

CASH BOX

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NEWSPAPER

\$1.50



Record Division Sales
Up By Half Billion \$ In 5 Yrs.
'After Youth Market'
Target Of RIAA Project

SANTANA/BACK TO ROOTS

Mercury Opens Memphis Office
NARM Mid-Year Conference
Set For Chicago In Sept.

House Postal Study Shows
Faults Of New System
Marketing & Merchandising
For The 'After-Youth' Market (Ed)

Gallagher New AFE Pres.; Aims To Build AFE & BASF

NEW YORK — Herman D. Gimbel has been elected chairman of the board of Audiofidelity Enterprises, Inc., coinciding with the election of Bill Gallagher as president and chief operating officer. Harold Drayson and Carl Shaw were re-

elected as vice presidents, with Robert Bordella remaining treasurer and Herbert Kanon continuing as corporate counsel.

Gallagher, commenting on his promotion, noted, "My past accomplishments should convince the legal strategists and creative producers who represent tomorrow's major talents, that this company, with aggressive leadership, proven marketing and merchandising capabilities, and good product, can be just as competitive, and perhaps even more capable of concentrating on artist development than can the major labels." Gallagher has been working with Audiofidelity in a consulting capacity for the last few months.

Gallagher explained that although Audiofidelity's licensing agreement with BASF had increased the company's "quality image" in the marketplace, "both companies were lacking in the pop/contemporary and country categories that represent the 'lion's share' of industry sales." He revealed that the labels were seeking mutually profitable production associations and artists with unique qualities and staying potential, and would continue with those selected until they gained artistic recognition and sales success. He further pointed out that he had begun meeting with all Audiofidelity distributors, stating, "Our success in the months ahead can only be measured by our convincing our distributors that together we can have a mutually profitable future."

Gimbel, who ascends to the board of directors' chairmanship as founder and president of Audiofidelity, spoke of Gallagher's contributions to the industry "as an innovator in distribution... in the creative processes... in organizational development." He continued, "His election as president of Audiofidelity Enterprises begins a new era of growth and profitability for our company."

Gallagher was vice president and general manager of Columbia Records until 1968, when he resigned to become president of the newly formed MCA Records group. He left MCA to form Famous Music Corp. for Gulf & Western Industries, resigning to form his own consulting company, the services of which had been employed by Audiofidelity in securing the U.S. and Canadian distribution of BASF Records and Tapes.

Santana Re-Signs With Columbia

NEW YORK — Santana have re-signed an exclusive recording pact with Columbia Records, continuing a relationship that began ten years ago.

1976 saw the release of "Amigos," Santana's eighth album for the label, produced by David Robinson.

Santana returned from a European tour in the latter portion of 1975 to work on "Amigos," and have since commenced a coast-to-coast tour of the United States. They are managed by Bill Graham.

Wainwright Renews Famous Agreement

NEW YORK — Arista recording artist Loudon Wainwright III has renewed his foreign publishing agreement with Famous Music in an arrangement that allows Famous to publish Wainwright's songs world-wide outside the U.S. and Canada. Wainwright's publishing interests include Snowden Music.

UA Promotional Goal: 'Total Market Awareness'

by Stephen Fuchs

LOS ANGELES — The increasingly important role of promotion at United Artists Records was brought sharply into focus last week when the label announced what it considers "a major" enlargement of its local promotion field force under the direction of Ray Anderson, vice-president in charge of all promotion for UA. Anderson named for **Cash Box** five of the eleven individuals he has hired to join the label's promo staff and emphasized that the concept of "total market awareness" was the key factor in his hiring each.

Raising Standards

"Nine out of ten people — even in radio — think of promotion by traditional standards," said Anderson. "They look for someone to take records to radio stations, get them on or not get them on, go back next week and present them again. That's not my idea of promotion. What I'm trying to build at UA is a staff of 'total marketing' people with the tag of a good promotion thrust. People who can find the fullest potential of that record whether it be a hit or a miss. People who don't hype reports, but do note the movement of records and bring that movement to the attention of buyers, through weekly visits to the stores. People who know inventory and can see re-order patterns

from their communication with the sales manager for the market and distributor tie-ins.

