

**Leisure
Time
Electronics**

REPORTS

The Show Daily Written Entirely At CES

Chicago

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ATARI PLANS BIGGEST AD CAMPAIGN EVER

The biggest advertising campaign ever conducted by Atari, "and possibly by any company in the consumer electronics industry," will begin in the next few months, said Michael Moone, consumer electronics president, last night. The ads will begin with television commercials during the semifinals and finals at Wimbledon, and continue during the World Series and the Superbowl. He said that the campaign will also include commercials both on prime-time TV and during major sports events, and will provide Atari with "wall-to-wall" visibility in the consumer marketplace. Keith Schaefer, national sales manager for personal computer systems, added that Atari will also expand its "Computers for People" marketing thrust by setting up a new software-development facility in California and new repair stations across the nation -- and by providing retailers with computer cassettes designed to demonstrate that Atari computers are easy to operate, educational, and fun to own. "We want to be the computer in the home," Schaefer said.

SATELLITE ANTENNA MAKERS AIM FOR THE STARS

The dozen satellite TV dishes outside McCormick Place, and a few more inside, reflect what manufacturers call "the wave of the future," besides the TV signals. Since the first three appeared at SCES a year ago, prices have been dropped, and some consumer packages developed. Third Wave Communications will offer a neighborhood deal with one dish and six wireless receivers at a group price of \$25,000. Downlink is featuring a home package including everything but the antenna for \$2,650. James Cassily, Third Wave president, says "sales in the coming year should be 5 to 10,000 for the industry, with an explosion next spring. It's the beginning of world communications."

LASERVISION ASSOCIATION ANNOUNCES AGREEMENT

LaserVision Association last night heard several announcements of new disc titles and agreements. Robert Blattner II, VP of Columbia Pics Home Entertainment, said Columbia and Discovision had concluded an agreement on production of laserdiscs and that Pioneer Video, Inc. will distribute the discs. Ken Kai, president, Pioneer Video said the firm has \$19.5 million capitalization to develop and acquire movie and music programming of the Pioneer Artists Division and has signed an exclusive agreement with Covert Garden Video Productions for rights to home video discs of Royal Ballet and opera. John Reilly, LaserVision Association Chairman, said announced titles have been or will be shipped within 60 days. Kai said retailers who buy one Pioneer player a week for the balance of the year will be guaranteed availability of software from Pioneer Video.

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DAILY EVENTS

Day 2 begins at 8:30 A.M. with a showing of the EIA film "Electronics...Your Bridge to Tomorrow." At 9 A.M. the CES Audio Conference begins. Discussions will center on the home and portable audio market and autosound. At 2 P.M., the CES Retail Management Workshop kicks off. sponsored by the National Association of Retail Dealers of America. Additionally, matinee film showings of "The Link Between Us... Electronics," and "Electronics...Your Bridge to Tomorrow" start at 4 P.M. It all takes place in the Lindheimer Room, McCormick Place. Show hours are from 9 A.M. to 6 P.M. at McCormick and 10 A.M. to 8 P.M. at Pick Congress.

STEBBINGS SUES EAD AND 5 SUBSIDIARIES ON PATENT RIGHTS

Patent infringement is charged in a suit filed in New York City against Electro Audio Dynamics (EAD), five of its subsidiaries, and the Tech Hi-Fi retail chain. David W. Stebbings and Joseph Pao allege violations of a license agreement with EAD on rights to manufacture and sell loudspeaker diaphragms for Electro-Acoustic Transducers under a U.S. patent. EAD subsidiary's named IKC International Inc., which is a subsidiary of Kyoto Ceramic and EAD; Infinity Systems; KLH; Infinity Systems; KLH; Peerless Frabrikkerne A/S, Copenhagen; Peerless Audio Manufacturing Corporation, Leominster, Massachusetts. Stebbings now is president of KM Labs, Inc., but says this issue in no way involves KM.

