

More Video At Record Factory Chain Accelerates Commitment In Face Of Competition

By EARL PAIGE

SAN FRANCISCO—Adding pre-recorded video to the second of its 30 existing units after just a month of pilot testing, the Record Factory chain based here offers examples of the motives behind record/tape marketers' accelerating swing into video. According to marketing vice president Bob Tolifson, one of the most potent reasons is also one of the most basic: to minimize the chance that customers will shop elsewhere.

Tolifson's view is summed up by Pam Barkey, night store manager at the suburban Colma Serra Center outlet, who reports, "Video was the one reason people were leaving here to shop at the Warehouse. We had so many requests for movie rentals. Now we can hold those customers."

Because of the intense competition between area record/tape chains now sparring for video dollars (Billboard, Sept. 10), Tolifson won't disclose his next ploy in tapping video, nor will he say how soon more Record Factory outlets will add video sections.

But he's clearly behind the area. "You have to have it," he says of

video rental. Competition alone isn't the reason, however. "Video has staying power. This extends even to the hardware—I've had my own Betamax five years now."

Record Factory, like other West Coast record/tape chains, contends that the Warehouse in particular has forced the video issue. Two Record Factory executives were at the Video Software Dealers Assn. (VSDA) convention here, at which VSDA officer and Seattle area retailer Weston Nishimura, Videospace, pointedly spoke of Warehouse's \$1 rentals.

"In terms of short range positioning, what Warehouse is doing is very smart," Tolifson says. "Long-term positioning? Well, it's not smart." Tolifson says he keeps an eye on the nearby Warehouse outlet and is "amazed" at the traffic as well as with its apparent success in adult video product, even though the unit is in a mall, a location traditionally wary of that product category.

"But say they rent 2,000 movies a day. That's reasonable. Look at the cost of handling. It has to be 60-70 cents. So what are you doing?"

All the same, Record Factory, in

an effort to remain competitive, is renting some selected titles at \$1. It rents X-rated and extra length regular movies at \$5 and goes \$3 per movie per day on everything else. Its catalog gives some indication of the spread: 200 drama and adventure titles, 59 horror and science fiction, 50 comedy, 52 children's/family, 38 concerts and 42 adult programs with a few instructional titles. Stock is in both VHS and Beta. There is no club membership required.

Further streamlining and simplification can be seen here in the use of round tags, one for VHS, the other Beta. The tags are on hooks directly under the empty movie box. Customers shop an 80-foot-long wall display and bring the appropriate tag to the counter in the rear to rent or purchase a movie.

Stock is maintained in three separate sections: adult, new release and general catalog. Impact plastic hangers used for LPs easily accommodate the empties, which the staff opens and then seals with a meal sealer and hair dryer.

Burkey and assistant manager Ann Flower say that the introduction of video has excited the store's

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Record Bar Chief Cruickshank Sees Major Five-Year Growth

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nal chairman-president-five vice presidents structure. Now we have three senior vice presidents—Ralph King, Dan Surlis and Sandra Rutledge—along with vice presidents Ed Berson and Rich Gonzales and room for maybe nine more vice presidents. I see, for example, an operations and a sales vice president in the near future," Cruickshank says.

Record Bar's growth pattern is based on a three-column base, Cruickshank notes. "Technological equipment, meaning such things as a proper air conditioner and efficient shelving in a store; proper procedures or systems, ranging from payroll to new methods of time-saving, and a management system that motivates our people are the foundation to our future. Combined, they generate the power we need. Do you realize that market research indicates the average worker is using only 30% of his potential?"

"The Record Bar intends to establish feedback loops," Cruickshank continues. "The chain grew rapidly, so we had to systematize. Now we are going to do individual temperature taking. We want to establish a regular attitude survey base. We will canvass employees at all levels personally once a year with an outside organization. We will have such surveys inside biannually. Personnel director Lou Goetz and human resources director Arlene Bergman will monitor these surveys.

"We've initiated monthly employee problem-solving meetings. We want each employee's ideas on problem areas, and we'll go into things like their ideas about new products we just introduced or could introduce. After the meeting, one employee of that store group is delegated to inform Arlene Bergman of noteworthy developments in each meeting.

"Further implementing the concept of the importance of the indi-

vidual employee to the Record Bar is our Operational Improvement Projects innovation. If any employee has an idea, he can if necessary call together his fellow employees and explain it to them. For example, data processing has often made recommendations to management via such a get-together. I'd say 90% of the ideas culled so far have been acted upon positively by Bar management," Cruickshank adds.

"We expect to involve store managers more. They will be graded by their superiors on the three-column concept I explained earlier. There will be more intensive management and leadership training both in Durham and in the field. Farr Associates, with whom I was associated before coming to the Bar, will help hone those skills.

"People tend to do things 'inspected' and not 'expected.' We expect to create an atmosphere where people feel closely involved, where rewards are forthcoming. Managers will receive bonuses for shrinkage and operational cost control, for managing their people well. When time comes for raises, we will have tracked our employees to see how well they have performed according to our criteria. We want to support a culture of dynamic people interested in employees, thus creating sales so a company can grow.

"By thinking ahead five years, we must consider how we can best meet the needs of our customer and how we can best motivate our employees to work all out for their company," Cruickshank goes on, "We need to ask the employee what our customers want. We did that early this year and found out through them that we needed to adhere more to the mold of a record/tape retailer. As a result, we have broadened and deepened our album and singles inventories."

Cruickshank expresses optimism, pointing out that when he came aboard, he discussed sales goals with Barrie Bergman, with both conclud-

ing they were not high enough. They raised those quotas "a couple of million dollars." A combination of good business, aggressive pricing and advertising and strong employee support made the goals attainable, Cruickshank avers. "We saw 20% to 30% increases resulting," he says.

