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Dear CE Industry Colleagues:

On behalf of the Consumer Electronics Association (CEA), I would like to thank *Dealerscope* for commemorating the 40th anniversary of the International Consumer Electronics Show (CES®) with this special edition. *Dealerscope* has been a trusted partner in the CE industry through the past eight decades and the pages of this CES 40th anniversary supplement help bring to life the stories, deals, photos and friendships that make this industry so special.



To help take you back to the first Consumer Electronics Show, it took place in New York City in 1967 and featured 110 exhibitors in 150,000 gross square feet of exhibit space. By comparison, the 2007 International CES will consist of 2,700 exhibitors in more than 1.6 million square feet (roughly three million gross square feet).

As the launchpad of new technology, CES has brought the world an amazing four decades of inventions and innovations, with no end in sight. Influential products such as the VCR, CD player, DVD player, HDTV, satellite radio and IPTV made their debuts at previous International CES. As CES continues to evolve with the industry, with thousands of new products launched each year, we need only wait until this January to discover what lifestyle-changing technologies await the world in 2007.

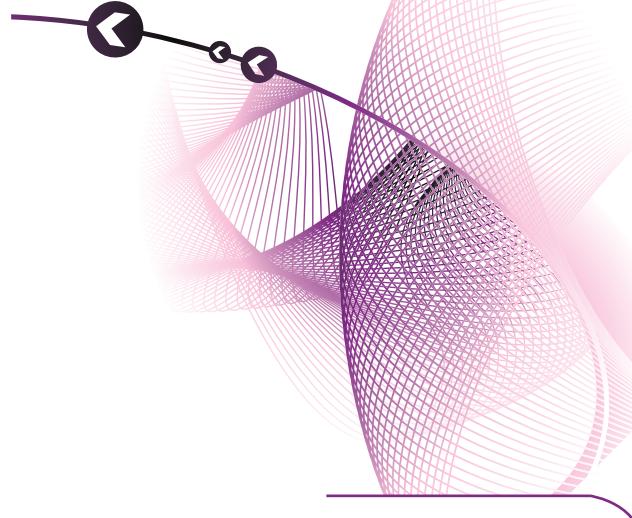
And the industry continues to innovate. The consumer electronics industry in 2006 will generate an estimated \$140 billion in revenue. Our projections for 2007 are equally strong, with the industry expected to ship nearly \$150 billion worth of product.

The International CES will follow suit, continuing to showcase new categories of emerging technologies and helping to expand the breadth and depth of the global CE industry. We look forward to partnering with you for 40 more years of success, as we work together to expand the size and scope of the CE industry.

Sincerely,

A handwritten signature in black ink that reads "Gary Shapiro".

Gary Shapiro  
President and CEO  
Consumer Electronics Association



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# STRAIGHT From the Source



**H**ere's how it started. I'd been with the Electronic Industries Association (EIA), since 1962. It had been the Radio Manufacturers Association, begun in 1922, when our first product, radio, came to market and the association was born. We had the Radio Show in Chicago that showed the latest Philco, RCA and Zenith radios, but that stopped in 1939, just before World War II.

Afterwards, the distribution pattern changed in our business. The manufacturers sold to middlemen, so the dealers never really interfaced with the manufacturer—they could never show their products to the retailers. There were roughly 70 distributors in the U.S. for each brand. They would buy the product and the goods would change hands with the retailers. The distributors would have their own local shows in every community, so there wasn't any need for a show.

I was with RCA 10 for years, based in Washington. I was a distributor, heading up distribution in six states. Before that I was in retailing for five years—so I grew up in the business.

Then, RCA asked me to build the association for consumer electronics. So I joined the EIA in '62 and we began to build the association. It was known as the Home Entertainment section of the EIA.

There was a musical instruments show in Chicago since the 1880s, and our members were exhibiting there. The Japanese—Panasonic, Sony and Hitachi—were just making their beachhead here in The States, mainly with transistor radios. Then, color television started to take off. In 1964, the

first millionth sets were sold—a threshold of success—so there was a need for expanded distribution. Because the Japanese had no distribution system, they wanted to show their goods, and the Americans wanted to show color television directly to the dealers to help it take off. Also, retailers—who were all regional then—wanted to interface with manufacturers and buy direct.

So I said to my board in '65, "Hey, you're all going to the music show, but we're not really part of that un-dynamic industry. Let's have our own show." And many of them said, "No, we don't want that. We have our own captive distributors and the Japanese might steal our executives and our designs." Regardless, they said, "OK, Jack, let's try a show."

We began in '66 to plan. McCormick Place in Chicago, which was where we were going to go in June of 1967, burned down in January; a coffee pot at the housewares show set it off and it burned to the ground. So I booked the Americana, Hilton and Warwick hotels in New York. We were there for four years.

For our first show, we got NARDA to agree to have their annual convention consecutively—that gave us a base of retailers. We had 100,000 square feet (today the show is 1.6 million square feet). Attendance was 17,500 total, but our business was \$1 billion at retail; today, it's \$150 billion or more. But remember, products were just radios, phonographs and TVs. Then, Philips invented the cassette and it became the great hit of the show in 1967—along with color television.

The show mirrored the industry and it caught on from the beginning.

In 1973, we noticed a lot of our companies exhibiting at the housewares show in Chicago in January. Since a lot of the department store buyers also bought for the electronics department, we began showing stuff that didn't sell for Christmas. It was called a "dump" show. I then said to my board, "We need a show [in January]. You all are exhibiting, but we should have the income and the control." And they said, "All right, kid." (I was about two years younger than they were.)

So I took the Conrad Hilton in Chicago a week before the housewares show and it was a success from the beginning, much like the Summer show.

We were there for four years until we had the great blizzard of '77 and froze our a\*\*es off. I had 500 beds brought into the Hilton because you couldn't even get across the street. Then I said, "Let's go to Vegas, gang. Can we do that?"

The response: "Oh, no, the dealers will gamble, they'll never come to the show..." And it proved otherwise.

So in '78, and we made Vegas work for a major show, which the city never had there.

We had two shows a year, from '73 to '94, and then cut out the summer show and stayed with the winter show in Vegas.

It's our 40th year, but next year will mark our 65th show.

To recognize some of the benchmarks, you've got to look at the first show, and at moving in '71 to McCormick Place to a big auditorium versus a hotel

show, which used private rooms and the ballroom. We went from 100,000 square feet to 350,000 square feet when we moved to Chicago.

There have been product benchmarks, too: the calculator, the electronic phone—where you could own your own—and the color television all make the list. Another benchmark was when hi-fi moved out of its cottage industry stage, not to mention when we started having video software at the show (and we had it all—adult and regular.)

