They will reinforce our promotions, publicity and print media advertising so that consumers come to our dealers ready to buy."

Billboards for Fuji video cassettes are appearing on *Family Feud*, *Barry Farber*, *Greatest Sports Legends* and *F. Lee Bailey*. Audio cassettes are being highlighted on *Dance Fever* and *Midnight Special*. Both products are being featured on *The Grand Prix All-Star Show*, *The Racers*, live coverage of the Baja 100 off-track road race and the new TV special starring Roger Moore, *Salute to 007*.

Accompanying the TV billboards is a comprehensive national print advertising campaign continuing throughout 1983 in publications that Fuji believes reach premium audio and video tape consumers, includ-

ing *Omni*, *Penthouse*, *Money*, *Esquire*, *Video*, *Video Review* and *Rolling Stone*.

The Fuji Videotape Cash Clean-Up rebate program continues through April 30 and final requests must be postmarked by May 15. The Fuji \$1,000 Challenge continues through April 15. Final rebate requests must be postmarked by April 30.

Harmon Kardon Wins Its Challenge

After more than 3,000 individual tests nationwide that were part of Harmon Kardon's Cassette Deck Challenge promotion conducted from September to December last year, the company found that its top-of-the-line cassette deck, the CD401, achieved better specifications than 98% of the competitors' decks brought in by customers for testing.

In the challenge, which included a free audio clinic sponsored by Harmon Kardon at dealer locations nationwide, each consumer who brought in a deck had the heads cleaned and demagnetized. The frequency response, signal-to-noise ratio and wow and flutter were checked, then, using standard test equipment, the frequency response of the consumer's deck was measured against an off-the-shelf Harmon Kardon deck.

To emphasize the frequency response achieved by their cassette decks, Harmon Kardon has begun including a Frequency Response Data Sheet in the packaging of each cassette deck. The sheets chart results of frequency response testing for each deck and are signed by the technicians who performed the tests.

Mystery Shoppers Plan Dealer Visits

Beginning early this month, Akai dealers should be alert to shoppers asking questions about Akai products. One of them just could be the Akai Mystery Shopper, and if the question is answered correctly, the dealer will be awarded a special \$50 vacation kit and will be entered in a drawing for a week-long trip for two to Tahiti at Club Mediterranee.

The four-week program is part of a new national sales training program being administered by the Akai sales representative force on a market-by-market, store-by-store basis.

The instant winners' vacation kit prize includes a thermal twelve pack container, a canvas tote bag, beach towel, Frisbee, visor and beverage holders.

Giveaway, Drawing Spotlight Mikes

Continuing through June, Electro-Voice Inc. is giving away T-shirts and chances to win a \$3,700 EV PL microphone ensemble consisting of 13 mikes custom-fitted in a tour case, accessories and a limited-edition EV tour jacket.

During the promotion, purchasers of PL microphones can get a free EV T-shirt simply by requesting it on a special form available from retailers. No purchase is necessary for the EV drawing, which is designed to bolster spring store traffic and stimulate interest in the PL series.

The grand prize includes three PL80s, three PL77Bs, two PL95As, two PL11s, two PL9s, one PL20, two shock mounts, 13 cables, five windcreens, one mike mouse, one road case and the jacket. The 25 second-prize winners can choose between a PL76B or PL80, valued at \$177 and

\$216, respectively. The 50 third prizes are \$84 PL88s.

Electro-Voice is supporting the promotion with almost 700,000 national advertising inserts targeted at musicians and vocalists, a special buy-in package for dealers and specially created banners, posters, entry forms, etc., for dealers to use in their stores.

JVC Campaign Targets Color TV

A million-dollar marketing campaign designed to underscore its commitment to the color television market has been launched by JVC Co. of America.

Major national print advertising, local print campaigns, extensive trade advertising and point-of-purchase sales aids for retailers are all part of the Telstar color TV sell-through program.



Al Carrell, known to fans of his syndicated newspaper column and radio features as "Super Handyman," acts as disc-jockey for Videoland's live radio remote.

Live Radio Remote Spurs Video Sales

Hoping to increase traffic at its Preston Road store in Dallas, Videoland designed a live radio remote broadcast to promote the HR-C3U compact video system by JVC, and store managers still are talking about the event's success.

"(The remote) brought new customers into the store," said Videoland advertising manager Charlie Atchison, "people we had never reached before." He said the promotion also boosted the volume on JVC sales.

The remote took advantage of the

National JVC Treasure Hunt and local Rebus Hunts promotions, in which customers obtained clues to mystery questions at their local JVC dealers. If they answered the questions correctly, they became eligible to win a JVC Audio/Video System.

Pre-event promotion of the remote broadcast, done by WFAA Radio, included 60-second spots from 6 a.m. to midnight starting one week before the broadcast, which was Jan. 8 from 9 a.m. to 3 p.m. The post-promotion continued through Jan. 22.

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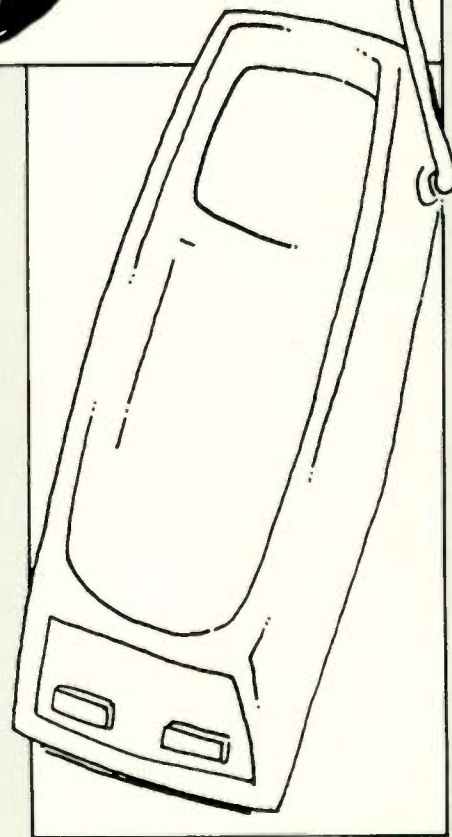
Ringin' Up Portable Phone Sales

Getting pulled away from a customer in order to answer the telephone always has been a problem. On the one hand, you don't want to ignore the customer who is calling, but interrupting a sales pitch may lose a lot of inertia that you've built up. That inertia might be lost forever.

That's why, if your store is carrying portable telephones, you should try using them. By connecting one in the back room to be used when a salesperson on the floor gets a call, two things are accomplished. For one, the call is taken, and the client calling is satisfied. Secondly, the customer on the floor automatically is shown the ease and practicality of a portable phone. To many people this will be their introduction to por-

tables, and such a demonstration leaves a lasting and positive impression. When you're finished with the call, you might complete the presentation on the phone before going back to the merchandise that you originally were discussing, and perhaps add a little something onto your sales invoice.

Remember to keep the phone conversations very brief; try simply taking the caller's name and number to call back later. In this way, your customers will not cool off, even though this new product is interesting. Select a long-range model with plenty of features. You'll need the range to overcome noise from lights and components, and you'll need the features when your customers ask about that neat new product.



Selling Separates To The Customer Who Is Upgrading

Separate components are visually appealing to the audio upgrader, and he usually realizes that with good quality separates he'll receive an improvement in sound as well as features. The drawback, of course, is that as attractive as separates are, they are expensive. The receiver owner suddenly finds that he must go from one component to *three* — each piece costing individually more than his modest receiver was worth. This leaves budget-minded up-graders faced with the prospect of merely going from one receiver to another fancier model.