Record Bar's purposes are four-fold, Cruickshank notes. "We must become the best home entertainment retailer; we must satisfy customer needs; opportunity for our employees must create quality growth; all of which combine to produce a good return on investment."



'FOOD BAR'—Ron Cruickshank, president, Record Bar, has announced chain's intention of diversifying into food store adjuncts as part of firm's long range targeting.

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Video Music Programming

As of 9/7/83

MTV Adds & Rotation

This report does not include those videos in recurrent or oldie rotations. For further information, contact Buzz Brindle, director of music/programming, MTV (212) 944-5399.

NEW VIDEOS ADDED:

Joey Harris & the Speedsters, "You Never Call Me." MCA
Heart, "How Can I Refuse," Epic
Kagney & the Dirty Rats, "Dirty Rats," Motown
Oingo Boingo, "Nothing Bad Ever Happens To Me." A&M
Roman Holliday, "Don't Try To Stop It." Jive
Tim Scott, "Swear." Warner Bros.
Tears For Fears, "Pale Shelter," Mercury

HEAVY ROTATION (3-4 plays a day):

Asia, "Don't Cry," Geffen
Asia, "The Smile Has Left Your Eyes." Geffen
Jackson Browne, "Lawyers In Love," Elektra
Def Leppard, "Foolin'," Mercury
Fixx, "One Thing Leads To Another," MCA
Billy Idol, "Dancing With Myself," Chrysalis
Billy Joel, "Tell Her About It," Columbia
Kansas, "Fight Fire With Fire," CBS Associated
Loverboy, "Queen Of The Broken Hearts," Columbia
Men Without Hats, "Safety Dance," Backstreet
Moody Blues, "Sittin' At The Wheel." Threshold
Robert Plant, "Big Log," Atlantic
Quarterflash, "Take Me To Heart," Geffen
Rainbow, "Street Dreams," Polydor
Bob Seger, "Makin' Thunderbirds," Capitol
Donna Summer, "She Works Hard For The Money." Mercury
Stray Cats, "Sexy + 17," EMI America
Talking Heads, "Burning Down The House," Sire
ZZ Top, "Sharp Dressed Man," Warner Bros.

MEDIUM ROTATION (2-3 plays a day):

Alarm, "The Stand," IRS
Animals, "The Night," IRS
B-52's, "Legal Tender," Warner Bros.
B-52's, "Song For Future Generations," Warner Bros.
Charlie, "It's Inevitable," Mirage
Coney Hatch, "First Time For Everything," Mercury
Elvis Costello, "Everyday I Write The Book," Columbia
Culture Club, "I'll Tumble 4 Ya," Epic
Ronnie Dio, "Rainbow In The Dark," Warner Bos.
EBN/OZN, "AEIOU," Elektra
Dave Edmunds, "Information," Columbia
Eurhythmics, "Love Is A Stranger," RCA
Mick Fleetwood, "I Want You," RCA
Joan Jett, "Everyday People," MCA
Joan Jett, "French Song," MCA
Journey, "After The Fall," Columbia
Kinks, "Don't Forget To Dance," Arista
Men At Work, "Dr. Heckyll And Mr. Jive," Columbia
Naked Eyes, "Promises, Promises," EMI America
Quiet Riot, "Cum On Feel The Noize," Pasha/CBS
Peter Schilling, "Major Tom," Elektra
Shalamar, "Dead Giveaway," Solar
Spandau Ballet, "True," Chrysalis
Rick Springfield, "Human Touch," RCA
Frank Stallone, "Far From Over," RSO
Bonnie Tyler, "Total Eclipse Of The Heart," Columbia
Neil Young, "Wondering," Geffen

LIGHT ROTATION (1-2 plays a day):

A Flock Of Seagulls, "Talking," Jive
Adrenalin, "Angel In The Day," Musical Signature
Axe, "Heat In The Street," Atco
Aztec Camera, "Oblivious," Warner Bros.
Peter Baumann, "Strangers In The Night," Portrait
Big Country, "In A Big Country," Mercury
Bouncing Balls, "American Anthem," Tender
Jim Capaldi, "Living On The Edge," Atlantic
Cobra, "Blood On Your Money," Epic
Cee Farrow, "Should I Love You," Roeshire
Fastway, "We Become One," Columbia
Tim Finn, "Through The Years," Oz
Flestones, "Right Side Of A Good Thing," IRS
Grand Alliance, "Helpless," A&M
Herbie Hancock, "Rockit," Columbia
Helix, "Heavy Metal Love," Capitol
Human League, "Mirror Man," A&M
Inxs, "To Look At You," Atco
Iron Maiden, "Trooper," Capitol
JoBoxers, "Just Got Lucky," RCA
Elton John, "Kiss The Bride," Geffen
Kajagoogoo, "Hang On Now," EMI America
Kissing The Pink, "Maybe This Day," Atlantic
Little Girls, "How To Pick Up Girls," PVC/Jem
Nils Lofgren, "Across The Tracks," Backstreet
Eric Martin Band, "Sucker For A Pretty Face," Elektra
Minor Detail, "Canvas Of Life," Polydor
Gary Myrick, "Message Is You," Epic
Graham Parker, "Life Gets Better," Arista
Plimsouls, "A Million Miles Away," Geffen
Will Powers, "Adventures In Success," Island
R.E.M., "Radio Free Europe," IRS
Ramones, "Time Has Come Today," Warner Bros.
Danny Spanos, "Excuse Me," Pasha/CBS
Michael Stanley, "My Town," EMI America
Spys, "Midnight Fantasy," EMI America

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