



**ARMATRADING PLAYS NEW YORK** — A&M recording artist Joan Armatrading recently kicked off her first major concert tour of the U.S. with a performance at The Palladium in New York. Congratulating her backstage after the show (from left) are: Michael Leon, N.Y. promotion for A&M Records; Rich Totian, national album promotion for A&M Records; Pete Mollica, national promotion for A&M Records, Joan Armatrading; Michael Stone, Armatrading's manager; and Jimmy Zisson, New York general manager for A&M Records.

## Playboy, GRT Banking On '77 ir 9

had sales of \$35.5 million for the 1976 year ended March 31, compared to sales of \$33.1 million the year before. But the loss on the Chess sale led to an overall loss of \$614,619 for 1976, as compared to a pre-tax profit of \$1 million the year before. Regarding sales, GRT indicated they are "stated net of a 25% to 30% provision for product returns."

GRT has reorganized its music divisions into five major groups, according to the report. They are music tapes (for Arista, ABC, Private Stock, etc.), direct mail marketing (special packages similar to "22 Hits of the Lovin' Spoonful"), the record division (Janus and GRT Records), GRT of Canada, and custom products (custom tape duplication and record pressing). In addition, GRT reported they have "guaranteed minimum royalty payments for music licensees to duplicate records and sell prerecorded tapes. Guarantees to \$8,540,000 are payable through 1980, with \$3,572,000 being due in the fiscal year ending March 31, 1977."

Nonetheless, the company is planning to diversify; management of a southern California ski resort and the acquisition of an 80% interest is under active consideration. "The company also recognizes that," the report noted, "to achieve its desired growth rates, it must diversify outside the

music segment of the recreation industry. External growth by acquisition has now become a practical and realistic avenue for development. . . Our general objective is to invest in businesses with long-term predictable growth patterns."

### Playboy Year

Sales for the Playboy Enterprises record and music publishing division almost tripled from 1975 to 1976, for the year ended June 30, as sales rose from \$780,000 to \$2 million. The division, however, was still not profitable, as losses increased nearly a half million from \$1.2 million last year to \$1.8 million this year. Losses in the five year period for the music division of Playboy total \$7.6 million. Nonetheless, Playboy, after "a year of significant achievement" (earning its first gold record), will "improve its penetration of the most vital segments of the contemporary music market." The report also details the distribution arrangement with Beserkley Records and their successes with country product.

Playboy has also expanded their operations to Playtiques, the first of which opened mid-August 1976 in Chicago. In addition to Playboy accessories and sportswear, the Playtiques also feature record departments.

## Crossovers Complicate Grammy Classifications

LOS ANGELES — More than two dozen members of the music and recording industry met Oct. 29 and 30 at NARAS' national offices here to screen entries for the 19th Annual Grammy Awards. After two days of talks, agreement was reached on at least one count: the increasing number of crossover records and the greater fusion of different musical styles have greatly complicated the task of categorizing artists and their recordings.

Since academy regulations prohibit entries from being listed in more than one performance category, screening committee members, representing many facets of the music industry, often found themselves in spirited discussions regarding precisely where many of the crossover and fusion LPs, as well as individual album tracks, belonged. Several hours were spent listening to recordings and many hand votes were taken as committee members attempted to reach consensus where questions were involved.

The two-day meeting, chaired by Eddie Lambert, NARAS national trustee and president of Haven Records, also focused attention on the current Grammy Awards' categories themselves. Several committee members urged that the national trustees consider the addition of new categories to cover artists and recordings which represent a fusion of musical styles.

The committee also reviewed release date information to ascertain whether recordings were released between Oct. 16, 1975 and Sept. 30, 1976, the academy's new cut-off date.

The next step in the Grammy procedure calls for the screening committee's recommendations to be reviewed by the boards of governors of the academy's seven chapters followed by the national board of governors, whose decisions will be final.

Academy voting members will receive pre-nomination lists along with their nominating ballots during the first week of December. Results of the balloting will determine the finalists, with winners to be announced in February during the Grammy Awards CBS-TV special.

## UA Sets Dirt Band LP

LOS ANGELES — United Artists Records has set for release a new Nitty Gritty Dirt Band collection entitled "Dirt, Silver and Gold," a 3 LP package which will retail for \$11.98.