Must a receiver up-grader jump from one component to two or three? Not always. By using the tape monitors or auxiliary inputs on the original receiver, we can help the system up-grader to inch into separates, one at a time. Actually, many older receivers were provided with pre- and power amp access jacks. These jacks, usually connected with jumpers behind the set, can be removed easily. Then a power amp or preamp can be connected to the receiver, expanding either wattage output or versatility for the system. Tape monitors must be used if there are no main-in, preamp-out jacks. Let's examine how we might couple a single separate to a receiver.

Tuner: Tuners are easy upgrades to add onto receivers and are among the most desirable. The modern digitally synthesized tuner not only outperforms most old analog receivers, but offers features heretofore unavailable, like memory presets and search functions. Tuners are often the first thing to fail on an old receiver, even though the unit's pre- and power amp are all right. A noisy, drifting or simply nonfunctional tuning element is often the reason why

a receiver is upgraded. Instead of offering that customer a new receiver, why not show him how to connect a tuner? Simply connect the tuner's output to the *aux* input on his receiver, and he's in business. Initially he might spend less than if he had bought a new receiver, and in the long run he's a step closer to a real separate system.

Integrated Amplifier: A person owning a working receiver can up his system's wattage and overall sonic quality by turning his receiver into a tuner. In this case, the receiver's *record out* jacks are connected to the amplifier's tuner inputs. Leave the receiver switched to tuner all of the time. The receiver's volume and tone controls will be defeated. It will function as a tuner only. The owner now has the use of a cleaner, higher wattage output section, along with more flexible controls. Later, he can upgrade the "tuner" as well. Naturally, a separate pre- and power amp combination will serve in the same manner as an integrated amp.

Individual pre- and power amps, if added one at a time, should be added only to receivers with pre and main input jacks. If the customer is unsure whether his component sports them, ask him to bring it in for your inspection.

Upgrading to separates in this manner is obviously not for everyone. But for certain customers, it offers a wonderful opportunity to build up a better system slowly and without incurring too large an expense at one time. As the salesperson, you'll wind up with a better educated customer who will be prepared to purchase a much more expensive system from you in the long run than if he had opted for that second receiver.

Benefits To System Owner

All Separates

Increased reliability with the use of higher grade components. If a single item like the tuner fails, the rest of the system will operate without it. Later upgrading is simplified compared with replacing a receiver. Manufacturers tend to install their most advanced innovations in their separate lines *first*, adding them to receivers years after.

Preamp

Cleaner, quieter circuits. Less background noise. Superior phono preamps than in most receivers, with flatter response and higher overload values. This gives the system less distortion. Preamps will accept more decks and signal processors, such as equalizers, than receivers. Taping is simplified by better dubbing facilities than with receivers, some of them very elaborate indeed.

Power Amp

Along with a more impressive dynamic range, newer and bigger amplifiers will increase a system's ability to receive musical detail and lessen distortion. Overload protection is generally better on amps than in receivers.

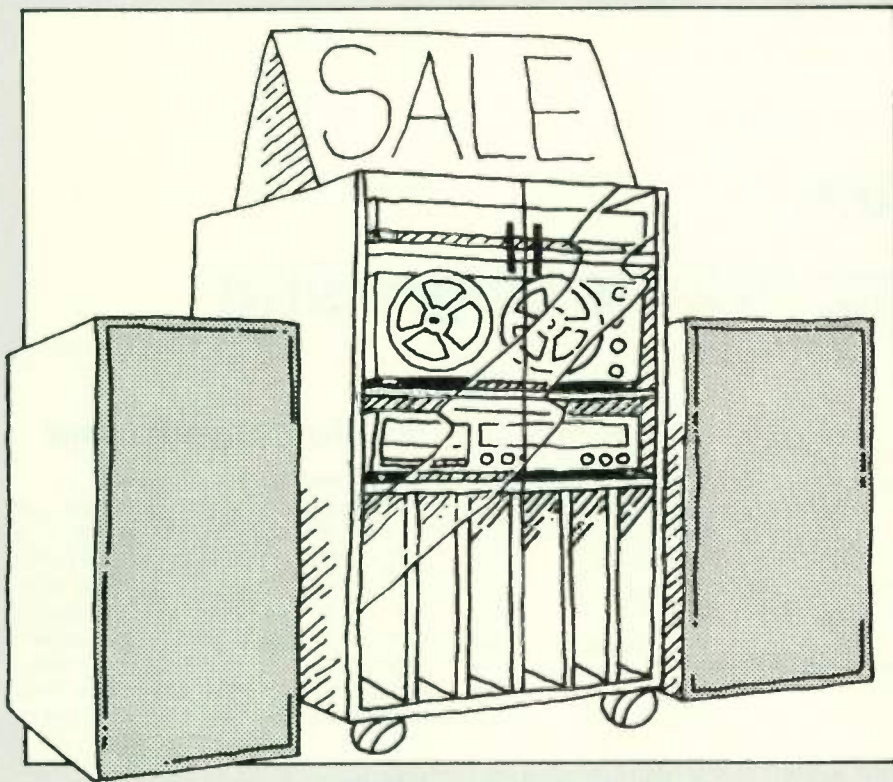
Integrated Amp

Same as Pre and Power Amps.

Tuners

Big advances in tuning circuitry have increased clarity of received signals while lessening FM hiss. Many new tuners boast high quality AM circuits as well — something generally ignored by receiver suppliers. Drift-free reception is now commonplace and very desirable. Preset, scanning and searching features make radio reception easier than ever before.

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Selling Rack Systems

While department stores and other mass merchandisers continue to report success with marketing racked, pre-assembled audio systems, the identical merchandise often sits unproductively out on the audio specialist's floor. It's curious that a collection of hi-fi components that are sold so well by the unknowledgeable clerk winds up a slow mover when presented by an expert.

The experts among us tell us that they'd rather sell a mix-and-match system rather than a one-brand because they feel that the quality is higher and that it's more interesting to sell components individually. Certainly these reasons are valid. Yet clearly there are quite a few shoppers who disagree. While the salesperson mixes and matches, they are taking home an assembled system.

It's true that many shoppers will choose a separately chosen system to a pre-assembled one, when presented both. Yet there are also many customers of all age groups

who peek inside your show rooms and then scurry off, frightened by the vast array of products and prices. These customers are daunted by fears of having to make decisions that they are unqualified to make. Making the wrong ones, they reason, will cost them money, create disappointments and cause embarrassment. While the salesperson may find the intricacies of high fidelity fascinating, the shopper might be interested in something else, like music.

While most of our customers still will want to make individual component choices, those who are looking for simplicity at least should be shown a matched system. Always qualify the purchaser to find out what his preferences are. Naturally, if he intends to do much adding on or upgrading, then a matched system is a bad idea. But if he doesn't care to make a hobby out of hi-fi, then try out a one-brand or pre-assembled system first.

Never show a detailed, mix-and-

match system first! The mix-and-match pieces emphasize exotic features and specifications, and steer your customer's thinking towards complexity. The racked system stresses simplicity, and virtually ignores specifications.

For example, the precise wattage of a given amplifier may wind up meaning very little, if it is sold exclusively with a certain set of matched loudspeakers. Pleasant sound, attractive packaging and ease of operation are important here. Once shown the system, the customer will either be attracted to these advantages or indicate that he wants more. If this is the case, then you would naturally step into the exotic area of your showroom and explain the advantages of mixing components.

By selling in this manner — showing the proper customer the matched system *first*, you will be doing several things. For one, you'll be qualifying a customer for his exact preferences. Also, you'll make hi-fi appear simple and less imposing for those who might be easily intimidated. Lastly, you sell these systems more quickly and save yourself a lot of time on the sales floor. A complete, hand-picked system may take an hour or more to select. Pre-assembled components can be purchased in 10 or 15 minutes.

Just because your shop does not carry one-brands is no reason to dismiss the one-brand customer. You can easily assemble some one-brand or mixed-brand complete systems yourself. Put them into attractive cabinets, hook them up to run, and tag them with a price that includes everything, including cartridge, cabinet and speaker wire. Use these systems as you would a one-brand. Stress sound quality and convenience, not specifications. It may help to tell your customer that you matched the components yourself. In this manner, he both benefits from your expertise and saves himself time and decision making. In the long run, you'll be making it easier for him to do what he really wants — go home with an audio system.