The next great thing was the introduction of the video cassette recorder by Sony. That instigated the Sony-Betamax case, the great lawsuit that tried to stop us from annihilating the American motion picture industry. That was a milestone.

And who could forget going to Vegas, which today attracts nearly 125,000 to 150,000 attendees.

CES mirrors the growth of the industry and stays one step ahead of it, showing things that will be in the future. And the basic things that were in the show then—innovations, design and Engineering awards—are all still there.

Today we're on our way to becoming to a \$150 billion industry, and CES has been its bearer, and all of its children.

It's THE show, and it's the largest trade show in the world. And it's never really had any rivals that have lasted.



Jack Wayman

# A Brief History of the Consumer Electronics Show

By CEA and Dealerscope staff

The Consumer Electronics Show, now known as the International Consumer Electronics Show, celebrates a very special birthday in 2007. It will be 40 years since the small conflagration of electronics manufacturers and dealers made history in the New York Hilton and Americana Hotels in June, 1967. A report from the August 1967 issue of *Dealerscope* put the event in perspective for its readers: "The magnitude and importance of consumer electronics in the daily life of modern society was dramatically portrayed during the recent Electronics Show and Convention in New York, sponsored by the Electronic Industries Association."

That statement still holds true for every CES since, even more so for the 40th anniversary show this January. CES has been the place to be for anyone interested in technology and its relationship with entertainment. The leading engineers, marketers, retailers, policy makers, media representatives and celebrities get together every year to learn about the exciting new breakthroughs in technology and the innovative new products that promise to make an impact on our lives.



## The Early Years: 60s and 70s

CES has been the place where firsts happen, where innovations become everyday products and technology trends become consumer lifestyle. The first solid state television was introduced at the 1967 show, and exhibitors showed the latest in transistor radios, stereos and small-screen black-and-white TVs. In 1967 only 16 percent of U.S. households had a color TV, but by 1972, 49 percent owned one.

The first CES, held in conjunction with the annual National Association of Retail Dealers of America meeting, attracted about 17,500 attendees and featured a government/industry symposium, merchandising seminars, an all-industry banquet (with no speeches, and only costing attendees \$10—when was the last time you went to a CES event without speeches?).



# '60-'70



In 1967, the show foreshadowed the coming tape-recording explosion. In fact, the 1967 *Dealerscope* article even predicted the success of the yet-to-be introduced video tape.

It's curious how in so much time, so little has changed. The '67 show was location for a meeting of the American Tape Cartridge Association, and *Dealerscope* reported that retailers attending the session "expressed disenchantment with manufacturers for their unwillingness to get together on some standardized form of tape." So much for learning from the past.

Over the course of the show's first decade, EIA's Consumer Product

Division reorganized into two divisions—Video and Audio—and formed the Consumer Electronics Group, complete with its own board of directors. In 1971 the summer show moved to Chicago and remained there until 1994. The show, popular from the very start, continued to grow, and in 1973, the first Winter Consumer Electronics Show was held in January at the Concord Hilton Hotel in Chicago with an estimated attendance of about 25,000. The Winter show moved to Las Vegas in 1978, becoming the first major business gathering to set up shop in Vegas. That show attracted 42,676 attendees and pumped \$14.6 million into the local economy.

In 1974, *Tradeshow Week*'s list of Top Ten Trade Expositions included the Summer CES. By 1979, both the Winter and Summer CES held slots on the list, rankings that would remain for more than a decade.

## Exhibitors at the 1967 Consumer Electronics Show

Aiwa	Commodore	Jensen	Foreign Trading Co.	Superex
Adler	Concertone	KLH	Olympic	Sylvania
Admiral	Concord	Kaysons	Packard Bell	Symphonic
American Audion	Craig	Kinematix	Panasonic	Teac
American Geloso	Crown Radio	Lear Jet	Peerless Telerad	Telefunken
Ampex	Delmonico	Lion Electronics	Philco-Ford	Telepro
Andrea	Dynavox	Lloyd's	Philips Audio	Tele-Tone
Asisto	Electra	3M	Pilot Radio and TV	Tele Phonola
Artic Import	Elgin Radio	MGM Playtape	RCA Victor	TENNA
Arvin	Fanon	Magnecord	Realtone	Topp
BSR	Fisher Radio	Major	Roberts Ross	Toshiba
Bell & Howell	Fisher Sonic	Martel	Sansui	Trans-Aire
Bengamin Bogen	Game	Master-Craft	SCART	Universal Tapedex
Borg Warner	General Electric	Mercury	HH Scott	Velvetone
Bulova	German Electronics	Midland	Seeburg	Viking
Capitol Records	Industries	Morse	Setchell Carlson	Viscount
Channel Master	Global Import	Motorola	Sharp	Webcor
Clairtone	Grundig	Muntz Stereo-PAK	Shibaden	Westinghouse
Claricon	Harman-Kardon	NY Transistor	Sony	Zenith
Columbia	Hitachi	Norelco	Standard Radio	
Masterwork	Hoffman	North American	Sterling Hi Fi	

# Congratulations!

SDI Technologies, pioneers in the consumer electronic industry for over 50 years, would like to congratulate our partners at the International CES on their 40th anniversary!

Without their service and dedication, none of us would have the success we currently enjoy.

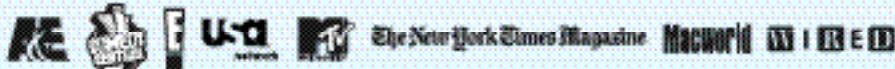
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# '80-'90

## The Middle Years: 80s and 90s

As consumers' collective interest in consumer electronics grew, so did the industry and CES. By 1982, the winter and summer shows were about equal size, each drawing about 70,000 attendees that flocked to see 950 exhibitors in 580,000 square feet of exhibit space. CES remained the CE industry's showcase for the latest in home audio, video (including home satellite receivers) and newly popular computer technologies.

At the same time, the average consumer was getting more tech savvy, buying everything from home video games, Walkmans and CD players to video cassette recorders, fax machines and home computers. In 1985, a big screen TV was 35-inches and sold for \$3,000, while satellite TV meant a seven-foot wide dish. By the 1990s, consumers were spending \$618 billion on consumer electronics products—an astonishing climb from \$67 billion in the 70s. Big projection home

theater systems, such as the 120-inch rear-projection system shown by Mitsubishi at the 1990 CES were just beginning. DAT recorders showed promise, but failed to take hold. The growth in the home office had a positive effect on home fax machines, multi-line phones and word processors. GPS-based car navigation was in its infancy; mobile phones were expensive bricks, but they were getting better and



the dawn of the Internet suddenly brought about a new way to learn, engage, work and live.

As an experiment in the early 90s, CES tried opening the last two days of the show to the public—a short-lived practice.

