

## Lundvall Speech *(Continued from page 4)*

to an industry plummeting its way toward a 50 percent consignment course. An epidemic of packaging overkill was handled with sensitivity and the highest standard of graphic arts is no longer encumbered by wasteful ego feeding. Aggressive catalog merchandising which in 1973 accounted for an amazing 35 percent of our total billing continues with fervor in the current year. The creation of Limited Edition and the revitalization of our \$4.98 line have, in one year, set totally new standards in the so called economy record business. It was a year in which we also put our advertising and merchandising expertise to the test. What works? What no longer works? What may work better? And at what cost per generated sale? Supplements, roto-sections, piggy-back spots. Television advertising, the computer-pack merchandising concept. We have found some answers, we turned some new tricks . . . and we're still experimenting. To be satisfied with rote technique would be to abdicate our merchandising leadership.

"Recognizing that the concept of cross-over grows from the root of specialization, we reorganized and expanded the vital sub-businesses that make up our total business. In country music . . . in contemporary pop . . . in the classical area . . . and in the dramatically growing black music business. . . it's unrealistic to expect either musical or technological revolutions to come along every few years to dramatically spur our industry on to the next billion dollars—and I'm sure that you've grown as tired as I have of hearing about our two billion dollar industry—for the last five years. The fact is that we are in a far more mature industry today and if we're going to see that next billion it will be through an even finer tuning to the evolutionary process that starts with the music and ends up sometimes years later in terms of enlightened public taste.

It's a known fact that one major record company spent over 40,000 dollars last year for T-shirts—I'd rather support our artists than "Fruit of the Loom"! If the ambience of the full line store attracts the avid fan, there's strong evidence to support the theory that this very atmosphere may well turn away the older less active record buyer who may

feel out of place mingling with the youth culture. Without beating the proverbial dead horse the opportunity for the racked discount and department store to reach both the active and occasional purchaser through department expansion and increased selectivity has never been more at hand.

"We began testing television advertising back at the time when many of our competitors considered Charlie Lamb's tip sheet *The Mass Media*. We learned that it didn't work; or more correctly, that it did work but the resulting sales increases just didn't justify the cost. And then rather curiously, a handful of renegades came along and created a whole new business—and the Broadcast packages taught us that we didn't have a monopoly on good ideas. With annual sales estimated at well over 100 million dollars—television obviously sells records—and with efficiency! This Fall we'll be entering the Broadcast business through retail on a test basis. Right now we're involved in a nationwide spot TV blitz campaign. All year long we've been testing and with an impressive incidence of success. Just ask the LA Branch whether television sells records!

"The whole point is that we're searching for the key to unlock a whole new record buying audience—a more aware, more conditioned audience—an audience at the threshold of purchase.

"I can think of no avenue of experimentation that offers greater potential for increasing the base of our business . . . and we're going to find that key in the months ahead.

"So these are just a few of the directions we'll be moving in. None of them revolutionary—all of them like the music and the public taste—**evolutionary**. And all of them, like the company you keep; steps ahead of an ever more sophisticated competition.

"To specialize and to cross over, to master all of the avenues of exposure and to find new ones. To aggressively develop new artists and to expand the market for our established stars. And always to step up to the music with an open mind. The public just may not be far behind.

## Alexenburg Speech *(Cont. from page 4)*

blood of the record industry, Epic's new artists are chosen with discrimination and care—so that they too can set the paces in their fields. Minnie Riperton, King Biscuit Boy, Michael Fennelly, Florence Warner, John Hiatt, Rupert Holmes—these are the pacesetters of tomorrow. A kaleidoscope of different sounds and styles—but each is distinctive and a future musical leader.

"But perhaps the greatest thing about Epic is its wonderful association with Columbia—which puts all of us into contact and communication with all of you. It avails us and our artists of the talent and enthusiasm of a promotion and marketing team that has no peers. It allows us to work closely with people like Arnold Levine, John Berg, Ed Lee and legions more, too numerous to mention—but you know who you are.

"In the midst of this, Epic has tried to develop its own look and style. The Epic team—newly joined by Mel Phillips, assistant national promotion director—is

stronger, more flexible, and, of course, crazier than ever. (Like the business we're in.) In the time between last year's convention to now, Epic has established a separate publicity department of its own under the supervision of Bob Altschuler, with Bob Sarlin and Susan Blond in New York, Pat Siciliano here on the coast, and Dan Beck for the total company in Nashville.

