

Video

Using A 'McDonald's Approach' Video Connection Stresses Franchise Buying Power

Miramax Marries Movies And Music

NEW YORK—Music and the movies have always been best of friends, and Miramax Films serves as a catalyst for a fair amount of that friendship.

Based in New York, Miramax distributes such titles as "Rockshow" with Paul McCartney, "The Genesis Concert Movie," "The Concert For Kampuchea" and "The Secret Policeman's Other Ball." Music is not the company's only area, but the principals are also involved in concert promotion through their company Harvey & Corky, and so have an intimate knowledge of that field.

Says Harvey Weinstein, executive vice president of Miramax, "The marriage of music and film-making is something I always wanted to explore. For one thing, a lot of cross-merchandising can be done; for the most part it's been neglected. A movie should be the second most profitable project behind a live concert for merchandising."

Movies also end up in the home video marketplace as did "Rockshow." Miramax negotiated deals with RCA SelectaVision, VHD Programs, Laser Vision and EMI (worldwide). "The Secret Policeman's Other Ball" is soon to appear on video as well.

The emphasis on videodisk is due to Weinstein's belief that "the disk will be explosive, be-

cause it can't be copied. It can be as the record business has been, as long as the prices are kept down." He adds, "That's where music product is going to sell—the price is right for kids, who are the music fans."

But music is not the only story at Miramax. The company licensed "The Burning" to Thorn EMI Video Programming Enterprises; the film was written and produced by Harvey Weinstein and his brother Bob, president of Miramax. Rick Wakeman did the soundtrack, and Miramax is making the label deal.

Other projects in the works include "Grand Slam," a comedy movie with music. Miramax has talked to such artists as Charlie Daniels and Greg Kihn about performing on the soundtrack. Miramax also coordinated a recent 3-D movie promotion on WOR-TV in New York. Two million pairs of glasses were sold, and Weinstein claims the show received the second highest rating for the channel.

Primarily, Weinstein says, he wants to make feature films, although he also plans to continue developing music and sports programming. A new deal with Peter Gilbert, who owns International Cable, means the creation of Miramax International, which will license films to cable and pay tv.

NEW YORK—As video retailing has graduated from mass merchandising and discount stores, video specialty retailing has matured. Many of the early specialists have already come and gone, unable to operate with their amateurish approach.

But the video field is still growing, and now has a number of established chain operations. One of these is Syosset, N.Y.-based Video Connection of America, founded in 1979.

"We wanted to establish a McDonald's approach to video retailing across the U.S. to harness the energy of entrepreneurs, yet pull them into a chain that would give them advantages in buying and marketing power." So says Video Connection president Bert Tenzer. The company is also launching its own video software division.

There are more than 150 franchised stores in 26 states and Canada, all with the same name and design, including wallpaper, fixtures, signs and displays. The chain has its own marketing, advertising and promotions.

A start-up fee of between \$40,000 and \$50,000 buys the new franchise a package including store design, fixtures, a computer inventorying system, cash registers, tools, marketing and start-up inventory: television sets, projection tv, games, accessories, blank and prerecorded tape.

"Once the franchisee is approved, we fly them to Dartmouth, Mass. where we run our own university, taught by accredited teachers—not

salesmen," Tenzer explains. "We put them up and pay all their costs as part of the package." After two weeks, the franchisee is tested and licensed.

All prerecorded software is shipped to franchisees from Las Vegas, due to a joint venture with distributor King of Video there. All other products are shipped from New York.

The Video Connection is ongoing. Newsletters, updates, seminars, store contact, continuing promotion—all are offered to franchisees. And their input is reflected in new marketing programs.

"We research products all over the country," says Tenzer. "We do what no individual store could do because of our buying power and our national ad campaign."

Because of its size, the company is also able to start its own software development. "Our own production company will acquire and produce product strictly for video. We have enough stores to give us distribution strength; we'll have more than 500 dealers in the next year or two. So there's a base for our own software, and we feel we're ready to move with strength into that area."

Tenzer does not, however, see movies as the way to go. "We'd do special interest programming. That's the whole reason video is timely—the mood of the public is to get into its own individual tastes. You can't do that with mass-produced product."

Video Connection also puts its own name on blank tape and is starting to on other products.

VIDEO SOFTWARE SUPPLIERS

U.K.'s Intervision, HVH Merge

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and public places market; and Video Merchandisers was on the lookout for rights to special interest projects.

A stock market share issue last fall generated around \$500,000 and a second share placing in June, 1982 raised over \$3.5 million. Share value rocketed from \$1.70 to \$12 and first-year profit forecasts were revised upward from \$350,000 to at least \$650,000.

Along the way, HVH acquired the services of a number of well-known show business names: actor David Hemmings, "Thunderbirds" producer Sylvia Anderson, and most prestigious of all, Jack Gill, former deputy chairman of Lord Grade's ACC.

The current group structure is already a good deal more complicated than it was this time last year. Home Video Big Screen, now offering a package of large screen plus rental facilities for 450 titles, is part of the Home Video Communications hardware division, along with Home Video Programming, which acquires public-viewing titles, and On Coach Video, which provides video systems for intercity coaches.