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Accessories: Demonstrate The Difference

Not only are accessories needed by your customer, they add profit and volume to your sales invoices as well. Unfortunately for us, most of our customers seem to obtain their simple accessories from the local record shop because the salesman neglected to emphasize their importance at the time of sale. This also means that many customers, ignoring instruction manuals, either wind up with inferior grade maintenance kits, or fail to use them at all. This situation eventually increases our own service headaches.

Many times the salesperson's accessory technique is no more sophisticated than writing up a turntable invoice, then asking, "By the way, need a new record cleaner?" No wonder so many people say "no." If you treat accessories as an afterthought, then the shopper will give them little thought, indeed.

Good accessories, their value and their use should be an important part of your original sales presentation. When you stress the importance of maintaining hardware properly, you enhance the aura of value about the product, indicating that it's valuable and worth the careful upkeep. By giving a quick, but complete explanation of how to clean and demagnetize a cassette deck properly, you add to your custom-

er's knowledge of the product and reinforce your own role as a worthwhile consultant. Even a simple record cleaner should be accompanied by an explanation. Tell the shopper exactly why you chose the particular model cleaner, and show him how to use it, along with some proof of its effectiveness: "See how much dust the pad collected? If left on the disc, we'd shorten the life of the re-

cord and needle." Sometimes, even a shopper who is only looking for loudspeakers will be impressed enough to pick up a good quality cleaner for his turntable.

When it comes time to write your sales invoice, your accessory additions no longer should appear as an afterthought, any more than your customer would neglect to add on a cartridge to his turntable.

Clippings Help High-Tech Sales

Trade journals and newstand magazines are full of articles describing the "soon-to-be" technology of the future. Included in this new technology are subjects like AM and TV stereo, and new, smaller, portable VCR formats.

These articles, when saved and bound into a notebook, can offer more credible predictions of things to come than any salesperson's pitch. People almost always believe the printed word.

By displaying store copies of some of these information pieces,

sales of higher-technology products can be aided. For example, when shown an AM stereo output jack, a customer may react, "Who needs an AM stereo adapter? There isn't any AM stereo, everybody knows that! And I certainly haven't heard anything about it!" Of course, we all know that the customer will know about AM stereo soon enough — why not keep updates on the subject around to prove it? Remember, customers are trusting you to suggest components that will stay useful for a long time to come.

Keep published information visible, along with highlighted portions that relate to your product offerings. These tools help your customer feel more confident in the investment that he is about to make.

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Exercising Abilities: Setting Goals For Yourself

We would all answer affirmatively to the question, "Would you like to be a better salesperson?" No matter how good we might be at our jobs, improvement is always welcome. Yet merely *admitting* that we'd like to sell more is hardly likely to produce much improvement. Specific improvements in product knowledge, sales approach, attitude and appearance are what will bring about long-term gains for us. Of course, even acknowledging these specifics will not bring changes, which is why the successful salesperson sets goals for himself.

Goals may be divided into two categories: long and short term. Long-term goals involve projecting job performance in terms of personal selling volume, profit and commissions. Basically, this is no different from what our managers and store owners do when they evaluate a store's performance and set new goals for overall sales for the future. But just like a store owner, we as individual salespeople only can improve our long-term performance by establishing and meeting smaller, short-term goals. It is a vague thing simply to say, "I'm going to sell more this week than last." Attitude and enthusiasm are certainly important, but smaller, specific goals better enable us to improve our performances a little bit at a time.

An example of a short-term goal would be in increasing our personal

closing ratio. While sales volume can be projected over weeks and months, daily volume is difficult to control, since we will see more customers walk into the shop on some days than on others. Our percentage of closes, however, can be figured on a daily basis, no matter how busy or slow the store is.

Your closing ratio can be figured easily by keeping track, in a pocket notebook, of the number of customers that you speak to during the day. Include each and every potential sale, counting multiple shoppers, such as a couple or family, as one sales attempt. Next, keep track of your closes. You can do this either by marking this down in your notebook, or by simply counting your invoices at the end of the day. Be consistent in your counting methods. Include *every* shopper or group of shoppers as potential buyers, even if you feel certain that they were "just looking." None of us is really *that* good at qualifying. For closes, include the number of actual invoices written — both cash and carry, and deposits. Exclude anything else, including those promises to "be back tomorrow" — you can't take them to the bank.

At the end of the day calculate your closing ratio by dividing closes by sales attempts. You may be shocked to discover that your actual percentage of closes is far lower than you ever believed. We all tend to remember those who bought rather than those who walked.

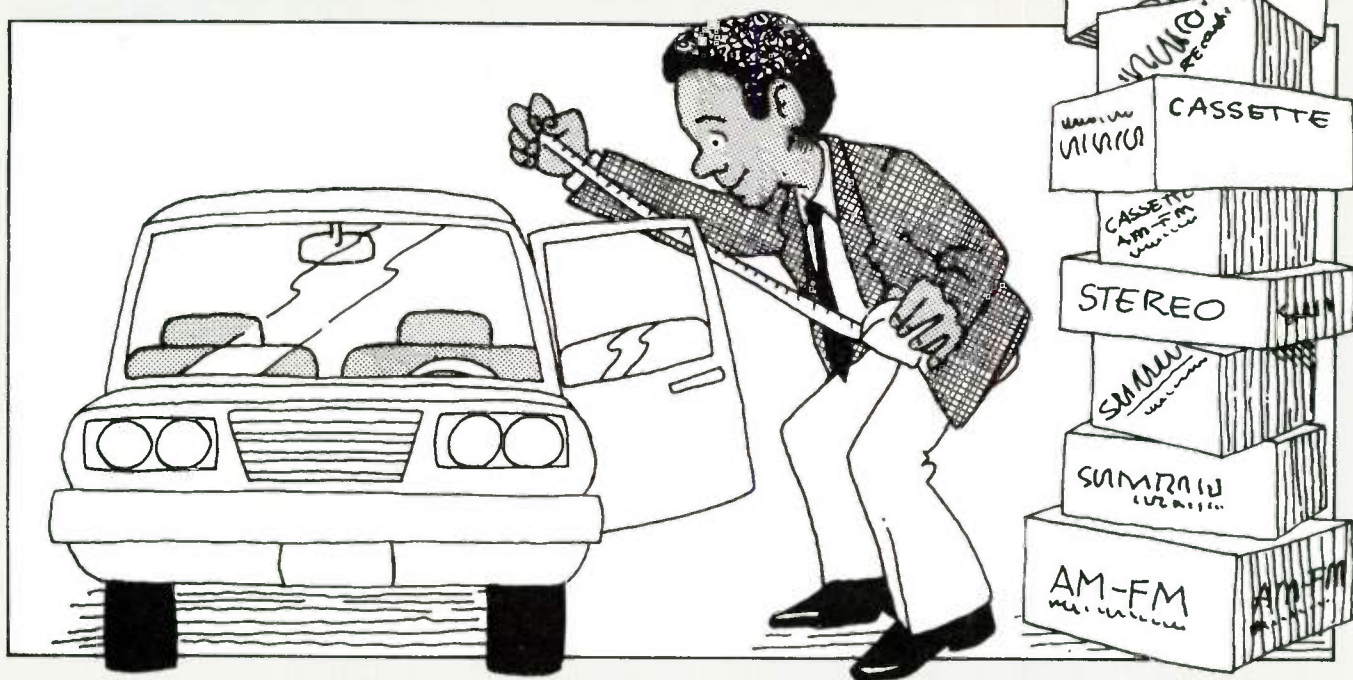
Next, examine that closing ratio — let's say you closed about 25%. How can you improve that ratio? Review those lost sales — did you ask for the sale properly? Did you present the correct merchandise? If the customer was undecided, did you really attempt to get a deposit? Work at establishing your weak areas, so that you can try to improve them. At the same time, set a modest goal — say, 30%, that you wish to average next week.