By the mid-90s, CES grew to include several temporary structures housing video games and the boom in communications technologies. In 1996, part of the Sands convention center was used to house computer hardware and software exhibits. Exhibitor, attendees and exhibit space climbed steadily for both the Winter and Summer CES. The last summer show was held in Chicago in 1994.

Additionally, many famous keynote speakers have spoken at the show. Apple Computer CEO, John Sculley addressed the audience at the 1992 show; Michael Bloomberg spoke in 1997 and Microsoft's Bill Gates has been a keynote speaker at every show from 1998 to today.





# Keynotes Through the Ages

CES has hosted the best technology and industry leaders for decades. Each year attendees are treated to insights, analysis and predictions affecting the consumer electronics world and beyond. Here is sampling of some of the people who have presented keynote addresses at CES.

Jack Doyle, Pioneer

Jeff Berkowitz, Technics

Henry Geller, US Department of Commerce

Phil Christopher, Audiovox

Michael Moone, Atari

Harry Elias, JVC

Ray Gates, Panasonic

John McDonald, Casio

Al Franks, AT&T

Joe Lagore, Sony

Bill Turner, Texas Instruments

Jim Twardhal, JBL

Jack Pluckhan, Quasar

Don Palmquist, Yamaha

Robert O'Neil, Hitachi

Clive Smith, Commodore

John Patterson, Tandy

Gerald McCarthy, Zenith

David Karron, Fisher

Ed Adis, Sony

Jerry Kalov, Cobra

Richard Sharp, Circuit City

Akio Morita, Sony

Matthew Polk, Polk Audio

Pierre Garcin, Thomson

John Scully, Apple

Jack Kuehket, IBM

Robert Kavner, AT&T

Eckard Pfeffer, Compaq

Michael Bloomberg, Bloomberg Financial Markets

Steve Forbes, Forbes, Inc.

Bill Gates, Microsoft

Howard Stringer, Sony

Scott McNealy, Sun Microsystems

Rob Glaser, RealNetworks

Eric Benhamou, 3Com

Craig Barrett, Intel

Carl Yankowski, Palm

Daeje Chin, Samsung

Carly Fiorina, HP

Gerard Kleisterlee, Philips

Tom Engibous, Texas Instruments

Gary Forsee, Sprint

## Convergence: The late 90s to the Present

In the past 10 years, even more must-have products debuted at CES: the DVD (1996), HDTV (1998), DVR (1999), Microsoft's Xbox (2001), plasma TV (2001), home media server (2002), HD radio (2003) and IPTV (2005). And in the marketplace, cell phones and portable digital audio players became wildly popular items for all age groups.

The International CES now boasts 2,700 exhibitors covering 1.6 million square feet of exhibit space. In 2006, more than 150,000 attendees from more than 130 countries used CES to investigate new technology, form partnerships, strike deals and grow their business.

Now, as we approach the 2007 International CES,—the 40th anniversary of what has become the world's largest consumer technology tradeshow—the average US household has 21 CE products—up from 1.3 when the show first started.

CES has been an influential voice regarding industry-related legislation over the past four decades. Through product showcases, conferences and speakers at CES, government leaders have been able to experience first-hand the cutting-edge technology

emerging on the market. This knowledge of new products and technology has given policy makers the necessary background when making legislative decisions.

Major industry legislation impacted by CES since the show's inception in 1967 include laws protecting Betamax and VHS, which debuted at the show in 1975 and 1976, the Audio Recording Act, which went into effect in 1992 and the most recently passed legislation—the cut-off date for analog television signals set for 2009, which will smooth the way for the transition to digital television.

As the show continues to expand in breadth and depth, it remains a forum for new technology and products that continue to change the shape of the industry.



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# 40

# years



## 1967

**1967** Motorola introduces first solid-state color TV.

**1968** Intel is founded.

**1968** Bose introduces the 901 direct/reflecting speaker.

**1969** Honeywell debuts the H316 home computer.

**1969** Xerox invents laser printing.

**1969** Internet forerunner ARPAnet launched.

**1970** Corning Glass creates optical fiber.

**1970** Harman-Kardon introduces the CAD5, the first cassette deck with Dolby B Noise Reduction.

**1970** Intel introduces the computer memory chip.

**1970** Toshiba develops the first color video phone.

For 40 years the Consumer Electronics Show has been host to the greatest innovations in consumer technology. Some products are memorable, while others not so much, yet all represent the creativity and ingenuity that makes this industry, and its premier show, one of the most exciting in the world. Below is a brief outline of some of the most important products and innovations in the consumer electronics world. Many were unveiled for the first time at CES, while other made significant impressions on the industry in other ways.

**1971** Polaroid introduces Big Shot Land Camera, which becomes a favorite of Andy Warhol.

**1972** HP introduces handheld calculator.

**1972** Philips introduces the VCR.

**1972** Magnavox introduces the Odyssey video game system.

**1973** Motorola's Dr. Martin Cooper makes first cell phone call.

**1973** Sharp debuts calculator with LCD screen.

**1975** Bill Gates and Paul Allen form Microsoft.

**1975** Sony introduces the Betamax SL-6300 video recorder.

**1975** Advent launches the VideoBeam CRT projection system.

**1976** Steve Jobs and Steve Wozniak found Apple.

**1977** Atari introduces the Atari 2600 video game system.

**1978** JVC introduces the VHS system.

**1978** Pioneer introduces its first Laserdisc player.

**1978** GE introduces the first programmable digital clock radio.

**1979** Sony launches the Walkman audio cassette player and forever changes the way people listen to music.

**1981** Sony introduces the Pro Mavica, the first commercial electronic still camera and the precursor to the digital camera.

**1982** Sony introduces the Compact Disc player model CDP-101.

**1984** JVC introduces the single-unit camcorder.

**1985** Nintendo introduces the NES videogame.

**1985** Seiko-Epson launches the first LCD color TV set, which consists of a 2-inch screen.



**1985** The Video8 standard for camcorders is born.

**1992** The TDMA system for cell phones is launched.

**1993** Fujitsu shows color plasma display.

**1993** The HDTV "Grand Alliance" is formed.

**1994** Qualcomm introduces the CDMA system for cell phones.

**1995** Sony launches its first PlayStation.

**1995** Dolby labs launches Dolby Digital, truly bringing in the age of home theater sound.

**1995** Casio introduces the QV-10 digital camera with an LCD screen.

**1996** Kodak introduces the DC-25, the first digital camera with a Compact Flash card.

**1996** The FCC adopts the VSB digital television transmission system developed by Zenith.

**1996** Microsoft and RCA bring the Internet into living rooms with WebTV.

**1997** DVD players are introduced to the US market by several companies.

**1998** Diamond Multimedia introduces the first flash memory MP3 player, the Rio 300.

**1999** Panasonic demonstrates DVD-Audio.

**1999** Several manufacturers show the first HDTV sets at CES.

**1999** Philips unveils TiVo, the first hard-disk drive-based digital video recorder.

**2001** Microsoft unveils the Xbox at Gates' CES keynote.

**2001** Handspring introduces Palm/PDA phone.

**2001** Apple introduces the 20GB iPod, spurring multiple offshoot industries.

**2007**



**2001** XM Radio begins broadcasting.

**2002** Sirius Satellite Radio begins broadcasting.

**2003** The FCC enacts Local Number Portability, allowing consumers to take their number with them, and encouraging provider hopping.

