

# Moratorium Meets With Little Resistance

## Retail: Boss Policy Won't Box Us In

BY GEOFF MAYFIELD

**NEW YORK** Your warehouse or ours? That, according to music retailers and wholesalers, is the question posed by the moratorium that CBS is placing on orders and returns of the Bruce Springsteen boxed set.

Sales on "Bruce Springsteen & The E Street Band Live/1975-85" have fallen dramatically. In the words of John Kundrat, a buyer at Santa Ana, Calif., one-stop Abbey Road Distributors, "It's not a slow-down, it's more like a death." But accounts applaud CBS for developing an innovative solution to deal with overstock on the boxed set (Billboard, March 28).

Furthermore, many buyers say the Springsteen episode taught them a lesson that helped them avoid similar gluts on another release that hit a sharp sales spike: the Beatles' recently released CDs on Capitol (see story, same page).

This is not the first time that CBS has blocked returns for key releases. But for the Springsteen box, the company has taken the unprecedented step of placing a moratorium on orders, too. Accounts must request their return authorizations by Friday (3); the label stopped taking purchase orders March 27.

In addition, CBS is issuing its customers credit for Springsteen inventories on hand and will rebill them in

September. Payment is due Oct. 10.

The CBS moratorium is described as "a good move on their part" by Harold Guilfoil, buyer for the Owensboro, Ky.-based one-stop Wax Works, which also operates 43 Disc Jockey stores. "All they're saying is, 'We don't need it in our ware-

house any more than you do in yours.'"

Norman Hunter, album buyer for the Durham, N.C.-based Record Bar says the 130-store chain found CBS' policy to be "totally understandable. You want to be careful now

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## Beatles CDs Settle In After Initial Sales Splash

BY FRED GOODMAN

**NEW YORK** Retailers are awakening to find sales of the initial Beatles CDs provided a satisfying overnight stand rather than an enduring relationship. And, as with the Bruce Springsteen box, dealers say they have scant regrets the morning after.

Though all say sales for the CDs rose and fell in a pattern more like a spike than a curve, few say they are surprised.

"The sales on the Beatles have really settled back," says Howard Applebaum, vice president of the 29-store Maryland-based Kemp Mill chain. "But who would have expected it to be huge for an extended period?"

"There is a certain type of release to which you just can't apply the

same standards in judging whether it is a success or failure," says Norman Hunter, album buyer for the 127-store Record Bar chain, based in Durham, N.C. "We couldn't be happier with the way they sold."

Hunter says his primary fear—a glut of Beatles CD inventory in his warehouse—never materialized. "We're thrilled with our inventory situation," he says, adding that Record Bar has virtually no stock left and a modest order in with Capitol. The chain's sales peaked by the second week of the CDs' release, plummeting by nearly 80% in the third week. Current reorder patterns show the average Record Bar outlet selling only a couple of copies of each CD last week.

In Minneapolis, Rob Simonds of CD-only wholesaler East Side Digi-

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## Washington's A Stage For Lobbying Stars

### Industry Groups Enlist Talented Spokesmen

BY BILL HOLLAND

**WASHINGTON** Item: March 16. Ray Charles in concert at the Kennedy Center. Presented by performing rights group BMI. Billed as "An Exclusive Congressional Evening." Big congressional turnout. Big success.

Item: March 18. A musical tribute in honor of Lena Horne at the Sheraton Grand. Guests include Patti LaBelle and Dionne Warwick. There is a special guest performance by Tony Bennett and his trio. Jointly presented by the Concerned Sena-

tors for the Arts, the Congressional Black Caucus, the Congressional Caucus for Women's Issues, and ASCAP, the performing rights society. Big congressional turnout. Big success.

Look out, lawmakers, the stars are coming!

The stars are not simply coming to Washington to entertain the nation's elected lawmakers—and perhaps make subtle mention of their concerns. No. They're also making the workaday rounds of Capitol Hill to shake hands, press flesh, and drop by congressional offices.

Quips a veteran staffer who works for a Senate subcommittee in the Hart Building, "It's getting so a person can't walk down the hall without bumping into John Denver or somebody."

Maybe not Denver, at least not this past month, but Capitol Hill workers and their elected bosses did see the likes of Charles and Horne after work, and, if they were in the right place at the right time on the Hill last month, they would have seen a baker's dozen of star performers and songwriters. The luminaries ranged from Sheena Easton, Steve Jones, Michael Des Barres, and Gregory Abbott—who came to let Congress know that rockers, via MTV, have joined the fight against drugs—to Academy Award-nominated composer Leonard Roseman and the entire ASCAP board of directors—songwriters all, who were lobbying against source-licensing legislation. It seemed as if talent, like the crocuses popping up in the parks around the big Capitol dome, was pushing its way through all over.