As you work to improve your closing skills, keep track of your improving close ratio, and keep that ratio in the back of your mind whenever you wait on a customer. You even may review your ratio more than once a day, say at mealtimes, to see how you're faring so far. By concentrating on this specific weakness and working harder to close, you eventually will meet your modest goal. Once accomplished, you can set your sights on a somewhat higher one.

Other goals that you can set for yourself include raising the average price for the phono cartridges that you sell, or upping the amount of tape that you sell with every audio or video deck. If there is a closeout on a product with a good commission on it, or if you have had only moderate sales success with a given item, you can target that merchandise with a sales goal for yourself, and try to meet it every week.

In setting improvement goals for yourself, the key is to look towards modest, but meaningful improvements. Impossible, out-of-reach goals will wind up frustrating you and will not bring you a feeling of reward. Too easy a goal, on the other hand, will not challenge your abilities. Just like your muscles, selling abilities must be really exercised in order to show much improvement. Remember, too, that goal setting never really ends. Whenever you meet a specific objective, your next task will be to maintain and then surpass it with a new one. Little by little, you'll find these many short-term goals will improve your sales abilities for the long-term.

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Small Cars Mean Big Sales

As spring arrives, so does the beginning of our autosound season. While older-car owners will continue to upgrade and replace their car components, new car owners are becoming increasingly aware of the financial and qualitative advantages of shopping the after-market. While this increased customer awareness will be bringing us more shoppers, the current crop of new cars is threatening to make our job more challenging as well.

Smaller vehicle sizes and fewer locations to place components mean more difficulty in designing a system. While autosound manufacturers are becoming adept at downsizing in-dash componentry and loudspeakers, compromises must occur. It is harder to fit a high-powered amp chassis into a Subaru than into a Delta 88. The loss in power and features on small chassis components is complicated further by the fact that the newer, smaller speaker systems tend to be less efficient than the old 6 x 9s.

This does not mean that the small car purchaser has to give up good sound quality. Indeed, better autosound components are available now than in previous years. The challenge now is to select and combine the right ones. Smaller vehicles have caused some car components

to make the jump from frills to necessities. For example:

Convenience features like auto reverse, tape search and station scan were all nice to have in our cars before. Today they are more than nice. Small dashboards mean that radios and tape players have fewer location options, often hiding beneath ashtrays, dashes and even in glove compartments. In difficult-to-reach spots such as these, the driver will come to view features like auto reverse as a must.

Separate power amps: Down-sized chassis often mean down-sized wattages — yet increased volume is something that lighter, noisier cars need. Fitting in an in-trunk or under-seat amp is going to be the only way to achieve low distortion and reasonable volume in some cars. This also makes preamp out jacks a very desirable feature on car components, since amps may be connected more easily and sound cleaner.

Equalizers are the only way to get smaller speaker systems to sound fuller. This is especially true when you realize that the popular bass chamber of the trunk is disappearing on hatchbacks, and in-dash

speakers have become smaller in diameter than those in clock radios. Speakers now hide behind seats, near the floor or up in pillar posts. Even the highest quality speaker will turn to mud when slapped beside the front seat. Graphic equalizers help turn this mud to music and should be demonstrated with most smaller car speakers.

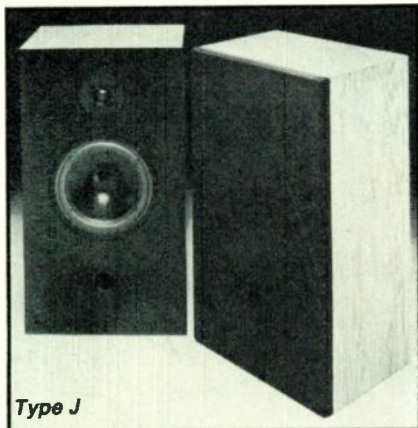
Extra speakers: People used to "add on" a second set of car speakers after using a single pair for years. Four speakers are becoming the norm, not the exception, as air movement is lessened by smaller diameter loudspeakers. Volume and low distortion really cannot be achieved by a little set of 4-inch coaxials. Bi-amping, a concept that has waned, may not be such a bad idea, many manufacturers are realizing. Extra speakers provide a car system with realism and versatility rivaling and surpassing older single-pair systems. Note too, that this makes the fader control a valuable feature to possess.

Careful choosing and installing of car components makes your job a little harder than it once was, but your services are that much more valuable. Sell more effectively, and sell more *period*, by selling the right stuff.

AUDIO

Mid-Priced Speakers

Snell Acoustics Inc. has priced its Type J and Type K loudspeakers at \$549 and \$395 per pair, respectively. The Type J offers frequency response of 50 Hz to 22 kHz ± 2 dB, power handling for up to a 150-watt amplifier, 8-inch long-throw polymer



treated curvilinear low frequency driver, 1-inch soft dome tweeter and a 23-by-13-by-10-inch ported oak or walnut enclosure, manufactured in Snell's own cabinet shop. The Type K, an acoustic suspension design, is the smallest in the Snell line, measuring 18½-by-10¾-by-8½ inches. It is designed to be usable with 15-watt amplifiers yet can handle 100 watts per speaker. Frequency response is rated at 70 Hz to 20 kHz ± 2 dB. It features an 8-inch long-throw woofer, crossing over at 2,300 Hz to a ferrofluid-filled ¾-inch dome tweeter. The Type K's oak cabinets also are made in Snell's shop.

Circle No. 125 on Reader Service Card

Low-Power Accuracy

Rated at 50 watts per channel, the ML-11 power amplifier was designed by Mark Levinson Audio Systems Ltd. to provide accuracy and reliability where less power is required. The ML-12 preamplifier was designed to utilize the ML-11's

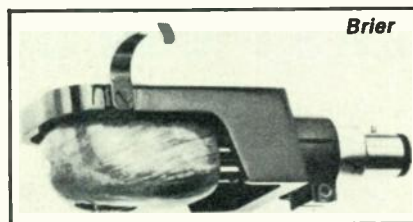


power supply and line amplification stage in order to allow the ML-12 to optimize its phono section performance and power supply regulation. The ML-11 can be used with any preamplifier and is designed to be used when the power output of the ML-3 or ML-9 power amplifiers exceeds the user's needs or the capacities of the loudspeakers. However, the ML-12 is designed to be used only with the ML-11, because it relies on the ML-11 for its line amplification and power supply. Suggested retail prices for the ML-11 and ML-12 are \$1,700 and \$1,200, respectively.

Circle No. 126 on Reader Service Card

Brier Root Cartridge

The Goldbug Brier phono cartridge being distributed in the United States by Omni Audio/Video combines moving coil technology with a sculptured wood body, a concept that resulted from research into material that would optimize natural



tonal quality as the envelope for its electro-mechanical components, according to an Omni spokesman. It is carved from solid, high-grade European brier root, uses a pure taper cantilever of aluminum with a fine grain-oriented elliptical nude block diamond and is mounted on a precision-machined black anodized aluminum headshell with a matching brierwood plate mounted on top to damp resonance and coordinate visually with the cartridge body. The Brier is available in limited quantities at a retail price of \$1,400.