## UPS Strike Heading West ir 7

get boxed carton lots, and it creates a big problem with them as far as ordering is concerned. It's either that or we have to pigeonhole the ones, twos and threes until we can build an order that's big enough for shipping by truck. My promotion men have been delivering many of their records by hand when they can." For small packages they have gone to parcel post, and are only using buses "in an emergency" said Ryan.

Howard McGrath, operations manager at the MCA pressing plant in Gloversville, N.Y., said, "We're still getting the orders out. I've lowered our requirements on bulk shipments to below 100 pounds, and asked our sales department to get bulk orders, which is not difficult at this time of year. I've used parcel post/special delivery for small shipments, and have had overnight service, but it's very costly. We're better off going by bulk shippers or general truckers, but service has deteriorated because of increased volume. We've been losing service and profit, but we've got to get our stuff into the marketplace."

### Larger Chains OK

Eric Schwartz, LP buyer for the Harmony Hut chain, finds the strike "should be affecting us, but it's not. Right now it's not a terrible burden. I try and plan around it by ordering sooner and expecting shipments at least one day later."

At For The Record, a four-store Baltimore/Annapolis retail chain, shipments have been held up "just from small distributors, the one's you don't have 100 pounds a week from," said LP buyer Bill Blankenship. "It's a pain, but I just let orders build up and do a monthly order. I don't know what it'll be like for the Christmas season. We've had a problem with new releases, and it must be a real problem for smaller stores. I hope it ends soon, but it probably won't."

"The strike has really been no problem at all," said Tom Seamen, director of merchandising of records and tapes for the 10 Sam Goody stores in the Philadelphia area. "We are a fairly large operation, and most of our shipping is done by our own truck from our depot, so we haven't felt it."

Giant Music, a three-store chain in northern Virginia, has been affected "very little," according to album buyer Mike Head. "We order in sufficient quantities to receive truck shipments, so it's mainly singles and new releases that are held up. Mostly it has hurt our magazines that we sell, which at first were two weeks behind, but now are only a few days late. I can't say that for us it has made an awful lot of difference."

### Small Retailers Gripe

The effects of the strike appear to have hurt the smaller retailers most. Fred Ne-Jame, owner of Hi-Fi Record and Tape Center in Johnson City, N.Y., claimed, "It's

killing us. Ninety-five percent of our stuff comes UPS, so any retailer that relies on UPS is hurting. I get shipments either by truck or parcel post, but you can forget parcel post because they're running up to 30 days behind. I've been turning away customers because I don't have what they want, so business has been down 33 percent some days. I think the President should invoke the Taft-Hartley Act to insure that the consumer market and economy will remain strong through the holiday season."

### 'Week's Delay'

"When it first started, most of our shipments had a week's delay," said Mark Heller, an employee of Record City in Bethlehem, Pa. "Luckily our owner lives in Philadelphia, so he brings shipments up by car from there at least twice a week. It's been a pain in the neck for us."

Paul Garvey, buyer for New Wave Records, which has two stores in the Pittsfield, Mass., area, pointed out that "it's more expensive, and it's a delay, which is the worst part. What took 24 to 48 hours before now takes a week. We're just not getting our shipments, what with all the ten zillion other things being shipped now. So we're buying heavier now, say 150 Stevie Wonders instead of just 50, in anticipation of the holiday business. We're not very happy with the situation at all."

## 'Hasten' Platinum

NEW YORK — "Hasten Down The Wind" by Linda Ronstadt has been certified platinum by the RIAA.



**LONDON HOSTS HEILICHER** — London Records recently held an official "Welcome To The Family" meeting for Heilicher Brothers of St. Louis, the label's recently appointed independent distributor for Missouri and Kansas. The meeting included a presentation of new albums on the London labels, along with a discussion of past and future merchandising programs. Pictured above (from left) are John Striker, London's vice president of finance; Eric Paulsen, general manager for Heilicher Brothers of St. Louis; Sy Warner, London's national sales manager; Don Wardell, director of creative services; John Harper, director of classical sales; and Bob Stubenrauch, midwest district manager. Seated is Marie Peros, London's national credit manager.