

# Tape CARtridge

## Qatron Bows New Models & Q-Changer

ROCKVILLE, Md. — Qatron, manufacturer of automatic 8-track stereo cartridge changers, is introducing several new models, including a quadrasonic 8-track changer for the home.

In addition to the four-channel changer, Qatron is offering a changer deck, model 48D, at \$269 and model 48C at \$499. No list price has been established on the quadrasonic unit. The company will continue to market its established 8-track changer, model 48H, at \$299.

All the units hold 12 cartridges, with the 48H playing up to 16 hours of continuous music.

The changer deck (with amps) will be shipped to the international market, where Qatron is beginning to build a distribution network.

The company, already marketing in Canada, will distribute in England, South Africa, Switzerland, France, the Netherlands, Germany, Hong Kong and Australia, said Daniel A. Honig, president of Qatron. It also is investigating a licensing agreement with several manufacturers in Japan. Telex continues to manufacture (on contract to OEM) Qatron's units.

Honig, who expects to show the

three changers at the Consumer Electronics Show, is not planning to produce any cassette changers.

"There's no market," he said. "There isn't even a market for high-end cassette equipment, not to mention a relatively zero market for prerecorded cassettes."

Honig plans to use more direct mail programs to merchandise his changers. "The problem in our (tape) industry is 'cash flow,' and there is certainly no improvement in a small dealer's ability to pay promptly.

"In direct mail you eliminate many cash flow headaches," he said.

Qatron recently inaugurated a direct mail program with Diners' Club and the CBS Record Club to market its model 48H.

The Diners' Club arrangement came as a result of direct mail marketing tests, Honig said. The changer will be offered to all Diners' credit card holders.

Besides the CBS agreement, Honig said he was discussing other deals with record clubs and direct mail houses.

Qatron has also received mention in several catalogs, including Lafayette and Olson, and it is expecting a spot in Sears' electronics catalog.

## New Mgt Changes Ahead For U.K. Motorola Plant

LONDON — More management changes are expected at Motorola Automotive Products' Stotfold, Hertfordshire, factory following the departures of deputy managing director Robin Bonham Carter and sales manager Max Norrey. The U.K. operation is still being headed up by American Dick Winsauer, pending the appointment of a new director.

Commenting on a recent article that estimated Motorola's share of the car stereo market in this country to be less than 5 percent, the company's president, Oscar Kusisto, remarked: "I have deliberately tried to restrain our marketing until such time as we can build a cohesive team.

"Our approach will be the same as in Japan. We want to transfer our know-how and skills to local nationals so that our U.K. manufacturing parallels the same standards as in the U.S. Warranty figures (on defective units) are significantly higher in the U.K."

Kusisto maintained that the acceptance of Motorola car radios here has been "excellent." He added: "We want to build first with a tape player, then a tape deck and maintain quality at every level as we expand."

He said that the company is anxious to build up the Stotfold plant as the main manufacturing base for Europe and eventually use it to supply Motorola cartridge equipment to the whole of the Continent.

Kusisto is optimistic about the growing market for 8-track in Europe to the point where he thinks there might be potential for quadrasonic cartridges even though 8-track has yet to find the foothold on the Continent it has in the U.S. Sales of cartridge equipment and

software are in fact lagging far behind those of cassette in Europe.

Meanwhile, the Chrysler motor firm has denied rumors that it is planning to drop Motorola cartridge players as an approved optional extra for its range of cars. A deal for the supply of 8-track units carrying the Chrysler logo was signed between the two companies at the end of last year.

Mike Hodgkinson, Chrysler's accessories development manager, admitted he is looking at other brands of equipment, including some makes of cassette players. "There is a market for both systems and we may well want to expand," he said.

Hodgkinson added that Chrysler has supplied more than 700 Motorola units to dealers, "most of which have now been fitted." He said demand for the units has greatly exceeded initial sales forecasts.

## Cherry Red In 2 Deals

LOS ANGELES — Recently formed Cherry Red Records has signed Magtec, of North Hollywood, to custom duplicate its 8-track cartridges and Tapette, of Huntington Beach, to duplicate its cassettes.