MATTEL UNVEILS REBATE PROGRAM; WILL LAUNCH KEYBOARD IN FIVE MARKETS

It can now be reported Mattel Electronics will offer a rebate program with consumers eligible for a \$7 refund when they supply Mattel with proof of purchase and any competitor's handheld sports game. Trade in/trade up is the theme. VP, sales Richard Hoag says a massive advertising campaign will supplement program. Program is two-pronged with retailers eligible to receive an Intellivision master component with certain orders. Hoag says the firm is set to release Intellivision keyboard in Fall with 10 software packages in five markets. Speculation is the system will show up in New York, Dallas, Los Angeles and two other locales. He says he's not worried about firm's credibility in computer market and assures national distribution is not too far behind. "Once we do it, it's going to be done right." He says Mattel will avoid pitfalls others have experienced. Heavy advertising will support five city introduction.

RUMOR OF THE DAY

A leading electronics company fired its vp/calculators on the eve of SCES. Details to follow.

BOSE UNVEILS SUCCESSOR TO THE MODEL 601

Bose has completely redesigned its 601 speaker system and is introducing the new model, the 601 Series II, with a spectacular audio-visual presentation that runs throughout SCES in a suite at the Park Hyatt on Water Tower Square. The slide-and-sound show, which uses a pair of the new speakers to demonstrate a wide variety of music and sound effects, will be used to train dealers and to educate consumers, says Timothy Huber, director of corporate marketing at Bose. The new speakers will be delivered this summer and retail at \$890 a pair.

IN CONFIDENCE

A public relations specialist who had enough foresight to jump before her agency's ship sunk is looking for full-time employ with a major manufacturer or agency. Sol-id references are provided....A manufacturer's rep company in Florida with electronic game and full-line electronic product experience is looking to attract new electronic lines for his home state....A Chagrin Falls, Ohio-based manufacturer of car security systems needs reps and dealers....A sales manager with 15 years experience in consumer electronics in the San Francisco Bay area is looking to make a change. He will travel nationally but wants to stay located in the Bay Area....If you are looking to fill a void in your organization or believe you're qualified to fill any of the above-mentioned posts, contact LTE in booth P-29 at the show or call LEISURE TIME ELECTRONICS after SCES at 212-953-0230.

CHESS GAME MAKERS TO BATTLE PATENT RIGHTS IN COURT

Fidelity Electronics has filed suits against Tryom, Inc. and Applied Concepts, two of its competitors in the electronic chess game market, over an alleged patent infringement. A Fidelity spokesman says his firm filed for patent Number 4,235,442 in August, '77 for two-competitor games wherein the "game substitutes for the second competitor." The patent was recently granted. Tryom's CEO Tim Shane says his patent, Number 630913, is clearly marked on every box and is prepared to countersue. He adds, "Our patent was filed for before theirs." Applied Concepts' consumer affairs director Grady Porter says, "We'll challenge the validity of the Fidelity patent vigorously." Fidelity says more suits may follow. Now it's up to the courts.

MGM/CBS HOME VIDEO LAUNCHES CED VIDEODISC LINE

Cy Leslie, CBS Video Enterprises president, along with Peter Kuyper, vice president, Ancillary Rights Division, MGM Films, announces MGM/CBS Home Video will ship 20 CED discs in June and 40 by year's end. Leslie says CED disc market has good change to equal estimated \$250 million videocassette market by end of '82. The firm also announces CBS Video Enterprises has licensed ABC Video Enterprises' Programs for distribution and will acquire original programs from the NBA for MGM/CBS Home Video. Additionally CBS Video Enterprises will present programs based on the Harlequin Novels for pay cable and the home video market and will soon show "Purlie" on cable and shortly thereafter release it on tape.