Circle No. 127 on Reader Service Card

Direct Field Focus

Sumiko Inc.'s Talisman line of moving coil cartridges use the Direct Field Focus design, which eliminates all yokes and all but one pole piece, placing the magnetic field's exact point of focus at the coil. A samarium cobalt magnet provides a concentrated magnetic field that is pulled into focus by the front pole piece. Sumiko says this one-to-one relationship between motion at the coils and voltage at the outputs not

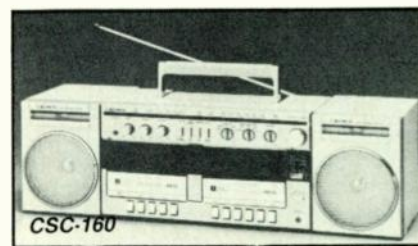


only reduces losses and fringing effects but also increases dynamic contrasts and improves linearity. The Talisman series uses a solid metal body, machined from a single block for maximum mechanical integrity and tapered for maximum rigidity. Internal air cavities are almost eliminated. The Talisman S features a sapphire tube cantilever and long line-contact, grain-oriented diamond stylus. The Talisman B has a boron tube cantilever and the same stylus as the Talisman S. The Talisman A features an aluminum alloy cantilever and nude-mounted elliptical diamond stylus. Suggested list prices are, respectively, \$300, \$235 and \$175.

Circle No. 128 on Reader Service Card

Four Portables

Crown Japan has added four portable stereo systems to its line, including its first two units with detachable speakers. The CSC-160 and CSC-150 each feature two 4-inch woofers and two 1-inch tweeters. The CSC-160, priced at \$219.95, has a double cassette mechanism with high-speed dubbing, power assist mechanisms in both cassette wells



and Crown Japan's Music Search system. The CSC-150, priced at \$79.95, has a single cassette deck with the power assist tape mechanism, but offers AM/FM and shortwave. Another AM/FM/shortwave stereo cassette portable is the CSC-68, which features "all front" operation. The slim line model produces three watts/channel and also has two 4-inch woofers and two 1-inch tweeters. It is priced at \$109.95. Crown Japan's "super-mini" radio/cassette stereo recorder is small enough to fit in a briefcase. The CSC-110 features two newly developed 2½-inch high compliance

speakers with heavy magnets for clear stereo sound, light-touch power assist mechanism in the cassette well, one-touch recording and metal tape capability. It is priced at \$99.95.

Circle No. 132 on Reader Service Card

Portable Line

The Contec portable audio line includes a 10-watt hi-fi mini-compact stereo radio/cassette recorder with detachable speakers and a digitally tuned stereo entertainment unit with matching speakers and 10 memories. The V-83 mini-compo FM



stereo/AM receiver puts out 5 watts per side to detachable two-way speakers with 3-inch woofers and 1-inch tweeters. A metal-ready cassette recorder/player features an auto-stop mechanism and oil-damped cassette-ejector. Suggested list price is \$199.99. The PS8300 home entertainment unit has matching speakers, soft-touch PLL-synthesizer digital tuning with 10 pre-set memories, a full-featured clock and DFT display for both time and AM or FM frequency, provision for stereo mike input and headphone output and two watts per side. Suggested selling price is \$239.99.

Circle No. 130 on Reader Service Card

Automatic Mike System

According to Shure Brothers Inc., the company's Automatic Microphone System represents the most significant advance in its field. Designed for use wherever speech-related multiple microphone setups are required, the Shure AMS is an integrated system consisting of complementary mixers and micro-



phones. In addition to sound reinforcement function, the AMS can be used for telecommunications, recording and broadcasting. The system consists of five basic compo-

nents: the AMS22 microphone (low profile), the AMS26 microphone (probe type), the AMS4000 mixer (four-channel), the AMS8000 mixer (eight channel) and the AMS880 video switcher interface. Multiple AMS mixers can be patched together to control more than 200 microphones. The design of the AMS permits each microphone to analyze its own sound field and discriminate between sounds that originate within its 120-degree window of acceptance and all other sounds.

Circle No. 129 on Reader Service Card

Singing Machine

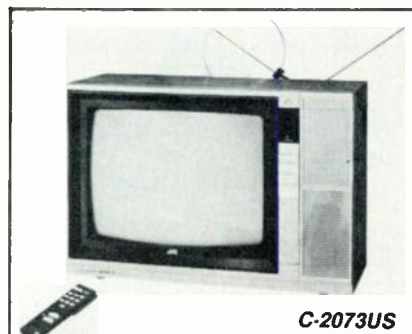
Hal Roach Studios is marketing a music reproduction concept that allows the "listener" to become part of the hi-fi experience. The Singing Machine audio components perform usual functions of recording and playback, but they are specially designed for singing along. A powerful PA and speaker system, printed song books, automatic selection capabilities for four and eight-track tapes, separate channel-in and mixing controls for tone, volume and pitch, three microphone jacks as well as the main wireless microphone allow users to make professional sounding recordings of themselves.

Circle No. 133 on Reader Service Card

VIDEO

High Resolution Series

JVC Co. of America says its three-model TELSTAR series represents the first major implementation of JVC's commitment to taking a leadership role in the color television



business. All three feature a new, high-focus, fine-detail picture tube with a multi-stage electronic lens and a fine-pitch, high-contrast fluorescent pattern that reduces the reflection of external light. They also have JVC's Electronic Eye, which is mounted on the front of the receivers, measures the amount of light in the room and automatically adjusts

both contrast and color so the picture is easy to see at all times. According to JVC the TELSTAR series also features improved speakers and electronics, plus wood cabinets to provide better sound than conventional TV sets. The top-of-the-line Model C-2073US also features a new comb filter previously found only in professional equipment, a direct audio and video connection and a newly developed electronic tuner, pre-tuned to 134 channels including Hyper as well as Mid, sub-mid and super band cable channels. It has a nationally advertised price of \$750. The Model C-2053US is advertised at \$620, and the C-2033US is advertised at \$550.

Circle No. 137 on Reader Service Card

Stereo/Video Interface

Audio Control's \$149 Video Audio Soundtracker-1 has joined the market of devices that interface with



home stereos to enhance video sound. It features a Dynamic Noise Reduction circuit, a 17-band stereo synthesizer and a five-band equalizer with frequency points specially placed for video sound.

Circle No. 139 on Reader Service Card

Microprocessor VCR

The VP5434UQ portable video cassette recorder introduced recently by Quasar uses a microprocessor to assign the four heads to the appropriate recording and playback modes. Quasar says this results in improved high-speed playback, still and slow-motion playback with greatly reduced noise and jitter. Expected to be available within the next two months, the unit features stereo sound, Dolby noise reduction and one-touch recording. It is compatible with all accessories previously introduced for use with Quasar's VP5420UQ.

Circle No. 138 on Reader Service Card

VCR Case

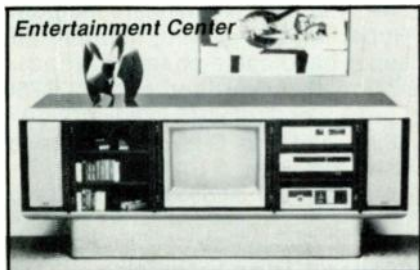
The TravelMaster VCR case can accommodate 90% of all half-inch VCRs currently on the market. Southern Case Inc. has molded it in high-density polyethylene and incorporated a unitary double-wall design that provides a rigid surface with a cushioning layer of air for protection between the inner and outer walls. Inside the case is a

cushion of convoluted foam. Recessed locking latches provide security. The TC 2375-2 is priced at \$89.

Circle No. 140 on Reader Service Card

Audio + Video Furniture

William Spiegel, president of Design Presentations Inc. of Skokie, Ill., has designed and constructed a cabinet especially for the Au-



dio + Video Components from the Home Electronics Division of Jensen Sound Laboratories. The enclosure is 8 feet long and 38 inches high and has a 2-inch radius edge. It features a black mirrored polyester finish with metallic silver trim and a chrome pedestal base. Doors slide back into pockets to allow operation and viewing of the components. The furniture is available by special order.

