

# Billboard® Home Video

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## Special-Interest Scores 11% Of Vid Market Longforms Propelling Genre To New Heights

BY JIM McCULLAUGH

LOS ANGELES—Despite an overall flattening of the total home video market, special-interest video continues to grow steadily in both mainstream and direct distribution channels.

That was the message delivered by media analyst Dick Kelly, president of Cambridge Associates, whose presentation, "An Analysis of the

Key Factors for Success in Special Interest Video," led off the fourth annual International Tape Assn. seminar on special-interest video Oct. 1 at the Loews Santa Monica Beach Hotel here.

Revenues to rights holders in the special-interest field are expected to total \$720 million in 1990, he said, up from \$650 million in 1990. He projected 1992 revenues to rights holders at \$800 million.

He added that special-interest should grow by close to 5% next year, with consumers spending about \$1.7 billion on the genre. In the context of

the overall home video market, he said, special-interest is about 11% of the overall \$13.2 billion.

Kelly excludes children's video from his definition of special-interest, noting that the main categories are such alternative nontheatrical programs as health and fitness, music, how-to's, documentary, and cultural fare.

The fastest-growing special-interest category, he said, was music video, which he estimates is growing at about 20%-25% now. (But the Recording Industry Assn. of America recently reported sales of music videocassettes fell 11.8% in the first half of 1991 (Billboard, Oct. 5).)

Fueling music video's growth were the aggressive programming and marketing moves on the part of such record companies as Sony, PolyGram, A\*Vision, and others, said Kelly. At the same time, he said, record/tape combo chains have committed significant real estate in their stores to the category.

He estimated music video revenues at about \$175 million for 1992, up from about \$145 million in 1991, adding that the genre is overtaking exercise videos, once the undisputed

champ of the special-interest field.

He projected exercise video revenues should be about \$160 million for 1991 but should dip to \$155 million in 1992.

During a later session, Al Reuben, VP of sales and marketing for Sony Music Video Enterprises, agreed with Kelly's assessment. He said the success of such artists on video as Johnny Mathis, Tony Bennett, and the Three Tenors demonstrates buyers "are not just an MTV audience. Video music has become the third format. Seventy percent of consumers who buy a music video already own the album. We're very bullish.

"What's unfortunate," Reuben continued, "is that video specialty stores are not more involved. They are giving that business away to the likes of Sam Goody."

(Continued on page 63)

## Jumbo's New Toronto Site Blueprint For Future Growth

BY PAUL SWEETING

TORONTO—At the corner of Yonge and Bloor streets here, in the heart of Canada's second-largest city, Jumbo Video has opened what the chain's president and CEO, Cliff Horwitz, says will ultimately become the prototype store for Jumbo's planned rollout across the rest of Canada and its expansion into the U.S. market.

"We have an aggressive expansion program," Horwitz says. Twelve more stores will open by the end of the year, he reports, while plans call for the chain to break the 100-store level by "early second quarter" of next year.

In addition to selling new franchises, Jumbo, which currently has

65 locations, has begun advertising for conversion franchisees in Canada, much as Blockbuster Entertainment has in the U.S.

While still small by the standards of U.S. chains, Horwitz says a 100-store Jumbo "has to be looked at in context." Aside from the difference in population size (roughly 25 million in Canada compared with more than 250 million in the U.S.), the country's populations are dispersed differently.

"We don't have a lot of B markets up here," Horwitz says. "We don't have anything really equivalent to an Indianapolis or a Phoenix or a Kansas City. We don't have that many A markets, for that matter.

What we have is a lot of C markets, (Continued on next page)

## ITA REPORT

## A\*Vision Unveiling Penthouse Vid Line

NEW YORK—A\*Vision Entertainment will introduce the first three titles from the Penthouse Video line later this month, inaugurating the home video version of the long-running magazine wars between Penthouse and Playboy.

The first three titles in the Penthouse line will be "Fast Cars And Fantasy Women," "Passport To Paradise," and "Penthouse Pet Of The Year Playoff." Each will list for \$19.95 and will be released Oct. 29.

A\*Vision, the home video arm of Atlantic Records, picked up distribution rights to the Penthouse line in

July, beating out several other labels competing for it (Billboard, July 27). According to A\*Vision president Stuart Hersch, the label will market six to nine Penthouse titles a year, although an exact release schedule has yet to be set.

"We'll see how the market responds to the first three," Hersch says. "After that, we will set up a schedule, probably bimonthly or quarterly."

While the first three titles run 60 minutes each, Hersch says A\*Vision will experiment with other programming formats and price points, "de-

pending on how the market responds."

Hersch says A\*Vision had been working on developing an adult product line since at least the beginning of the year, before landing the distribution deal with Penthouse.

"If you're not in the feature film business, there are basically four or five areas you have to look at to be in this business," Hersch says. "You have to look at music video, adult, sports, children's product, and some sort of health and fitness programming. At the right time, we hope eventually to be into all of those areas."

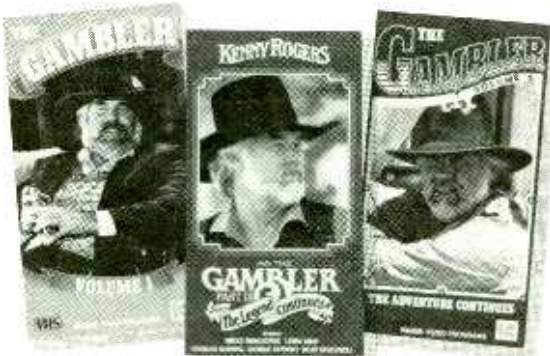
Hersch says he expects the initial distribution of the Penthouse line to be concentrated in the record/video combo chains, in part because the line will be sold by the Warner/Elektra/Atlantic (WEA) sales force, which has longstanding relationships with those accounts.

By penetrating those accounts, A\*Vision will be setting up a direct face-off with Playboy Video, which also counts the music/video combo chains as its strongest distribution channel.

Until recently, in fact, Playboy Video was also sold by the WEA sales force, through Playboy's distribution agreement with Time Warner sister company HBO Video. Recently, however, Playboy switched distributors and is now aligned with MCA subsidiary Uni Distribution (Billboard, Sept. 7).

"We think that, while not crossing (Continued on page 58)

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**Fawn-ing Over The Doors.** Fawn Hall showed up at the Whisky A Go-Go in West Hollywood recently to celebrate the release of Oliver Stone's biopic "The Doors" from LIVE Home Video. Pictured, from left, are Vicki Greenleaf, VP of public relations for LIVE; Eric Gardner, chairman/CEO of Panacea Entertainment; Hall; and Danny Sugarman, author of Doors histories "No One Here Gets Out Alive" and "Wonderland Avenue."