COLECO, RAY-O-VAC SET CONSUMER REFUND OFFER

Coleco's vice president, marketing, Mike Katz, reports his firm will tie-in with battery maker Ray-O-Vac to launch a \$5 million TV advertising budget. According to Katz, \$1 million will be devoted to network and spot TV announcing the joint promotion this fall. Additionally Ray-O-Vac has committed \$4 million to network and spot TV for ads that will show Coleco products with their batteries. Merchandising and advertising aids will be offered to support the promotion. Katz asserts, "Our competitors can't match that." Coleco is at SCES with three new commercials. One is a 30-second TV spot for Alien Attack, Coleco's arcade-like space game. The second shows the Coleco/Ray-O-Vac rebate promo which will run from September through December. The third is a revised version of their "Umpire" commercial for Head To Head Baseball which plugs the game without mentioning its competitors.

QUOTE OF THE DAY

"We've lost some share points and we're going to get that back. We've been scored upon but we haven't lost the game."-Richard Hoag, vice president sales, Mattel Electronics, commenting on firm's strategy for rest of the year.

BENTKOVER EXPANDS LEISURE TIME ELECTRONICS STAFF; SETS '82 SKED

Two new members have been added to the staff of LEISURE TIME ELECTRONICS' magazine, reports publisher Stephen Bentkover. Joining LTE as managing editor is Anna F. Elins, the former editor of Craft, Model & Hobby Industry, a post she held since 1979. Prior to that she served as associate editor for Musical Merchandise Review. Additionally, Jerry Hall has been named Midwest Regional Advertising Manager. Most recently, Hall was account executive, corporate and professional advertising, at East Coast Publications. Prior to joining that New York-based firm, Hall worked with Rorer Group from 1977-80 as a trade sales representative and marketing associate. In making the announcement, Bentkover asserts, "The addition of Anna Elins and Jerry Hall sets the stage for our increased publishing cycle in 1982, when LTE plans to publish 12 monthly issues covering the broad spectrum of leisure electronic products."

PARAMOUNT LASHES OUT AT MAGNETIC VIDEO

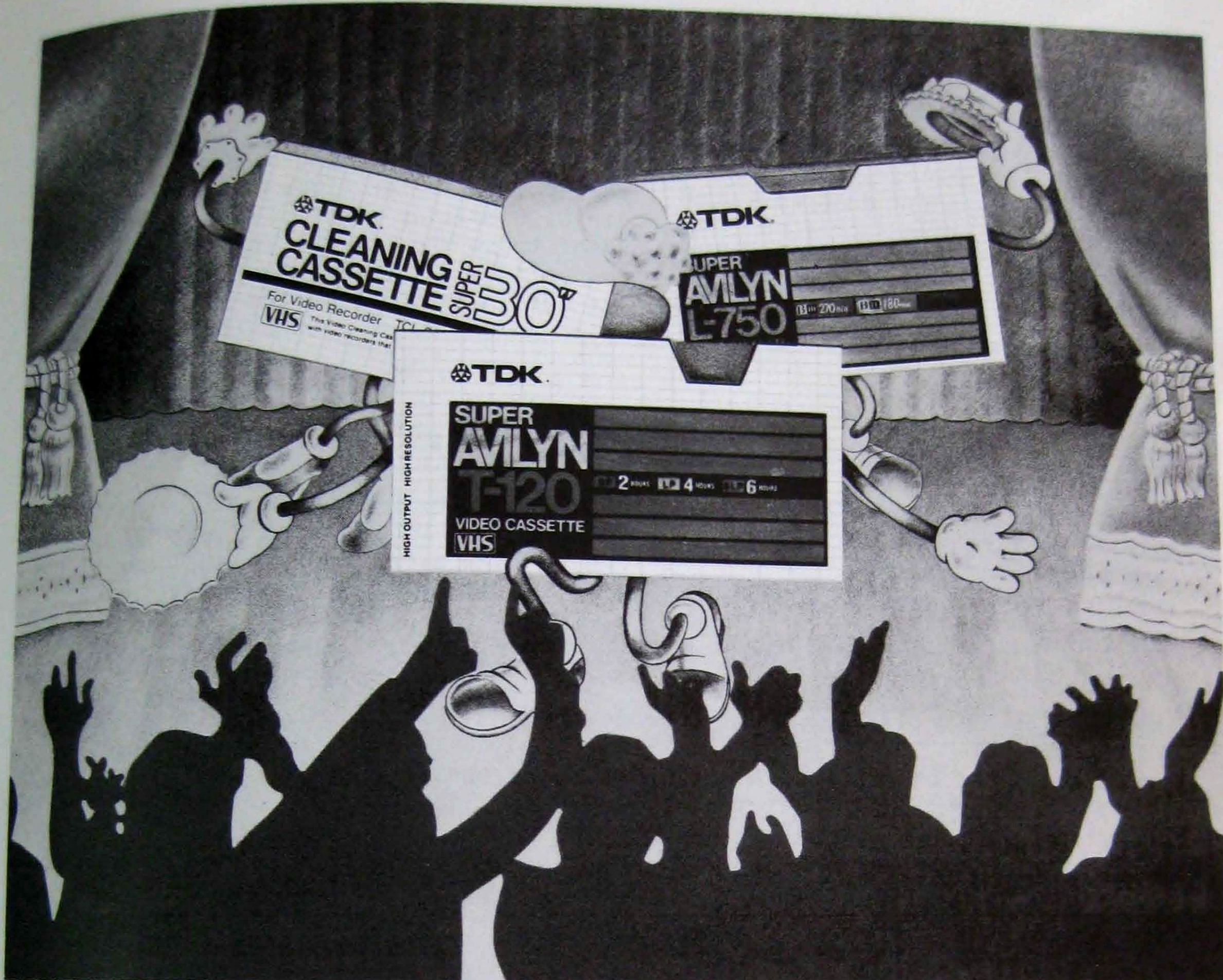
A Paramount Pictures spokesperson claimed late last night that Magnetic Video may be putting the video industry at some financial risk by helping to eradicate the rental market. According to the spokesperson, Paramount's position is quite emphatic: "This is a rental market."