Circle No. 134 on Reader Service Card

AUTOSOUND

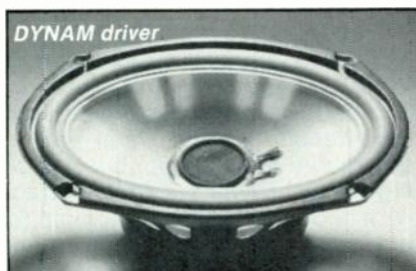
AM Stereo Tuner

Sansui's Model ST-7 car AM stereo tuner automatically receives all approved AM stereo broadcast systems. Still in prototype form, the tuner is based on Sansui's patent-pending PLL Synchronous Detector Circuit. Sansui plans to introduce it to the U.S. market within the next five months.

Circle No. 187 on Reader Service Card

Polypropylene Speaker

A DYNAM series polypropylene driver program has been designed and engineered by Dynamic Acoustics specifically for car stereo applications. Each driver features a split and vented aluminum former, heavy magnet structures and specially



prepared suspension materials. The company says the polypropylene cone material makes break-up as a result of low frequency stress virtually non-existent. Dynamic Acoustics also has introduced an LED power monitor for car stereo or home applications. The newly styled square LED elements provide a visual indication of the power being transmitted to the loudspeaker, and a fast-acting, re-settable circuit breaker ensures total circuit protection. Offered in three wattage indications, 1-30, 1-50 and 1-100, the units can be surface mounted via two screw holes just below the self-adhesive aluminum front panel. Suggested retail price is \$20.

Circle No. 136 on Reader Service Card

Amplifier/Booster

The Model A-150 main amplifier/booster providing 25 watt-per-channel output for car stereo systems is



available from Autotek Electronics. Other features include power-on LED indicator, remote off-on switching, both high- and low-impedance inputs, a compact chassis and all necessary mounting hardware. Suggested list price is \$79.95.

Circle No. 135 on Reader Service Card

COMPUTERS

Memory Expansion Module

Amiga Corp. has introduced a memory expansion module for the Atari 2600 video computer system, which the company claims brings increased graphics capability and



more sophisticated game play to Atari VCS owners. The Power Module stores its programs in RAM, which can be changed, as opposed to conventional cartridges that have programs stored in unchangeable ROM. Once the unit is purchased at about the same price as a ROM cartridge, the software is the only thing that has to be changed when a new game is desired. This is done by loading games from inexpensive Power-Play game cassettes with The

Power Module and any standard audio cassette player. In addition, the unit has a separate microprocessor, networked with the Atari 2600's existing one, and 6 kbytes of RAM, compared to the 2 or 4 kbytes of ROM commonly supplied with cartridges, enabling Amiga game designers to produce video games with three-dimensional and machine-interactive capabilities.

Circle No. 144 on Reader Service Card

Video Modulator

M&R Enterprises has introduced the first FCC-approved video modulator for connecting a home computer to a standard television receiver. The SUP'R MOD allows any home computer with NTSC video composite output to use a color or black and white TV set as a monitor. It draws its power from a small transformer that plugs into a standard AC power receptacle and includes a power regulator. It is priced less than \$70.

Circle No. 147 on Reader Service Card

Speech Synthesizer

The Voice Box II, a speech synthesizer for the Atari 400/800 home computers, features the ability to speak with inflection, the ability to speak in foreign languages with cor-



rect foreign spelling as input, the ability to sing with voice and three-part music, a library of 30 popular songs, a comprehensive music system that allows the user to enter new songs, software that can convert the bottom two rows of the Atari keyboard into a piano with a range of 3½ octaves using the shift and control keys, programmable musical sound effects, a singing human face with lip-sync animation, a talking or singing Alien face with software that allows the user to change the face as he sees fit and a talk-and-spell program. Produced by The Alien Group, the Voice Box II requires no extra components, but it does require a 32K disk system.

Circle No. 146 on Reader Service Card



Girod



Sadashige



McConser



Goudreault

Steve Girod has been promoted to national sales manager for **Yamaha Electronics Corp.**'s new Car Audio Division. In the new position, Girod is establishing a marketing staff and coordinating sales and marketing activities for Yamaha's car audio line. He also is involved with ongoing development of new car audio products. Girod was promoted from national key account sales manager, a position he had held since mid-1982.

Koichi Sadashige has been appointed general manager for the Audio Video Systems Division of **Panasonic Industrial Co.** He is responsible for the operation of the newly consolidated Audio Video Systems Division and continues as managing director of Matsushita Avionics Systems. Sadashige joined Matsushita Electric Corp. of America, Panasonic's parent company, in 1979 as director of engineering development and was appointed to his post at Matsushita Avionics Systems in June 1980. He is chairman of the Video Recording and Reproduction Technology Helical Recording Working Group.

Joe Stalteri has been named national sales manager for audio/video cassettes for **Magnetic Tape International**. The company also named **Joel A. Abrams** national sales manager for computer products and **Dick Moe** national sales manager for video games. Stalteri was formerly with Ampex Stereo Tapes and BASF; Abrams worked with Sharp Electronics and Bohsei; and Moe was with Wham-O.

Kenneth Linde has been appointed national manager of dealer development for **Sampo Corp. of America**. His responsibilities include creation and implementation of new dealer programs aimed at selectively increasing the Sampo dealer base. He also develops sales programs for Sampo's national accounts. Previously he was Midwest

audio sales manager for Quasar and, before that, was Wisconsin regional sales manager for Magnavox.

Dick McConser has been named Western regional sales manager, Home Audio/Video for **Kenwood Electronics**. He replaces Dan Petersen, who was promoted to director of marketing, Car Stereo. Before joining Kenwood, McConser was national sales manager for Adcom, assistant national sales manager for Micro-Acoustics and assistant national sales manager at Pickering & Co. He has 10½ years of retail management experience.

Cindy Paul has been named promotions manager for **BASF Systems Corp.**'s audio/video products division in the Los Angeles area. She comes to BASF Systems from Warner Elektra Atlantic Corp., where she was a regional advertising coordinator/media specialist for the Los Angeles area, a field merchandiser and local advertising coordinator.

Tracy Battle has been appointed director of marketing for **Quad/Eight Electronics**. Formerly with Quantum Audio Labs, Battle comes to Quad/Eight having more than six years experience with professional audio systems.

Vincent J. Maiello has been appointed Eastern regional sales manager for **Mura Corp.** In that position, he is responsible for the implementation of all sales and marketing programs, rep coordination and dealer support programs throughout the Eastern region. Before joining Mura, Maiello was national sales manager at Universal Security Instruments.

Dr. Marcian E. "Ted" Hoff Jr., inventor of the microprocessor chip, has joined **Atari Inc.** as vice president/research and development, a new position at Atari. Hoff is spearheading the research and development projects of Atari's home computer, home video game and coin-

operated arcade games divisions. The new Atari vice president holds 14 patents relating to the electronics industry and previously held the Intel Fellow position at Intel Corp., where he was instrumental in developing telecommunications and speech recognition products.

George V. Goudreault has been appointed to the newly created position of executive vice president/operations for **Coleco Industries Inc.** He is responsible for building a fully integrated operating group in Upstate New York. The company said extraordinary growth during the past year necessitated expansion and restructuring of the group responsible for North American manufacturing operations.

Bill Ivey has been appointed East Coast regional sales manager for **Autotek Corp.** Ivey has worked in the electronics retailing field for the past 12 years, for Radio 437 and Wall to Wall in Philadelphia in their car audio divisions and as manager of Soundworks, a Cherry Hill, N.J., installer.

Arlene Simmons has been promoted to creative services manager for **CBS/Fox Video International** from administrative assistant to the manager of product services. Ms. Simmons supervises market and legal clearances, packaging and copyright information for the International Division, creates packaging for the international market and supervises corporate advertising and display promotion overseas.

David S. Travis has been named vice president/sales for **Data Age Inc.**'s video game software products. He is responsible for all domestic and international sales operations, policies and programs. Formerly head of sales and marketing for Starpath, Travis replaces Herbert Hershfield who recently left the Data Age post.

