

Summer CES

Low Videocassette Prices Seen Rejuvenating Market

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Although rumors have been flying that MCA will soon release a "major theatrical blockbuster" at a promotional price, the company re-

mains silent. The recent decision to pull "E.T." off all media for two years after its current theatrical run doesn't leave MCA with many choices. "The fact of the matter is

that we don't have a blockbuster title to release," explains MCA president Gene Giaquinto.

CBS/Fox Video is one company blessed with theatrical hit proper-

ties, but it prefers to leave the promotional pricing to others. "We will not let other companies dictate our sales programs," says CBS/Fox marketing vice president Ed Walsh.

"We price our subjects based on the market value. A blanket cost-cutting move isn't in our best interests."

Consequently, upcoming releases from CBS/Fox including "Porky's," "The Verdict" and "Sophie's Choice" will all retail for an industry high of \$79.98. Further illustrating the company's non-conformist marketing approach is the decision to pull rather than rerelease catalog items at sales-inducing prices. The company intends to drop more than 70 titles from its current roster for anticipated rerelease in 1985. "At that time," says Walsh, "the VCR population will be bigger and more receptive to the programs."

However, the company is not totally ignoring promotionally priced lines. CBS/Fox will continue offering its "Collector's Series" of classic movies, similar to MCA's "Reel Deal" product, at \$49.98.

MGM/UA Home Video has taken a page from CBS/Fox's marketing book, yet toned it down enough to make dealers want to read it. According to company president Mickey Hyman, MGM/UA also gauges its cassette prices according to the individual title, but the guidelines are more in line with today's trends. Children's titles are generally moved at \$29.95. Music lists between \$39.95 and \$49.95, while features, which remain primarily rental items, are given individual—usually high—sticker prices.

"I really think most majors are going to price releases this way," says Hyman. "After all, unless you have that rare title that has wide collectable appeal, you're better off staying away from the lower price. I'm sure we'll make as much money on 'The Secret Of NIMH' at \$79.95 as at \$39.95, even though we may have moved more copies at the lower price."

Seconding Hyman's feeling is Thorn EMI with its release of "First Blood." Despite its \$79.95 asking price, the title is hitting the sales charts. The manufacturer claims some 40,000 units have already sold through to distributors, and similar numbers are anticipated from "Frances," being offered this month at \$69.95.

Independent manufacturers are seizing upon the low-pricing ploys far more heavily than many of the majors. Virtually every independent producer is offering some kind of promotionally priced line, with many making wholesale catalog reductions.

Media Home Entertainment, currently doing good business with its \$39.95 "Muscle Motion" tape, is set to lower 50 feature titles to the \$29.95 level this month.

Embassy Home Entertainment, the first company to emulate Paramount's pricing experiments, with "Blade Runner," is doing equally well with its second low priced title, "Let's Spend The Night Together."

Vestron Video currently offers a low-priced line of VidAmerica product. According to marketing manager Michael Olivieri, the company moved as much reduced-price VidAmerica product in one month, as VidAmerica had in the previous six.

Caballero Control's many video divisions, including Monterey Home Video, USA Home Video and Family Home Entertainment, all seem to thrive on \$39.95 releases. Recent additions to the low-priced catalogs include an Abba concert, "Thinner Thighs In Thirty Days" and "Stunt Rock."

"The new pricing is restoring dealer confidence in the prerecorded market," says Paramount's Clott.

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