PD MAGNETICS ENTERS AUDIO/VIDEO TAPE MARKET

PD Magnetics B.V. will deliver audio and video cassettes in the last quarter this year. Ruud Tensen, managing director announced last night "P.D. Magnetics is a joint venture formed late last year by N.V. Philips of the Netherlands and the Dupont Co. The new firm's approach to the market will be to offer top of the line quality at competitive prices," Tensen said. Dick Buckley, marketing head, said "reps for the tapes will get the highest commissions in the industry and that a strong rep list also will help to open the market." A complete line of cassettes for the Philips Video 2,000 system will be added in Europe next year.

COMMODORE STILL IN THE CHIPS

In view of Saturday's announcee by Texas Instruments that they are dropping their watches, Commodore remains firmly committed as the vertically integrated U.S. company still in the electronic digital watch business, asserts Ken Hollandsworth. "Commodore, being a vertically integrated manufacturer of the majority of the critical electronic components which go into electronic digital watches, has made a major commitment to the electronic digital watch business in the U.S. It is the company's intent to take advantage of the vacuum created in the marketplace by the demise of a majority of other electronic companies in the field of watches. In addition Commodore finds an opportunity existing where the traditional companies have abandoned the retail price points up to \$20."



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Our whole act is a hit.

It's clear. TDK is the class act in video. Video customers and dealers by the thousands are getting in on it.

Whatever the audience, you can't go wrong with TDK Super Avilyn videocassettes. In VHS there's an all-star lineup, including T-30, T-60, T-90, and T-120, which delivers up to 6 full hours of play. Our Beta line includes L-250, L-500 and the new L-750. For the extra discriminating video fan, there's the outstanding Super Avilyn HG. It's available in VHS T-60HG and T-120HG, and the newly introduced Beta L-500HG.

Super Avilyn videocassettes are supported by two other performers. Super 30 Video Head Cleaning Cassettes: TCL-30 for VHS and LCL-30 for Beta. Two real movers that round out the TDK video show.

The full line in high visibility packaging and TDK's fast turnover add up to a bright profit picture. So get into the TDK video act. You'll profit by it.