First product for Cherry Red Records, co-owned by Morey Alexander and George Panos, is "The Dirty Dozens" by comic Rudy Ray Moore. It will be simultaneously released on tape and disk.

The company will base at Audimasters Corp., of North Hollywood, a blank tape manufacturer and prerecorded budget tape producer. Panos owns Audimasters.

Alexander, who will concentrate on soul, rock and comedy acts, has two music publishing firms: Todd Mark (BMI) and Merryweather (BMI). TMP, a management firm, is owned by Alexander, who was vice president and general manager of Kent Records.

The label has set up about 35 independent distributors.

## Soft Market Gives Amberg File A Planning Pause That Refreshes

By EARL PAIGE

KANKAKEE, Ill.—The business slump that has hit most tape companies also has been felt by Amberg File & Index Co., but it has had some beneficial effects.

The manufacturer of tape-carrying cases has been able to pause long enough to plan new designs and fresh marketing directions.

One result is a new, de luxe 15-tape capacity case capitalizing on the so-called "wet look" or high gloss seen in today's fashions, and two other cases that represent rather radical design features. Altogether, Amberg has 25 different carrying cases.

At the same time, the more than 100-year-old firm is expanding its facilities here by more than 93,000 square feet in what will be a major warehousing move that could radically change Amberg's traditional mode of distribution.

Additionally, the period which allowed the firm to "take a breather," as advertising director Paul Hubartt terms it, has allowed for a more careful look at still another growth area—carrying cases for the educational/industrial cassette tape market.

"This is truly the decade of tape," he said, "and we're certainly beefing up our line and encouraging distributors and dealers to concentrate on what is an accessory item that can represent a 50 percent markup at retail."

Curiously enough, Amberg found in one instance that the consumer wants a quality look in carrying cases. One of its models was simply priced "too economically," Hubartt said. "Dealers asked us why they should sell our case at \$6.95 when customers were just as willing to buy one at \$12.95. This is why we decided to bring out our 'ultra 15' at \$10.95." It's available in four colors.

He said that with the advent of quadrasonic 8-track, customers are going to become more conscious than ever of the need to store tape carefully.

"I scoured New York for the best things and even picked up a lock with a key. I don't understand why customers prefer a key because it's so easy for someone to just walk away with the whole carrying case." Then he added, "Perhaps it's to prevent baby brother from getting inside and bothering the cartridges.

### Other 2 Cases

The other two cases, the Zodiac and Treasure Chest, are 10-cartridge capacity units that list for \$4.98. One, embellished with Zodiac signs, reminds Hubartt of Amberg's departure some years back, when it came out with a mod look 45 r.p.m. carrying case.

"Capitol and others told us to watch out—that it wouldn't sell over a long period. It's still our best mover in disk cases," he said. Incidentally, Hubartt and Robert O'Neil, sales manager, both added that the continuing strength of singles has kept disk cases well ahead of tape cases.

While the Zodiac case, embellished with gold and blue designs against a white background, is aimed at girls, Treasure Chest has a distinct masculine look. Both feature removable tape holding trays so that the cases can perform other functions.

Amberg has the carrying case business pretty much to itself up until tape exploded a few years ago. Since then, many firms have given Amberg some tape case competition. At the same time, the once family-owned firm and now a subsidiary of Boorum & Pease Co. (a Brooklyn-based school and office supply firm) is still unique in the record-tape field.

This uniqueness comes from the fact that carrying cases still constitute only about .25 percent of

Amberg's total business. Thus, while other accessory firms are spinning off into microphones and speakers, Amberg's big focus is still on paper-type products, particularly in education, business and industry.

Additionally, Hubartt explained, Amberg isn't likely to expand into wood or furniture-type record-tape storage units as some of its competitors. Amberg's wood-grained binder board cases, however, could lend themselves to the home market. After all, Amberg wants its 500-ton, \$250,000 reciprocating paper cutter-creaser-die caster-embossing and folding machine kept busy.