**2004** The first HDTVs featuring the HDMI interface are launched.

**2005** LG launches first plasma TV with built-in DVR.

**2006** President Bush signs the legislation to end analog TV on February 17, 2009.

# CES Memories

Stories and anecdotes from industry veterans



**Joseph P. Clayton**  
**Chairman of the Board of Directors**  
**Sirius Satellite Radio**

I joined RCA in February 1973, and was with them in 1975 when I went to my first CES, in Vegas. I was just a young pup in '73, and they wouldn't let me go before that. But I remember the '75 one well; it was when we introduced the line of Sportables [portable battery-powered black-and-white TVs]. The next one I remember really well was 1994, the satellite TV introduction, which I thought was cool. Then I left the industry for a while, and came back in January 2002, with Sirius.

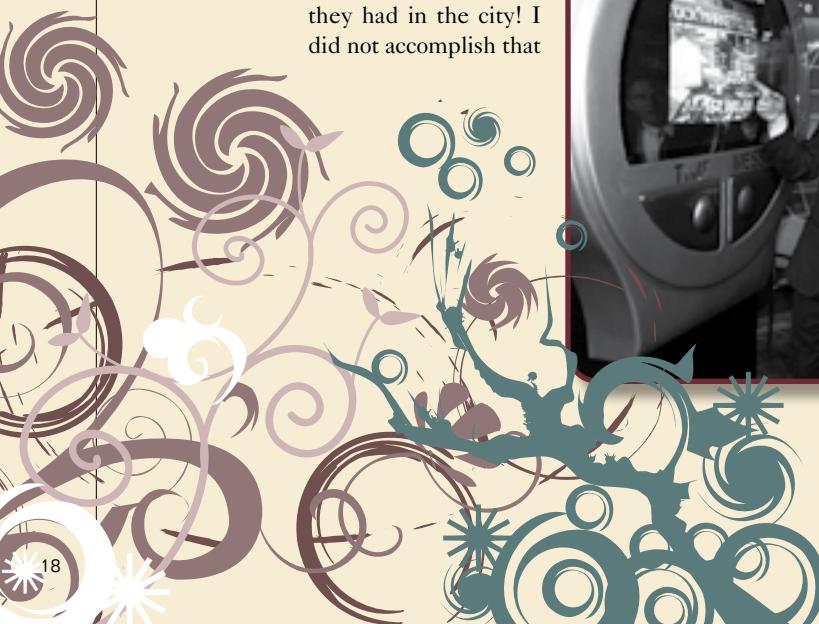
All I know is, first time I was in Las Vegas, the first night, I thought I was going to drink all the whiskey they had in the city! I did not accomplish that

task, but I was only 24 or 25 years old then.

I remember the ones in Chicago well, too, because it was always cold.

Probably, in the last 30 years, I've missed maybe three or four—most of those when I was in telecommunications with Frontier. Then I started going almost every year again after joining Sirius. I've been to enough of them for most people.

You've always got to have a little humor with what you're doing, and enjoy life—and business is the same way. If I go now, it's to have fun and see some old friends.





### **John Beyer, President B&K Components**

My first CES was in 1982. I had just founded the company and we were showing in an office building off Wabash Avenue in Chicago. A friend loaned us the space, and we dragged people over there.

Every time we started a demo, it seemed, the “el” train that ran around the Loop would go by outside the window. And to top it off, the room had a glass wall—not one of the all-time best sound performance demos we did, but they say what doesn’t kill you, makes you stronger.

I also recall one memorable CES, where we all slept on the floor where we were exhibiting at the Blackstone Hotel in Chicago, because we couldn’t afford rooms. First thing in the morning, we were expecting an audio reviewer to come up for a demo, and he

showed promptly. But we weren’t ready, so we sent him to kill some time in an Australian company’s suite next to us—which happened to be staffed by a knockout blonde bombshell. He didn’t complain!

At this point, I’d say that CES has become the merging of TV, movies and music with people enjoying technology in their own ways. CES has also begun to cross over into all sorts of demographics, giving us all a common platform for showing our products and how they can all work together.



### **Steve Caldero, Senior Vice President/COO, Ken Crane's Home Entertainment**

The first time I went to CES was in 1978 or ’79, to Vegas. I was with Nautilus Recordings; we did direct-to-disc recordings from half-speed masters, and published the Orion Trade-In Guide.

We drove there in a U-Haul truck and pulled into Vegas just as the sun came up. We were real “roadies”—we did all the schlepping and booth setup ourselves.

There are a lot of CESes that were memorable, but I loved the Chicago shows; they were always interesting. The city itself has

one of my favorite downtowns.

CES has certainly changed. The June show used to be for introducing what was going to be selling at Christmas, but as the Best Buys and Sears got bigger, they needed to see everything in January. Then it moved to the point where the bigger dealers wanted to see in October ‘06 what they’ll be selling in December ‘07. That caused the Chicago show to decline; it just happened too late in the year.

From the point of view of return on investment, the show was hard to quantify in later years [when I was with Yamaha] in terms of direct orders written. Years ago, there used to be “show specials.” As the whole process got more sophisticated, manufacturers realized they couldn’t tell the big dealers that unless they signed a P.O. today, they wouldn’t be getting the discount!

The Japanese manufacturers always liked to use CES as a showcase for the international market, as they and others do now. It truly is an international marketplace to show off tech advances. We’ve recently seen plasma screens that were 101 inches, 102 inches and 103 inches at the show. There’s still that “mine’s bigger than yours” mentality driving those technology introductions. That hasn’t changed.





### **Harry Elias, Chairman, Akai USA, former Executive Vice President/COO, JVC Corporation of America**

I went to my first CES in New York; it was in two hotels, the Hilton and the Americana.

It was in 1967 and I had just joined JVC; before that, I had my retail store. We took guest rooms, emptied out the furniture, and brought dealers room to room to view products.

I remember that, at the time, JVC was headquartered in Maspeth, Queens, in New York—we moved to New Jersey later—and my window faced a huge cemetery. We used to joke that a spot was reserved in there for whoever didn't make their quota.