TDK
The Vision of the Future



POA REVEALS NEW AUTOSOUND DEMOGRAPHICS

Pioneer Electronics of America president Jack Doyle revealed new demographics for the autosound market yesterday. According to a recently concluded study, probable autosound buyers have dropped 4.2 million since a similar study was made in 1978. Current owners have increased since, with 41.8 million owners now as opposed to 29.9 million in '78. POA also found 52% of those who buy car stereo have owned a previous unit. Top reason for buying new unit is attributed to consumers changing cars. Doyle notes the bulk of the market continues to be in the 18-24 age bracket. He adds the market is flat but healthy with an estimated \$1.5 billion in yearly sales.

NEW MEDIA PLANS, PRODUCTS AND PRICES FROM MXR

New advertising plans from MXR place emphasis on trade magazine ads because, according to firm's Al Williams, "It is the best way to communicate with the dealer." Firm also reintroduces its Model 114 10-band "armchair" graphic equalizer at new, lower retail price of \$219.00, and for limited time only will include free 15-foot patch cords.

THE BRITISH ARE COMING

Expect the first of Wharfedale's American-made speakers (with British-made components) to appear in 1982. Virtually all of the line will be produced in joint venture with a U.S. maker, with only changes in cosmetics, cabinets and drivers for U.S. tastes. Wharfedale's Derek Whiteman says, "This is our way of taking the American market seriously, and hoping they're taking us seriously!"

BANG & OLUFSEN ANNOUNCES NEW HX TAPE SYSTEM

It will be announced today that Bang & Olufsen and Dolby Laboratories have developed a new HX (Headroom Extension) system for tape recorders. Sources reveal the system will be called B&O/Dolby HX Professional and will be licensed by Dolby for use in the professional market. The first home tape deck that will use it will be a new B&O unit, the Beocord 8002.

KLH HAS 25 COMPONENTS, 12 SYSTEMS; WRATTEN PROMOTED

KLH, which has specialized in manufacturing hi-fi speakers for the past 24 years, is at SCES with 25 electronic components and 12 audio systems -- and hopes to become a major full-line hi-fi company during the months ahead. "Not another manufacturer in this entire industry sells an audio system with KLH speakers," notes national sales manager Rick Gibson. It was also announced last night that KLH president Denis Wratten has been promoted to vice president of corporate development of IKC International Inc., the parent company of both KLH and Infinity.

NEW AND NOTEWORTHY

Shure introduces two new cartridges designed especially for Technics' popular linear tracking turntables....AKAI hopes to move the high-end cassette deck customer up to open-reel with two new auto-reverse reel-to-reel decks.

CES REGISTRATION FIGURES DOWN SLIGHTLY FROM LAST YEAR

Pre-registration for SCES was 41,242, and additional first-day registration (to 2 p.m.) was 8,113 for a total of 49,335. Comparable figures at the same time last year were 41,535 advance registration, and 11,166 on the first day for a total of 52,761.

DISNEY LOWERS FILM RENTAL PRICES TO DEALERS

Rental pricing on videocassettes from Walt Disney Home Video now is cut in half to a \$26 dealer cost for a 13-week videocassette rental license and \$22.75 for cartoon collections. The new pricing effectively continues the 2-for-1 rental pricing that ended April 20. An exception to the new price is the "Dumbo" animated feature, which is being released this month for rental only (no sales) at \$30. Vice President Ben Tenn says the change resulted from market experience. The firm reports more than 40% of its 1,500 dealers rent their films and that 93% of the original renting dealers renewed rental licenses.

TEXAS INSTRUMENTS GIVES UP ON DIGITAL WATCH BUSINESS

With 18 introductions of digital watches here at SCES, Texas Instruments announces a decision to get out of the business by the end of this year. Reason given is "the heavy investment required is better diverted to calculators, educational products, and computers," although TI said watch sales and profits have been growing. Commitments to retailers are to be honored through Dec. 31. Service and repair are to be maintained for "as long as required."