Sylvia Anderson's Home Video Premiere Productions already has several original projects under its belt and more are in the pipeline. Peter Abbey says, "By this time next year everything viable will be out and a lot that isn't." When the supply of feature films does dry up he has no intention of being caught out. Cookery, baby care: the safest, recession-proof topics are the ones to go for, he feels.

Abbey promoted concerts in the '60s and first unearthed the unknown group Smile, now better known as Queen. His background leads him to believe music on video, though less certainly profitable, is also a natural area for program origination.

"You can make money with music programs," he says. Among the completed titles now being marketed by Premiere Productions are four rock concert specials, including Teddy Pendergrass's most recent U.K. performance and Adam and the Ants' "Live In Japan."

This last, along with Engelbert Humperdinck in concert, is one of four programs Abbey has made available for Philips' initial LaserVision videodisk catalog. He is not only an enthusiast for the medium; he sees it as a lifeline for the audio disk industry. "In competition with VCRs, forget it. But get the price down to the level of a decent music

UA Division In Vid Field

NEW YORK—United Artists Music Services, a division of United Artists Music & Records Group of San Francisco, has entered the videocassette field. The company will distribute and market music videocassettes.

Donna Denney, president of the parent company, says her company is moving to acquire the rights for completed films and tapes of artists, performing either in concert or in a studio. She says \$100 million will be invested in the acquisitions.

center, concentrate on music, and sell the software at a reasonable cost—I reckon I could do them at \$12—and it's a different matter. Look at RCA with SelectaVision. They rethought it: stereo sound, cheap price tag and bang, they're away. But for music. If the record industry got hold of videodisk it could save them all."

Other new offshoots of the central HVH stem give it an international dimension. From Los Angeles, David Blake of David Blake Film Enterprises heads up Home Video Inc., his brief to "act as the sub-holding company in the U.S., acquire rights and distribute videograms."

Ex-ACC executive Guy East runs Home Video International, which aims to duplicate the parent operation through joint corporate ventures overseas. Subsidiaries already exist in Spain and Holland, and negotiations are in progress covering France, Belgium, Switzerland, and hopefully later Africa, India and the Middle East too.

But there are still further areas to explore. Abbey has two particularly in mind: music publishing and video games. Music publishing because it goes with the production side of HVH: "So that we can control what we produce."

And video games, because that is where Abbey sees growth potential. He is in the final stages of negotiating a deal to be the major supplier of games manufactured in the Far East, and plans to have them in chain stores, video outlets and record shops in time for Christmas, with heavy tv advertising to send them off.

Billboard[®] Survey For Week Ending 8/28/82

Videocassette Top 25 Rentals

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These are most popular videocassette rentals, in both Beta and VHS formats, compiled from a survey of retailers and wholesalers.

This Week	Last Position	Weeks on Chart	TITLE	Copyright owner, Distributor, Catalog Number
1	2	10	ON GOLDEN POND	20th Century Fox Video 9037
2	1	10	STAR WARS	20th Century Fox Video 1130
3	16	3	SHARKY'S MACHINE	Warner Brothers Pictures, Warner Home Video 72024
4	18	3	GOLDFINGER	20th Century Fox Video 4595
5	6	7	RAGTIME	Paramount Pictures, Paramount Home Video 1486
6	3	7	ABSENCE OF MALICE	Columbia Pictures Industries, Inc., Columbia Pictures Home Entertainment 10005
7	9	9	DRAGONSLAYER	Paramount Pictures, Paramount Home Video 1367
8	15	9	TAPS	20th Century Fox Video 1128
9	4	12	ARTHUR	Orion Pictures, Warner Home Video 72020
10	NEW ENTRY	1	CAT PEOPLE	Universal City Studios, Inc., MCA Distributing Corp. 77008
11	NEW ENTRY	1	TRUE CONFESSIONS	MGM/UA Home Video 800145
12	5	12	TIME BANDITS	Paramount Pictures, Paramount Home Video 2310
13	13	12	STRIPES	Columbia Pictures Industries, Inc., Columbia Pictures Home Entertainment 10600
14	8	9	PRIVATE LESSONS	Universal City Studios Inc., MCA Distributing Corp. 71008
15	25	5	PERSONAL BEST	Warner Brothers Pictures, Warner Home Video 61242
16	NEW ENTRY	1	DR. NO	20th Century Fox Video 4525
17	7	17	SUPERMAN II	D.C. Comics, Warner Home Video 61120
18	NEW ENTRY	1	MAKING LOVE	20th Century Fox Video 1146
19	NEW ENTRY	1	DIAMONDS ARE FOREVER	20th Century Fox Video 4605
20	11	14	THE FRENCH LIEUTENANT'S WOMAN	Juniper Films, 20th Century-Fox Video 4586
21	17	14	HALLOWEEN II	Universal City Studios Inc., MCA Distributing Corp. 77005
22	21	3	OUTLAND	Warner Brothers Pictures, Warner Home Video 70002
23	14	5	AN AMERICAN WEREWOLF IN LONDON	(ITA) Universal City Studios Inc., MCA Distributing Corp. 77004
24	12	12	BODY HEAT	The Ladd Co., Warner Home Video 70005
25	10	9	NEIGHBORS	Columbia Pictures Industries Inc., Columbia Pictures Home Entertainment 10445