I don't remember the exact year, but it was in Chicago in January. We had often spoken

about possible winter storms, but never made a move—until that winter, when the biggest blizzard hit right before the show. I was already at the Conrad Hilton but almost no one could get in—the show was like a morgue.

That was the wake-up call to move the January show to Vegas.



### **Tony Mirabelli, Senior Vice President, Marketing & Sales, Cobra Electronics**

I attended the first show.

CES has provided a great venue for promoting our products and our industry, to both the consumer and the retailer.

Today, the show receives much greater coverage from trade, consumer and financial press than in the early days.

This is an exciting industry, and as such, each year brought great opportunities for success. But given the great press coverage received by the show today, we can confidently use it to launch new products, new categories or new technologies.

The highlights of the show have always been similar to today ... new products, new features, new technologies and, of course, new price points breaking barriers that were previously not possible!

I want to give all due accolades to Jack Wayman, who founded the show. I always picture him on his golf cart, in a bright yellow blazer and white pants. He always impressed me as a very motivational speaker.

In the early days, there were no real "bigie" dealers like Circuit City or Best Buy. They were all small and medium-sized, and they came to the shows to buy. Lots of the shows in those days were "closeout" shows; now, it's all about new-product introductions.

In those days, things were done on a handshake basis. No one came into your booth with computers, and you usually dealt with just one person rather than an army of five or six. It was more of a human-touch business—more personal. I'd stand by the booth, off the main aisle, talking to customers, with one eye on the aisle, and I'd see someone like [Circuit City's] Dick Sharp, and say, "Hey, how are you doin?", and then they'd shake hands and come in. You can't do that in an e-mail!

Of course, many of the brand names exhibiting are quite different today than back then—lots of the old names are gone.

But the shows are more exciting now, due to new product developments happening so fast. And the industry's much healthier today, in certain ways, than it was even 10 years ago.

To get the most out of each show, we start detailed planning with our entire staff months before. We involve all disciplines of our business: administration, sales and management.



# WE'VE ALL COME A LONG WAY IN 40 YEARS



OmniMount's Fearless Leaders

Congratulations to CEA on the 40th Anniversary of CES





### Sandy Gross, President, Definitive Technology

My first CES was in New York, at the Hilton and Americana hotels, in 1969. I went as an enthusiast. One of my dad's clients was in the industry and got me a badge.

I was a student at Johns Hopkins at the time, and my attendance at the show helped to whet my appetite about what to pursue as a career.

The first CES I actually showed products at as an exhibitor [with Polk Audio] was in 1973. We were showing in the basement of Chicago's McCormick Center. It was only our first show, and the booth was absolutely packed.

The reason: The porn star Marilyn Chambers was promoting a movie, perched on a swing in the booth next door!

What also stands out in my mind about

one Chicago Winter CES was when a little-known company called Atari (before they were into the games business) showed "color organs"—devices you'd hook up to hi-fi that gave you a light show to go along with the music. I also clearly remember the first year that little, handheld games debuted at the Winter CES. Back then, companies showing new products with just a small booth could have tremendous impact, and eventually create an industry.



### Don Patrican, Executive Vice President Maxell Corp. of America

It's amazing to be reminded that CES—the Super Bowl of our industry—is 40 years old. Congratulations to Jack Wayman, Gary Shapiro and their crews.

The early days of CES were completely different than they are today. As national sales manager for video products at Maxell in 1978, I would arrive with the rest of the staff a full week before the show opened for daily three- and four-hour individual

meetings with our independent rep firms to show them new products and promotions and to discuss the business in their territories.

Then, when the show opened, we had to accommodate many more customers than we do business with today. Our customers included single-store operators,

two-, three- and four-store chains and multi-store operations. And they all wanted to see Maxell. That was the retail landscape at the end of the '70s and beginning of the '80s. We

had meetings every 15 minutes—sometimes two at a time.

I recall having two dinners a night (one early, one late) and breakfast the next morning with customers to plan business. What I don't recall is getting very much sleep. A colleague once joked about not bothering to book a hotel room because he was only going to be in town for two days.

CES was a selling show in those days. We came to CES with a show promotion and wrote orders. Back then, most customers could go back to their stores after the show and change an ROP (reserve on press) ad they had planned to include Maxell's show special.

Today, retail consolidation has meant that we do much more business with fewer customers. We are in an era of long-term partnerships with our customers, and most business is planned six to nine months in advance. So for Maxell, CES has become an opportunity to showcase new products and new technology, review business developments of the recent past, discuss market conditions and confirm plans for the first half of the year.

Like I said, CES is the Super Bowl of our industry and, for me, every CES has been fantastic—and it keeps getting better. What makes CES better than the Super Bowl is that we get to go every year.



**Jim Barry**  
**Media Spokesman, CEA**

My first CES was the Winter Show in Vegas in January 1979, when I was the new managing editor of *Dealerscope*. The show was primarily a TV/stereo show, and not as big as the Summer CES in Chicago, in June.

I continue to be astonished by how big the show has gotten over the years and how it's now the genuine "Center of the Digital Universe," with folks coming from all over the world.

Obviously, the breadth of product categories and the explosion of digital technolo-

gies is most impressive in recent years, but I remember the early '80s as incredibly vibrant, with telecom deregulation, the introduction of personal computers and the growth of home video—including the VCR and video games—combining to launch a whole new generation of products and accessories.



**John Homlish, Executive Vice President,  
Sales & Marketing, Casio**

My first CES was the 1980 Summer show in Chicago, as a sales trainer.

In the earlier years, there were two shows. Both were selling shows, and much of the activities were centered around show programs. The manufacturer who could create a show-stopper would have the most successful show.

Today, major manufacturers use CES as a place to showcase their newest products and highlight new technology. Most of the major retailers attending have already made their commitments for the new year and come to CES to see all of their selections, for the new year, under one roof.

A CES that stands out is the introduction of Compact Disc in 1982 to the market,

which revolutionized the audio and video business as we know it today. In 1996, Casio introduced the first digital still camera with an LCD display and changed the photo industry and how families share memories today.

Today's shows are more about building your brand, showcasing new products/technology and building relationships with key customers.

Hi-fi and car stereo were the key product categories back in the early '80s. Today, it is all about digital, whether it is the newest, thinnest digital camera, flat-panel video display or MP3 personal audio player.

Attending the keynote speech is a must, with many industry icons sharing their vision for the future.



**Paul D'Arcy, Executive Vice President,  
Sanyo Fisher Co.**

My first CES was in January 1977, in a very blizzardy Chicago winter. At that time, I was responsible for managing international sales for the Fisher Corp. If I recall, it was at that show where, at the end, it was pretty well collectively decided that there would be no more winters in Chicago. In '78, it was moved to Las Vegas, and the Summer show went on in Chicago through 1993.