For music industry veterans, the problems of home taping and digital audiotape technology as well as the scramble to scuttle or dismantle the blanket-licensing system are now issues of monumental proportions.

Home taping costs the record industry more than \$1.5 billion yearly. If source licensing replaces the blanket licensing of music used on syndicated television shows, it could result in a loss of the \$85 million in fees paid annually to songwriters

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**Not Letting Them Down.** David Bowie, center, meets with Capitol/EMI America Records executives following a recent New York press conference to announce plans for his forthcoming release, "Never Let Me Down." Pictured with the artist are EMI America president Jim Mazza, left, and Capitol Industries vice chairman/chief executive officer Joe Smith.

## Executive Turntable

**RECORD COMPANIES.** Brian Quick is named executive chairman of Island International, the holding company that controls the entertainment group founded by Chris Blackwell. He was managing director for the U.K.-based merchant bank Hill Samuel.

Capitol Records in Los Angeles appoints Simon Potts senior vice president of a&r worldwide. He was previously managing director of Elektra/Asylum Records U.K.

Heinz Henn is named vice president of international a&r marketing for RCA/Ariola Records in New York. He was head of European operations for the international division of Capitol/EMI/Electrola Records. RCA Records-U.S. in New York names Simon Low vice president of a&r and Marilyn Lipsius director of publicity and video. Low was with the label's a&r



QUICK



POTTS



HENN



LOW

staff. Lipsius was head of her own public relations firm.

Jim Swindel becomes vice president of sales for Virgin Records in Los Angeles. He was vice president of marketing for Island.

PolyGram International in London appoints Wolfgang Munschinski director of public relations. He was public relations manager of PolyGram Germany. Munschinski is succeeded by Werner Hay, who was sales manager of the label's distribution division. In addition, PolyGram France makes the following appointments: Denis Boyer as managing director of Phonogram France; Marc Lombroso, managing director of Diffusion Internationale d'Arts. Boyer was managing director for CBS Belgium. Lombroso was a&r director for Polydor France. Paire was head of PolyGram Classics France.

A&M Records in Los Angeles appoints Lee Smith director of classical sales and marketing. He was previously with Angel Records. Diana Baron is promoted to national director of publicity for A&M Records in Los Angeles. She was West Coast director of that area.



LIPSIUS



SWINDEL



LIMONGELLI



COLEMAN

Gail Limongelli is named a&r coordinator for EMI America Records in New York. She was with Nemperor Records.

Elektra/Asylum Records promotes Dave Johnson to a&r representative, based in Chicago. He was promotion marketing manager. Lisa Barbaris is named manager of East Coast publicity for the label. She was with Morton Dennis Wax & Associates, specializing in music accounts.

Alan Voss becomes manager of national sales development for PolyGram Records in New York. He was sales manager for the label's Philadelphia sales branch.

Warner Bros. Records in Nashville makes the following appointments: Doug Grau as national promotion coordinator; Chris Palmer, national promotion manager; Nancy Solinski, national in-house marketing director; Ronna Rubin, national director of press and artist development; and Susan Niles, national publicity coordinator.

Atlantic Records in New York promotes Robert Shaw to vice president

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## RCA/Ariola Is Now BMG

**NEW YORK** BMG Music and BMG Music International are the new corporate identities for RCA/Ariola, the joint venture set in 1985 by RCA Corp. and Bertelsmann A.G. and acquired by Bertelsmann late last year.

BMG Music is the corporate umbrella for the RCA Records labels in the U.S. and Canada, the RCA Red Seal Classical and Broadway labels, and the RCA/A&M/Arista distribution entity. Each of these divisions continues to use its respective labels and trademarks. Also staying on is the famed Nipper trademark associated with RCA.

BMG Music International covers all the RCA/Ariola International record operations outside

the U.S. and Canada. The various local companies of BMG Music International are also adopting the BMG designation in their formal names, although present label names and trademarks continue.

RCA Direct Marketing Inc., the parent entity for the record club here and direct-marketing operations formerly owned by RCA, has also adopted the new name of BMG Direct Marketing Inc. However, RCA Music Services, RCA Video Club, and the Compact Disc Club survive.

Overall, the divisions, including Arista Records, are part of the Bertelsmann Music Group, consisting of all the global record and music operations controlled by Bertelsmann A.G.