Thus, Amberg is set on doing what it now does even better, that is, making excellent binder board carrying cases and improving its marketing of them.

### New Warehouse

In this latter area, the enlarged warehousing here and in Los Angeles, where the parent firm has moved into another expanded facility, all point to more centralized

expediting. Amberg has another warehouse in Dallas and will open one in the East this summer, O'Neil explained.

Cognizant of the fact that carrying cases represent a bulky item for distributors, he said: "We've never crammed cases down the distributor's throat—we offer them drop shipments to customers, split shipments and freight allowances. However, we are now doing some soul searching about our long-standing policy of dealing just through distributors. The approaching June Consumer Electronics Show will find us analyzing this with our distributors, he said, indicating that a possible approach to one-stop distribution may be in the offing.

Both O'Neil and Hubartt are also looking at the business and industrial cassette market. "Right now, many educational cassette firms tell us they only have one or two releases, that when they have more there will be a need for carrying cases. We'll be there," O'Neil said.

## Off-Air Ads Still Are Going Strong

LOS ANGELES—Staffs at various music-tape trade organizations—NARM, RIAA, ITA—are trying to handle routinely what is, in fact, a very touchy problem: hardware manufacturers encouraging off-the-air recording.

"We haven't been very successful in convincing many equipment producers to curtail advertising and promotion which exploits a subtle form of tape bootlegging," admitted a NARM executive.

Many of the equipment manufacturers, in fact, are snubbing warnings to curb their off-the-air recording promotions. The Harry Fox Agency, for example, insists the practice is "illegal and morally reprehensible."

Hardware producers, however, are not convinced. Sony, Panasonic, among others, and Chrysler Corp., the auto manufacturer, are utilizing the record feature of cassettes to sell units.

Sony urges buyers of its CF-620, a combination cassette tape recorder and AM-FM stereo radio, to "Listen 'til your heart's content. Or tape FM stereo right off-the-air, or from your phono, or simply pop in your favorite cassette album."

Another advertisement for its model 120 AC/DC portable cassette recorder states: "Make your own cassette recordings from discs, tapes or off-the-air. . . ."

A spokesman for Sony's exclusive distributor in the U.S., Super-

scope, claims "there is nothing wrong with our advertising concept."

In a series of ads, Panasonic urges consumers to "open your own 8-track cartridge factory" in plugging its 8-track recorder, model RS-820-S. The ad also says: "Slip in a cartridge. Talk or sing into the mike. Use any other sound source. And you're doing what the cartridge recording companies do. Just on a smaller scale."

Chrysler Corp. is mounting an advertising campaign to discuss factory-installed cassette equipment. Importantly, the Chrysler ads are hitting hard at the recording feature.

Al Berman, president of the Harry Fox Agency, said, "Every time we see this type of ad our lawyers are notified to contact the ad agency and explain the nature of the illegality.

"Generally," Berman said, "we have gotten cooperation. But in the event this is not forthcoming we must seriously consider litigation."

Off-the-air ads undermines the copyright owners—the creators and publishers who in the last analysis form the basis of the music business, claimed an industry source. Another said: "As a manufacturer of prerecorded music I strongly object to an advertising campaign that, in fact, enlists the bypassing of the software producer as a developer and merchandiser of his own product."

## GRT IS MAKING ROAD TO RECOVERY MOVES

SAN FRANCISCO—On April 3, Alan J. Bayley, president of GRT Corp., said it would take several major moves to pull the company into a positive financial position.

He has started the long road back by negotiating several sales, including:

—Magnetic Media Corp., of Mamaroneck, N.Y., a blank tape manufacturer, to a private buyer from Canada, Sam Sokolov.

—Discount Records & Tapes stores, one in Santa Monica and the other in Westwood, both in Southern California, to the Wherehouse, a discount record-tape chain.

—Tape Deck, a retail store in Los Altos, Calif.

GRT has also closed GRT Tapes East, a duplicating facility in Fairfield, N.J., liquidated its retail store in Houston, Tex., and consolidated company operations. (Billboard, April 3.)