CES has grown tremendously, and has become a sophisticated technology show, a powerfully educational event for our government guests, and a very international event.

In the '70s and '80s, the show was an opportunity to meet with many of our key customers, and together plan our mutual business by SKU and by month for the next

semester. We called it "order writing" in those days. Since the early '90s, while still meeting with many key customers, it seems to me that the event of CES has become a potent opportunity for powerful promotion, public relations activities and image-building for companies and brands.

Rather than just showing our current product line, we utilize the show, more or less, depending upon the year, to illustrate a taste of the breadth of technology and potential future products that the Sanyo group brings to the marketplace of our industries.





### **John Shalam, Chairman, Audiovox**

I cannot recall the first time Audiovox attended CES, but it has to be a very long time ago—and probably the first time the show was held.

Together with the industry, Audiovox's position has grown tremendously over the years, and what started as a small booth of perhaps 200 square feet is now over 14,000 square feet.

In the early years, CES was critical in getting orders from buyers, and especially in getting rid of merchandise stock that had not sold during the season.

Today, CES, for us, is an opportunity to highlight our new-product introductions and to get exposure with our key accounts that visit the show. The CES has become a major PR event.

We make sure we get the most out of our participation at CES, by inviting key accounts and customers to visit our booth, and by having all of our sales personnel



and sales reps attending also, to maximize returns and to take advantage of the wonderful opportunities afforded us from the huge attendance of customers at the show. As well, we schedule many events with our sales force to brief them on the newest products and goals for the next year, and there is much customer entertaining, which takes place after show hours.

For Audiovox, the CES is the highlight of the year, as it gives us the opportunity to show our super products to the entire trade at one time, and at one location.



### **Bob Borchardt, Digital Science Associates**

Although CES has become a mammoth show in many ways, it has not changed for an exhibitor. For a small company, there is no better way to expose new products to the global retail world. Big or small—and as you know, over the years, Recoton grew to have the largest exhibit space at CES—I believe we always got more than we bargained for by attending that show. The exposure a company receives if it organizes the event properly in dealing with its customers, media, international visitors and the financial community is unparalleled. Today, more than ever, strong show management has made CES one of the most successful shows and brands in the world, with a huge net worth.

In the early days of the show, CES helped us expose our line of products to the marketplace, and I believe it helped Recoton grow rapidly. A show's success for an exhibitor usually depends on the effort

a company makes. That includes setting up an attractive display, organizing appointments with sales staff and customers, dealing with media and coming up with ideas that will drive traffic to your exhibit. As much as things change, the underlying organization and thought prior to the show is extremely valuable to make it a success.

The main drawback today for a customer is navigating the show. In the short time many retailers allot to buyers to see the show, there is often only time to visit with existing vendors. The excitement of finding new and unique products and suppliers is often overlooked.

As retail buyers are often not rewarded by successful risk-taking, and more often penalized, this has harmed smaller or new exhibitors. The Innovations section is a good attempt to channel traffic to smaller companies; however, too often, retailers don't make the effort to leave the main hall. As CES continues to grow, it needs to continue to review logistics, the number of show days and possible offshoots. As it moves forward to 50 years, the convergence and growth of our industry will be driven by thoughtful, constant re-engineering of CES.



**Ezra Ashkenazi**  
**President of SDI Technologies**

In the early days my father would bring me to the electronics show when I was in school, so I would miss school for it. I've been going [professionally] to the electronics show for 25 years. Since for two thirds of them we had a winter show and a summer show, I'd say I've been to over 35 shows.

CES was a good place to meet the buyers' boss and get the opportunity to show that boss, the merchandise manager, the vice president or even the president, what Soundesign was all about. It gave the owners the opportunity to meet with the executives of the retailers. The trade show allowed us a stage to get the executives from both sides—the retail and the wholesale—together to brainstorm ideas and build relationships.

The show absolutely still does that for us, but there're more international opportuni-



ties than before. Today, if you're not a global player it's quite difficult to survive. CES is an excellent platform to interview potential distributors.

I believe in the last five to seven years, due to the technology changing so fast, CES is bringing back the executives from retailers to personally and physically see the new products. What brought back the retail executives was the newness of the technology—they had to see it for themselves before they could give the buyer more space in the category.



**Bernie Appel**  
**Consultant, Appel Associates**

I was at the very first CES in 1967 in New York City. It was a small group, we all knew each other and we were very friendly. Product was just starting to become available after the war. We had clock radios! No computers or calculators, just offshoots of radios and hi-fi. You can't find a clock radio these days, that's for sure, unless you go to the Panasonic booth and look way over in the corner.

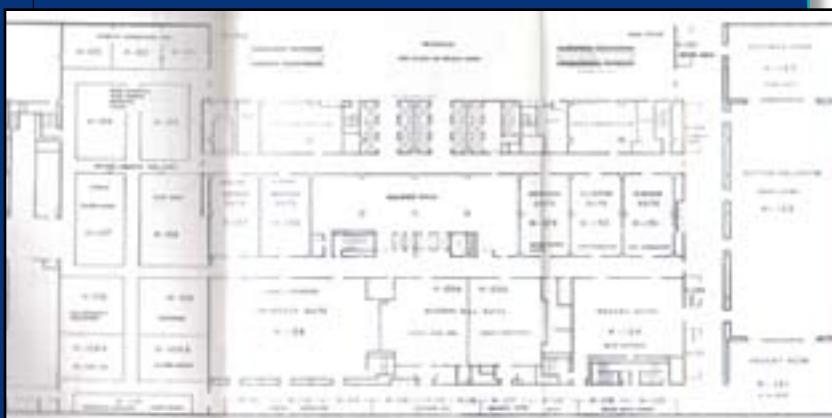
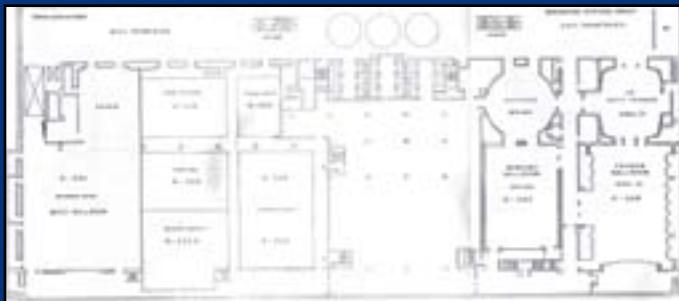
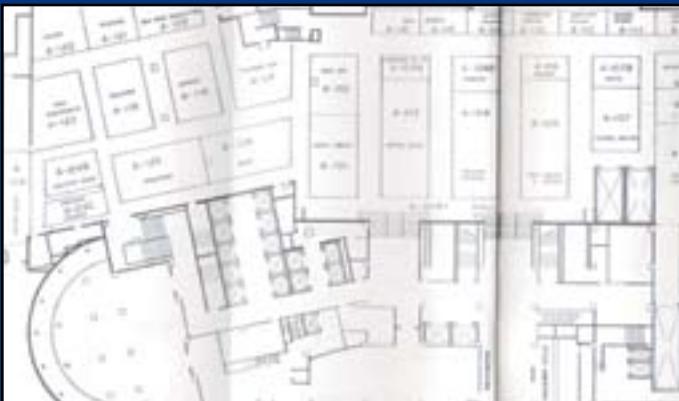