TIGER HAS CONSUMER REBATE PROGRAM; WILL DOUBLE CARTRIDGE LINE IN '82

Tiger Electronic Toys, Inc. announces details of its K-2-8 1981 consumer cartridge rebate program, which rebates directly to the consumer a free expander cartridge with a suggested retail value of \$25.00 with the purchase of a K-2-8 during the month of November. President Randy Rissman adds that support materials will include black and white ad slicks for newspaper ads and a four-color placard with coupons. He says the firm expects to more than double K-2-8's capability with six to eight new units to be introduced in 1982.

PHASE TECHNOLOGY FORMED TO ENTER LOUDSPEAKER FIELD

United Speaker Systems, Inc. has formed a new subsidiary, Phase Technology Corp., for the American manufacture of high-technology loudspeaker systems which include phase-aligned drivers featuring solid flat-piston woofers to eliminate nodal effects and cone break-up.

NAUTILUS RECORDINGS BEGINS SUMMER-LONG TRAVEL PROMOTION

Nautilus Recordings begins its 3-month Supertrip promotion for dealers and distributors at the show. Running through Aug. 1, the promotion offers four grand prize Holiday Fiesta trips for two, to be awarded in September regional drawings. As a SCES offer good through June 10, the first 50 to place qualifying orders get an autographed, out of print copy of a John Klemmer album.

ANDROS REVISES ESTIMATES ON WORLDWIDE PORTABLE STEREO MARKET

Technidyne president Andy Andros is so convinced the portable stereo cassette market is a viable one that he's revised his thinking about the worldwide market. He now believes 1981 market will see 6.5 million units sold, up some 1.5 million over his previous projections. He announced Dynamic Noise Reduction has been added to Technidyne Model 140 with help of National Semiconductor chip. Andros claims Technidyne's the first manufacturer to eliminate tape hiss in portable units. He says his firm will continue "to bring new and unique products to the marketplace and sell them during early phase of their life cycle" because that is the most opportune time to get in. He asserts he won't limit firm to one product line, that's why the firm is here with a new telephone item.

NOVUS MORE THAN A CLOSEOUT LINE SAYS VICE PRESIDENT MARKETING

Keith Rapp, vice president, marketing at Novus (formerly National Semiconductor) assures recently formed firm is more than just a passing thing. Rapp wants to dispel rumors that Novus was formed to clear out National Semi's line and then shut down. "Nothing could be farther from the truth," he says. Firm is a fully owned subsidiary of Leisurecraft. Part of agreement with National Semi has firm covering National's prior commitments, some of which extend for years. Rapp hopes to maintain existing customer base and double it by 1982. He says participation of closeout specialist Sam Nassi (probably the major cause of the speculation that Novus is short lived) is that of silent partner now. Additionally the firm is at SCES with three new products. In a related development, sources indicate Leisurecraft Products may soon scrap that name for more recognizable Webcor. Three divisions, Webcor, Novus and Mercury, will comprise operation.

NEW CARVER TUNER BANISHES FM NOISE

Bob Carver, who brought you the magnetic field amplifier and Sonic Holography, is at SCES with yet another product that may make audio history -- a tuner that can bring in otherwise unlistenable FM stations with great clarity -- and in full stereo. The tuner, the digital quartz-lock Carver TX-11, uses something called an Asymmetrical Charge-Coupled FM Detector. Carver isn't saying how that works, but is demonstrating the TX-11 in his suite at the Pick Congress.

PEOPLE

Optonica High Fidelity names Robert Eshak eastern regional sales manager, Paul Crain western regional sales manager, and Brian Rezach sales administrator....Nathan J. Silverman Public Relations has been formed in Chicago by Nat Silverman, who recently left Harshe-Rotman & Druck....Rep firm TMC Sales promotes Ken Messina to VP consumer sales....Moo Young Soh is the new executive vice president of Gold Star Electronics International, Inc., the U.S. sales arm for Gold Star Co., Ltd. He succeeds Y.A. Ro, who returns to South Korea to direct Gold Star's export sales....At SAE, Joe Trent is the new national sales manager, and Jett Logan is sales training manager....Fisher names Don Labenda vp, consumer products.

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