"This is the challenge of Epic—a direction, a way to go. No one thinks of us as a singles company these days—not while we're selling two and a half million Charlie Rich albums and a million and a half Edgar Winter albums.

"In every record market across this country, and, in fact, across the world through CBS Records International, Epic and our family of custom labels is truly emerging. Growth can be measured in more ways than one. Our growth is not simply a staggering story of increased profits and percentages, it is also the story of a company which has become musically complete.

## Rhythmic Grins from Atlanta



Polydor feted the Atlantic Rhythm Second on their own turf to kick-off a full-scale promotional push which will continue in New York, August 14-18 at Max's Kansas City. The day was highlighted by an open-air picnic in Stone Mountain Park and a live performance at Alex Cooley's Electric Ballroom. Pictured during the festivities are (from left) Buddy Buie, Atlantic Rhythm Section producer; Jerry Schoenbaum, president of Polydor Records; Billy Lowery; and Georgia Governor James Carter.

## Fantasy Inks Blackfoot



Singer/songwriter J. D. Blackfoot (right), is seen signing a contract with Fantasy Records president Ralph Kaffel (left), as his manager, Randy Nauert, looks on. While living briefly in New Zealand, J. D. Blackfoot recorded an album called "The Song of Crazy Horse." It will be released in the U.S. on Fantasy Records in late August.

## Sutom Music Bows

■ LOS ANGELES—Singer Sue Thompson has formed Sutom Music Publishing Company, with offices at 9229 Sunset Boulevard.

Jerry Barber is vice president of the new company.

# new york central

By IRA MAYER

■ CHAPTER CHANGES II: Last week we reported on the imminent sale of Max's Kansas City following Chapter XI proceedings. Legal and financial hassles developed in the interim, and as of press time, original owner **Micki Ruskin** was still in charge. **Sam Hood**, who single-handedly developed the Upstairs at Max's club, and who booked it until very recently, is no longer associated with the club or the restaurant (and will be announcing plans shortly). **Teddy Wainwright** and **Faris Bouhafa**, who have essentially run the club and taken care of its day-to-day business for some time now, are currently booking the room as well, and point out that they are continuing with the club operation, are booked through Labor Day (**Atlanta Rhythm Section**, **Orleans**, **Patti Smith**, **Rory Gallagher**) and are currently working on September.

SITTING IN: Showcasing and working in an act in front of regular audiences is becoming increasingly difficult—especially during the summer when local bars are not as well patronized as they are in the winter—as unless there is some kind of record company publicity (or interest), the chances of finding an audience at all are scarce. Such was the case for **Virgil Young and the Young'uns** when they appeared Thursday (1) at CBGB's in the Bowery. The group could use a more discriminating audience than the dozen or so friends who sat at the front tables in order to help gain the fluidity which would give their performance more than an amateur feel. Individually, the elements were there.

IN PRINT: **Jan Hodenfield** in the N.Y. Post with a column/feature on producer **Richard Perry** . . . **Crawdaddy's** latest covering everything from the Miss USA pageant to **Salvador Dali** to **Doc Watson** . . . An

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## CBS Golf Results

■ LOS ANGELES—Results of the CBS Convention Golf Tournament, held Thursday, August 1, were: Hacker (122); tie among Don Biederman, Eric Cizek and John Hochstein; long drive, front 9, Randy Brown; long drive, back 9, Tom Mabry; closest to pin, front, John Kotecki; closest to pin, back, Bob Norwood; gentleman of the year, John Hammond; 3rd place low net, Tom Mabry; 2nd place low net, Bud O'Shea; winner low net, Nick Barna; 3rd place low gross, Tom Reany, Charles Miller, Bob Norwood, Bob Ewald; 2nd place low gross, Hershall Orr; winner low gross, Red Richards; best team score (57), George Chavous, Nick Barna and Jim Carnavali.

## Song Fest Names Jury

■ NEW YORK—The American Song Festival has announced judges for the finals: Leonard Feather, Henry Mancini, Artie Mogull, Ms. Mardi Nehrbass, Forest Hamilton, Ms. Ellen Willis, Bill Lowery, Jerry Teifer, Arnold Gosewich, Cliff Stone, Lou Van Rees and Skitch Henderson.