Michael C. Katz has been named president and chief executive officer of **EPYX/Automated Simulations**. Formerly vice president/marketing and corporate communications at Coleco Industries, Katz assumes management responsibility for the creation, marketing and distribution of EPYX computer games. He has held a variety of executive posts in consumer products marketing for the past 15 years.

Acquisitions

Harman International Industries Inc. has completed the acquisition of **Infinity Systems Inc.** Arnie Nuddell, one of Infinity's founders, continues as its president and chief executive officer. The company now is being operated as an autonomous division of Harman International, with headquarters still located in Canoga Park, Calif.

Telex Communications Inc. has acquired the **Singer Audio Visual Division of Singer Co. of Canada Ltd.** The division now is called Telex Communications Ltd. All former Singer personnel have been retained, and Gene Sworin has been appointed national sales manager for Canada. Telex Communications Ltd., located in Scarborough, Ontario, continues to sell and service projection equipment and market Telex audio visual and professional audio products through dealers.

Kloss Video Corp. has acquired approximately 80% of the stock of **Cathodyne Corp.** of Dayton, Ohio. Cathodyne Corp. has proprietary technology employed in the research, development and manufacture of premium performance cathodes used in vacuum tubes.

Name Change

TDK Electronics Co. Ltd. of Tokyo has changed its name to **TDK Corp.** According to a corporation spokesman, the new name is an exact translation of the Japanese version and applies only to the parent company in Tokyo.

Product Decisions

United Microware Industries Inc. has announced a price decrease for all of its game software for the VIC 20 personal computer. All \$49.95 games are priced now at \$39.95. All \$39.95 game software is now \$29.95. Company spokesmen said the move was made to expand the software market for the VIC 20.

Fiscal Reports

Commodore International Ltd. reported record sales, net income and earnings per share for the second quarter and six-month period ended Dec. 31. Net income increased from \$9.3 million in the second quarter of 1981 to slightly more than \$25 million in the second quarter of 1982.

For the six months ended Dec. 31, net income increased from \$16.8 million to nearly \$40 million. Earnings per share increased from \$1.10 to \$2.60 for the six-month reporting period and from 61¢ to \$1.63 for the second quarter. Commodore board chairman Irving Gould attributed the record results to continuing strong sales of the company's microcomputer systems to the business, educational, personal and home markets.

Market Statistics

American exports of consumer electronics products declined across the board last year, with video tape equipment the only exception to the trend. While exports of color TVs declined 41.1% (in unit terms) and monochrome TV exports dropped 47.1%, imports of color TVs were up 12.3% in 1982 over 1981. VCR imports in 1982 were up 23.1% over 1981 and, with continued demand for audio headsets, imports of audio tape players for personal use expanded 47.8% in 1982.

Reps & Distribution

Soundcraftsmen has presented four of its representative companies with special achievement awards. **Component Marketers** of Leonia, N.J., was named "Rep of the Year" in the High Fidelity Division. It is the second consecutive year the company has earned the award. A special "Most Improved Territory" award was made to **Midwest Electronic Sales** of Raytown, Mo. **Pacific South Coast Marketing** of Burbank, Calif., was named "Rep of the Year" for the Professional Division. **Target Marketing** of Pittsburgh earned Soundcraftsmen's "Most Improved Territory" award.

Telarc Records has taken over the marketing and distribution of its records in the United States, roles previously handled by **Audio-Technica U.S. Inc.** Spokesmen for both companies said the new arrangement resulted from Audio-Technica's decision to focus exclusively on consumer electronics hardware and accessories and Telarc's longstanding aim to evolve into a full-scale record company with in-house marketing operations.

Sampo Corp. of America has appointed three rep organizations. **QMI Inc.** of Farmington Hills, Mich., is

handling Sampo sales in Michigan. **The Jonathan Post Group** of Indianapolis is representing the company in Indiana and Kentucky. **Frankcolucci & Associates** of Milwaukee is working with **Products Marketed** of Geneva, Ill., in the Southwest Wisconsin area, including Madison, Wausau and all of the territory to Illinois and the Lake Michigan border.

Aiwa America Inc. has presented its 1982 Rep of the Year Award to Bellevue, Wash.-based **Rittenhouse Marketing Inc.** The award was presented in recognition of the firm's outstanding contribution toward increasing 1982 sales of the Aiwa product line.

Discwasher has named George Stamos of **New Horizons Electronic Marketing Co.** its Salesperson of the Year for 1982. Discwasher said that Stamos best exemplified the kind of concentration it looks for in its sales representatives.

Crown International has appointed **A.C. Simmonds & Sons Ltd.** as its distributor for Canada, representing Crown in the high fidelity and professional products areas. Simmonds & Sons, directed by vice president John Simmonds and national sales manager Paul Barnard, has branch offices in five principal cities in Canada and several service centers located throughout the country.

Sound Technology has appointed **Evans Sales and Marketing** of Nashville, Tenn., to act as Sound Technology's Southeastern U.S. representative firm. Barry D. Evans, president, and Richard Stevens, general manager, of the rep firm are responsible for all Sound Technology markets in Alabama, Mississippi, North Carolina, South Carolina and Tennessee.

Kloss Video Corp. has assigned two firms to represent its line of Novabeam projection television systems in the Southeast. **Third Century Marketing** is handling Florida, and **United Marketing Associates** covers South Carolina, North Carolina, Georgia, Mississippi and Tennessee.

Ken Busch has announced the formation of a New York rep firm, **Ken Busch Associates**, to serve the consumer electronics industry.

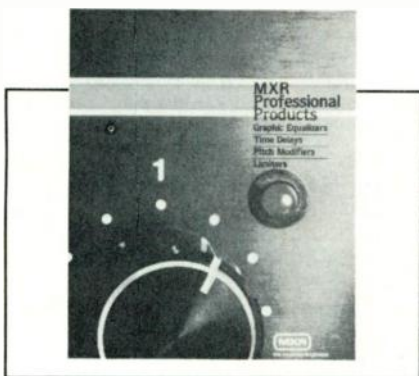
Complete Catalog

Audio-Technica's new 36-page catalog, *Products by Audio-Technica*, is its first to list all of the company's various products, complete with specifications. Featured are Audio-Technica cartridges, record and audio/video cassette cleaning systems, audio accessories, microphones, Point Series stereophones and accessories, Design Acoustics speaker systems and the Mister Disc personal portable phono system.

Circle No. 100 on Reader Service Card

Professional Products

A six-page, four-color catalog now available from MXR provides detailed information and specifications for the company's lines of



graphic equalizers, time delays, pitch modifiers, limiters and accessories. The company says its signal processing equipment is used widely by musicians on stage and in sound recording studios and is available from professional sound equipment dealers. The catalog is free and available both from MXR and selected dealers.

Circle No. 101 on Reader Service Card

Industry Yearbook

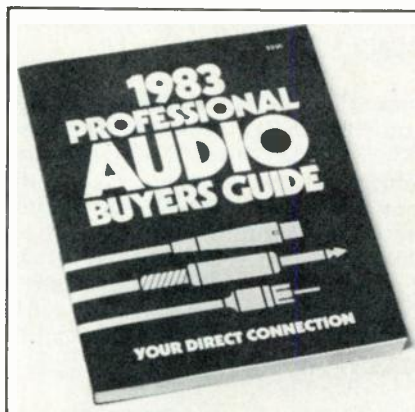
The National Electronic Service Dealers Association/International Society of Certified Electronics Technicians has published its 1983 *Electronics Industry Yearbook*. This year's book includes "Key Man" listings, which previously appeared under a separate cover, in each state's listing of association information. Categorized in separate sections are business information, technical materials, manufacturers' listings and toll free numbers. NESDA is a federation of the majority of the professional state electronic service associations in the United States. ISCET is devoted to furthering profession-

alism in servicing and to improving the status of electronic technicians.