**Bob Cole**  
**President/Owner, Bob & Ron's World Wide Stereo**

1980 was my first year at CES. I didn't have enough money to go in the '70s. In those days, it was like an ancient Roman market. It really was sex, drugs and rock and roll ... all audio. Companies hired actual *Penthouse* models. There were twenty of them in my hotel one year! The girls were prettier and wearing less in those days. They were professionals, though, well-spoken, educated and presenting product very well. The guys would be tripping all over themselves to talk to them about anything BUT stereos, but they weren't having it!

# Maps, Then

# 1967



NEW YORK TRANSITOR  
A-120

CONVENTION CENTER

A-118

A-126

A-125

SELECTION

Las Vegas Convention Center

International CES 40th Anniversary 1967

Produced by CESIA

Las Vegas Convention Center

Gold Lot

Innovation Center Hall

North

Booths 68,000-73,000

Booths 4P100-4P299

Press Room Room 103, Press Conference Room 104

High-Performance Audio & Home Theater Room 105

Innovations 2007 Design and Engineering Room 106

TechZones Room 107

International Commerce Center Room 108

Registration Room 109

CES Member Lounge Room 110

Keynotes Room 111

Conferences Room 112

Sands Expo and Convention Center

Booths 68,000-73,000

Booths 4P100-4P299

Press Room Room 103, Press Conference Room 104

High-Performance Audio & Home Theater Room 105

Innovations 2007 Design and Engineering Room 106

TechZones Room 107

International Commerce Center Room 108

Registration Room 109

CES Member Lounge Room 110

Keynotes Room 111

Conferences Room 112

Power Line

# and Now

To say that CES has grown over the past few years is an understatement. In 1967 the show was spread over a couple of New York hotel ballrooms and all-told occupied approximately 150,000 square feet for nearly 17,000 attendees. Today the show takes up nearly 1.6

million square feet, spread across the entire Las Vegas convention center with extra space at the Sands Convention Center, Venetian Hotel and outdoor lots—with attendance around 150,000. For some visual perspective here are the maps from 1967, as well as 2007.

## Show Locations

# 2007

[www.CESweb.org](http://www.CESweb.org)

0th  
Anniversary  
7-2007

### Vegas Hilton

Its 50,000-61,999  
Industry Insiders Series  
International Commerce Center  
Registration



### Convention Center/The Venetian



#### Las Vegas Convention Center (LVCC)

##### North Hall Upper & Ground Level Meeting Rooms

- Meeting Rooms N101-N120
- Meeting Rooms N201-N204
- Conference Registration
- CEA Member Lounge (Outside of N250)
- Conferences



##### Central Hall

- Booth #s 7,000-15,999
- TechZones



##### South Halls 3-4 Upper Level

- Booth #s 30,000-32,999 (S3)
- Booth #s 35,000-37,999 (S4)
- Meeting Rooms S201-S218 (S4)
- TechZones
- Exhibitor Registration (S4 Lobby)
- Conferences

Green Lot



##### South Halls 1-2 Ground Level

- Booth #s 20,000-22,999 (S1)
- Booth #s 25,000-27,999 (S2)
- Meeting Rooms S101-S118 (S2)
- TechZones
- Main Registration
- Conference Registration
- Conferences

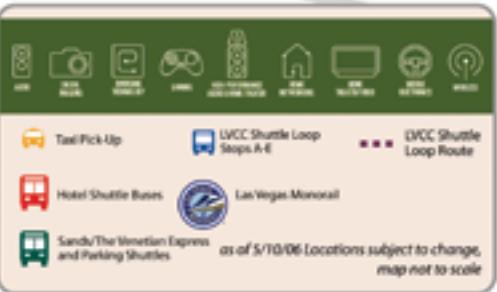
##### Renaissance Las Vegas

##### South Hall Meeting Room Connector

- Meeting Rooms S219-S233
- International Commerce Center
- Press Room/Press Registration
- CEA Member Lounge (S220)

To Sands Expo and Convention Center/The Venetian

##### South Hall 3 Upper Level Lobby



INNOVATIONS Plus  
AT THE SANDS



# Why Go to CES?

## A Dealerscope Flashback

The International Consumer Electronics Show means different things to different people. Some go for the networking, some to find new products to sell and others to form partnerships with other technology leaders. Back in 1969, when the show was only two years old, *Dealerscope* asked some readers why they attend. Here we reprint some of those responses. See how similar or different they are from why people attend now.

**Paul Sullivan, district manager of Philco Distributors, King of Prussia, Pa.:**

"Aside from the fact our attendance shows our interest in the business we're making our living from, the show offers the only opportunity a dealer has of meeting and getting to know major manufacturer principles. Of course he will derive vital benefit from comparing the offerings of major competitors, but he will also be meeting those people who best represent them—and that, in some ways, is more important than merely seeing the product."

**Buddy Dean, store manager for DeMambro Radio Supply Co. of Boston, Mass.:**

"The show's most significant asset, as far as I'm concerned, is that it helps us discover whether or not a company whose line we carry is progressing with the times."

**Larry Weiner, appliance and TV buyer, Sattler's Home Furnishings City, Buffalo, NY:**

"The show is beneficial because we can compare apples with apples and get someone else's viewpoint on what we don't ordinarily handle. The small brands get exposure, and this gives us the opportunity to investigate what we can't buy or see at home."

**Ted Schwartz, owner of Musi-Craft, Chicago, Ill.:**

"I'll want to go to see what's new and what's coming out and how it will affect my operation in terms of product inventory and promotion."

# to 1969

**Dick Perkins, owner of Devon Audio Center,  
Chicago Ill.:**

"The show is a good place to discover new merchandise and ideas, and we can check lines and rub shoulders with many manufacturers we don't see or hear from every day. We also take our merchandising ideas from the displays we see at the show and the kind of atmosphere the exhibitors try to project for a certain item."