"You think, 'hey, they should be doing that.' But check out how many guys do it. It's not happening; it's very rare. But in today's market you have to know what's going on. *Total market awareness* — not just servicing radio stations, but knowing what their needs are, following up on a one-stop level, on a retail level, going by the jukebox operators who can give you a reading on a record that's not getting any airplay."

While he isn't overbearing about it, Anderson is attuned to the fact that the music industry is one of constant change. "Whatever way it comes down on you," he indicated, "you have to adapt. Radio complains about promotion men they can't get information out of and record people get upset at radio programmers' not having any creative abilities — always having to follow the leader, whether they play the record first or last. The combination is sought after by both parties. That's what we're looking for and, believe me, it's hard to find."

"I have a bonus," he continued, "in the sense that I've been given an allocation in the budget to put on more field men to

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Schwartz Bros.' First Qtr. Marks Return To Profitability

WASHINGTON, D.C. — Schwartz Brothers, Inc., a leading regional music merchandiser, reported income of \$36,209 or \$0.22 per share on sales of \$5,231,492 for the first quarter ended March 31. This compares to a loss of \$6,339 on sales of \$4,683,085 for the first three months of last year.

The company's performance for the first quarter, a 13% sales increase, was marked by higher sales in its Harmony Hut retail chain and its distribution and rack merchandising operations.

"The increased volume in our distribution and rack merchandising operations together with greater operational efficiency resulted in improved performance during the first quarter," commented James Schwartz, president. He further noted that the resurgence in consumer confidence was continuing into the second quarter.

Kirshner Sales Doubled In '75; Loss Narrowed

NEW YORK — The Kirshner Entertainment Corp. has revealed in its annual report to the stockholders that gross revenues in 1975 more than doubled the previous year's total. As a result the company was able to reduce losses by nearly \$340,000, yet still posted a net loss of \$19,798.

Revenues increased to \$2,178,816 from a 1974 total of \$946,457, due to an increase in music publishing revenues and revenues from the Rock Music Award Television Special in 1975, though Kirshner's enterprises extend to record production. Activity in the music publishing division continued to grow.

The company will continue its expanding commitment to television as a major source of potential revenue. CBS has exercised its option to produce "The Second Annual Rock Awards Show" and syndication of "Don Kirshner's New Rock Concert" is assured for a fourth consecutive year (as reported in **Cash Box** last week).



A SOUVENIR OF LONDON — Moments after signing an agreement to extend their association with the Buddah Group for an additional five years, Gladys Knight & The Pips and friends were off to the group's sellout engagement in London and an evening of celebration. Pictured above in London after the signing are (l to r): William Knight; Art Kass, president of the Buddah Group; Edward Patten; Merald "Bubba" Knight; and manager Sid Seidenberg.

FRONT COVER



1976 has already been a year of outstanding success for Santana in a long and distinguished career filled with successes. Bruce Lundvall, president, CBS Records has announced that the band has re-signed with Columbia, and with the continuing strength of "Amigos," they are well on their way to achieving their best year ever.

The release of "Amigos," Santana's eighth album for Columbia Records, represents the band at the height of their creative powers. Coming off a triumphant SRO tour of Europe during the last quarter of 1975, the band went immediately into the studios with producer David Robinson, the happy result being "Amigos," an album that leader Carlos Santana has rightly called a "back to the roots" set. The album is being supported by a major-date tour of the States, set through manager Bill Graham.

As the major band to explode out of the historic Woodstock Music Festival to become one of America's premier music bands almost overnight, Santana have worked constantly to keep their music evolving. Carlos Santana is and has been the lead guitarist, founder and core of the band since its inception, guiding the group through success after success. Bassist David Brown began with the band almost ten years ago, left for several years and has now returned. Keyboardist extraordinaire Tom Coster has been with Santana for three years. Their highly effective percussive base comes from Armando Peraza on congas and bongos, and Ndugu on drums. Vocalist Greg Walker is the band's newest member.

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