Circle No. 103 on Reader Service Card

Audio Buyers Guide

The 1983 *Professional Audio Buyers Guide* has been published by SIE Publishing. This revised and ex-

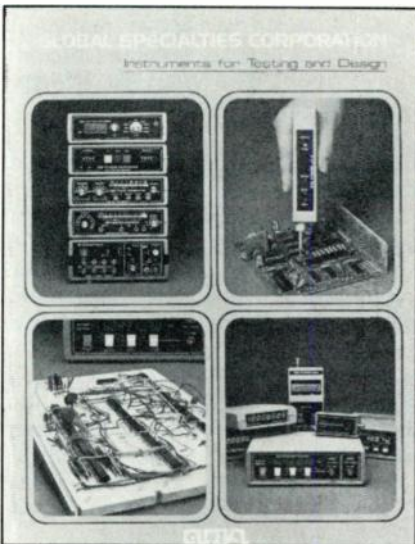


panded second edition lists a range of products from more than 70 manufacturers of PA and recording equipment and features product pictures, model numbers, features, specs, prices and a cross-referenced index. The book also carries each manufacturer's address, phone number and contact person. The cost is \$9.95.

Circle No. 104 on Reader Service Card

Test Equipment Catalog

Global Specialties Corp. has published its 1983 edition of *Instruments for Testing and Design*, a full-line catalog featuring complete descriptions and specifications for the company's electronic test and design equipment. This year's edition



includes several new products and product categories.

Circle No. 106 on Reader Service Card

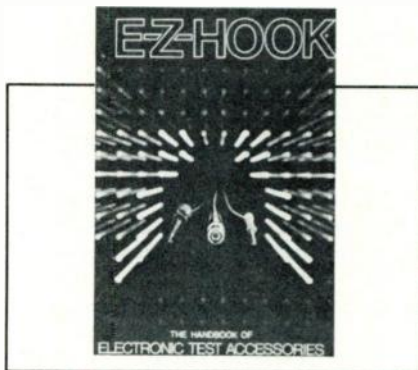
CD Brochure

Polygram Records has produced an eight-page, four-color informational brochure featuring the Compact Disc and Polygram's involvement with the new technology. Entitled *Hear the Light*, the brochure describes briefly the technology behind the CD and the CD player and the company's initial software production plans, as well as advantages, reviews and merchandising plans for the CD system.

Circle No. 102 on Reader Service Card

Test Accessories

Time-saving solutions to common testing, hook-up and assembly applications are offered in a 106-page catalog of electronic test accesso-



ries published by E-Z-Hook, a division of Tektest Inc. The *Handbook of Electronic Test Accessories* contains specifications, configuration diagrams, application examples and ordering information for the company's products. It is available free.

Circle No. 105 on Reader Service Card

Display Research

Motion displays for battery products produced 9.5% more unit sales than static displays, according to a recent independent study conducted by Product Acceptance and Research Inc. The study, *The Effect of Motion Displays on Sales of Batteries*, measured sales of Eveready Energizer alkaline batteries in six supermarkets, six chain drug stores and six mass merchandisers in Atlanta and San Diego. Copies of the report are available for \$10 each from the Point-of-Purchase Advertising Institute.

Circle No. 107 on Reader Service Card

calendar of events

April 16-19 — Professional Audio Retailers Association Jamaica Conference: Strategies for a Changing Market, Sheraton Ocho Rios, Mallard Beach, Jamaica. Topics include The Image and Market Positioning of the Audio Specialist, Retailing Strategies for the '80s, a human resources seminar with a guest speaker and a conclusion to PARA's service discussion begun two years ago at the first conference. *Contact:* Professional Audio Retailers Association, 9140 Ward Parkway, Suite 200, Kansas City, Mo. 64114.

April 29-30 — International Society of Certified Electronics Technicians Technical Seminar Series, McPherson, Kan. This is the first of seven seminars focusing on digital electronics, computer operation and servicing and TV servicing conducted by Sam Wilson, CET, an electronics author and lecturer. Other dates and locations include May 4-Spokane, Wash., May 6-Seattle, May 7-Portland, Ore., May 9-Salem, Ore., May 13-15-Kerville, Texas, and May 21-22-Denver, Colo. *Contact:* ISCET, 2708 W. Berry, Fort Worth, Texas 76109 (817)921-9101.

April 29-30 — ISCET Seminar on Microprocessors, Cleveland. A two-day program covers machine language, programming, schematic reading, waveform analysis and static and dynamic troubleshooting techniques. *Contact:* ISCET (817)921-9101.

June 5-8 — 1983 Summer Consumer Electronics Show, McCormick Place, Chicago. EIA/CEG's second installment for 1983 will include more of the newest consumer electronics products in every category. *Contact:* Consumer Electronics Show, Two Illinois Cen-

ter, Suite 1607, 233 N. Michigan Ave., Chicago, Ill. 60601.

June 9-14 — Sim-Hi-Fi-Ives: International Exhibition of Music, High Fidelity, Video and Consumer Electronics, Milan Fair Centre, Milan, Italy. The last two days will be reserved for the trade. *Contact:* Segreteria generale: Via Domenichino, 11-20149, Milano. Telex: 313627 GEXPO I.

June 17-19 — Automotive Service Councils of California Western Regional Trade Show, Anaheim Convention Center, Anaheim, Calif. Automotive stereos and CB radios are among the product categories that will be on display at this trade show for the automotive service industry. *Contact:* IAP Shows Inc., 24781 Camino Villa Ave., El Toro, Calif. 92630 (714) 586-8730.

July 31-August 4 — Third Annual Association of Progressive Rental Organizations Convention and Trade Show, Caesar's Palace Hotel, Las Vegas, Nev. APRO is comprised of rental dealers who market within the consumer electronics, home appliance and furniture industries with the rent-to-own concept. *Contact:* Roy Duckworth, Global Enterprises Inc., P.O. Box 1907, Austin, Texas 78767.

Aug. 1-6 — National Electronics Sales & Service Convention and Trade Show, Olympia Resort & Spa, Oconomowoc, Wis. The Aug. 4 trade show, devoted to retail sales and service dealers and technicians, is incorporated into a six-day convention package of industry and association events. Exhibit space discounts continue through June 30. *Contact:* NESDA/ISCET National Electronics Sales & Service Convention, 2708 W. Berry St., Ft. Worth, Texas 76109.

Sept. 2-11 — International Audio and Video Fair Berlin, The Berlin Fairgrounds, Berlin. Featuring the latest consumer and electronics products from all over the world, the fair allows dealers to view, compare and place orders. Accompanying the exhibition are a variety of seminars, meetings and conferences, allowing dealers and exhibitors to exchange experiences and ideas. *Contact:* AMK Berlin, Company for Exhibitions, Fairs and Congresses, Postfach 1917 40, Messedamm 22, D-1000 Berlin 19.

Submitting Copy

Copy to be considered for publication in HFTN's Calendar of Events, or other departments, should be sent to the attention of Karen Donde, assistant editor, no later than eight weeks prior to the month in which you would like it to appear. Please include a description of the event or product, photo, if applicable, and the address and telephone number of the contact person.

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CES Trade News Daily

- All hotels door to door
- By Models at the show
- From bins in the Convention Center

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SPECIAL POSITION: Rates upon request.

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MATERIAL DEADLINE: May 9, 1983.

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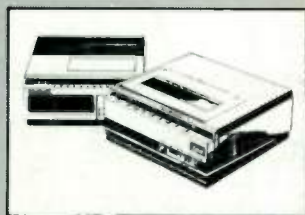
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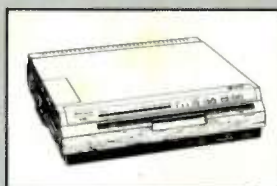
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