**Bill Bogar, owner of Bogar's TV & Appliance, Bethlehem, Pa.:**

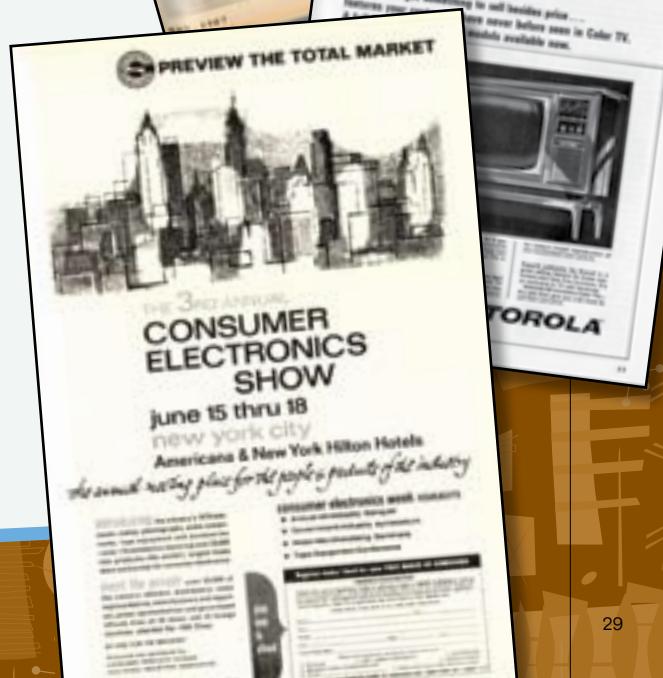
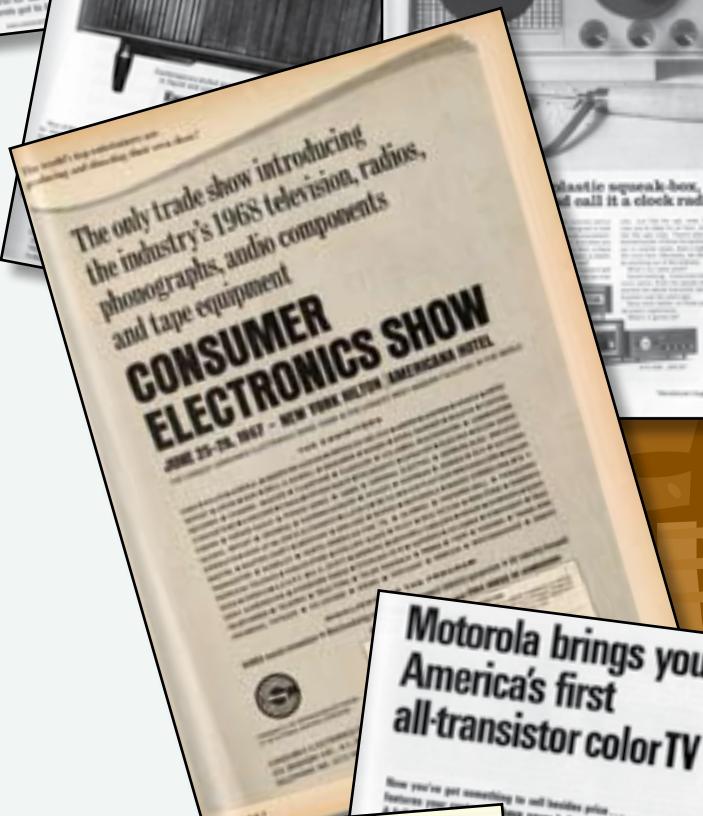
"At no other place can I hope to gain an adequate review of my competition in so short a time under one roof. Imports from Japan and Germany have figured more prominently each year in the brown goods marketplace. I'm anxious to see what surprises they have for us this year. Ignoring them is a head-in-the-sand policy I prefer to avoid."

**Jack Luskin, owner of Luskin's in Baltimore, Md.:**

"All our present inventory will be affected by what we see at the show. It will have a tremendous effect on the merchandise we'll be handling in the future. Without this opportunity, we'd certainly feel less assured of strutted effective marketing and brand merchandising policies."

**Charles Austin, divisional merchandising manager, Wards, Richmond, Va.:**

"Eighteen years in the field, and this is my first show—I'm enthusiastic. There's always something to learn, like who your competitors are, even when your company has as large a share of the market as Ward's has, and the [CES] show's the best place to learn it. I'm told it's a real eye-opener."



# CELEBRITY SIGHTING

As the CES has grown, and as consumer electronics grow in popularity with the lifestyle of most Americans, the show has attracted not only the attention of TV cameras and onlookers, but the interest of celebrities, as well, from movie stars to sports icons. It's not uncommon to spot them at keynote sessions, which every year are more lavishly produced (almost as if to out-do one another), adding fanfare and famous names to program.



Conan O'Brien interviews Bill Gates in a mock version of his own late night show.



Wrestler-turned-actor Dwayne "The Rock" Johnson makes an appearance for XBox.



Funny lady, Ellen DeGeneres



New York Yankees' all-star Derek Jeter promotes sports on satellite radio.



Kevin Bacon shows his musical side at XM Satellite Radio's booth.



Steven Tyler greets Intel's then-CEO Craig Barret in 2005

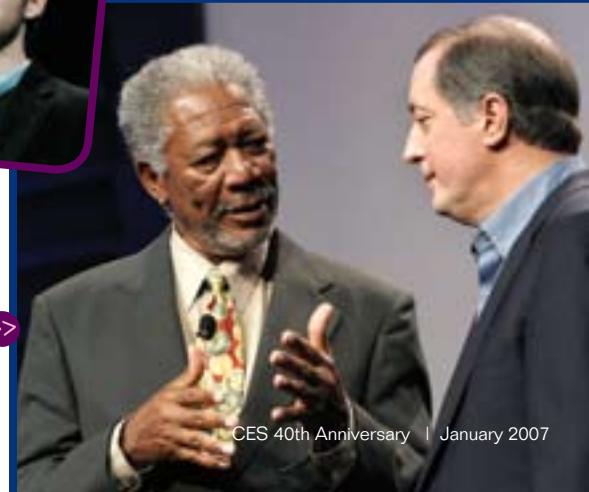


Justin Timberlake makes a surprise appearance at a keynote.



Legendary music producer Quincy Jones

Morgan Freeman talk CE and movies at Intel CEO Paul Otellini's 2006 keynote.



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FP-4850HG

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PM-156  
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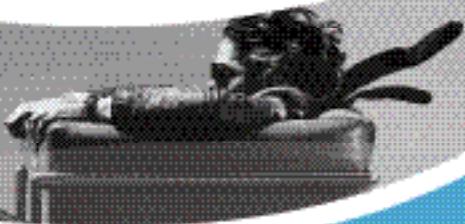
All Bello designs are patented or patent pending.



SABU MANAGEMENT SYSTEM



Parmari  
AV-10-54  
45" Versatile Two-Tone A/V System



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