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# TELEVISION DIGEST®

The Authoritative Service for Broadcasting, Cable, Consumer Electronics and Allied Fields.

With Consumer Electronics

JUNE 8, 1987

## SUMMARY-INDEX OF WEEK'S NEWS

VOL. 27, NO. 23

### Broadcast - Cable

**GOOD NEWS FLOWS AT NBC:** TV affiliates bask in ratings success. Wright says GE has no 'master plan' for NBC. Olympic news windows cause concerns. (P. 1)

**NAB SEES SYNDEX PLOT AT FCC:** Fritts says NAB has inside word that FCC-MPAA are using syndex to drag cable to table. Infuriated Patrick issues sharp response. (P. 3)

**REMINISCING WITH GOLDENSON** on his 35 years as head of ABC. Says he's comfortable with Cap/ABC takeover. TV affiliates are in unhappy mood for convention this week in L.A. (P. 4)

**LINDNER GROUP GETS TAFT** for \$1.44 billion. Dudley Taft to get WGPB-TV, Bass, cable and WTVN-TV. (P. 4)

**FAIRNESS DOCTRINE BILL PASSED:** House votes, 302-102, for codification after beating back TV-only plan by Green. NAB eyes court challenge. (P. 5)

**INDECENCY RECONSIDERATION SOUGHT** at FCC by networks, 12 others. McKinney denies Pacifica advisory ruling in advance of planned broadcast. (P. 6)

**HDTV PARAMETERS LISTED:** NAB group wants continued use of NTSC without signal degradation. (P. 7)

**TBS CLOSES ON MSO DEAL:** 31 investors give Turner \$572 million for preferred stock. TCI, Time, Warner and Continental are big players. (P. 7)

**GOOD NEWS FLOWS AT NBC TV AFFILIATES' CONVENTION:** "The good news goes on and on and on." So said NBC TV Network Pres. Pierson Mapes in opening annual TV affiliates' convention in L.A. June 1. And, things got better as week progressed as NBC learned it had won its 18th straight ratings sweep. Mapes and other NBC executives repeatedly cited network's ratings successes -- including audience leads in every day period except daytime. "In daytime, we need some sincere help from you [affiliates]," he said.

Only divisive issues between No. 1 network and stations was allotment of local news breaks during prime-time coverage of 1988 summer Olympics from Seoul, S. Korea, and alleged poor performance of network programs that serve as lead-ins to 11 p.m. local news. Network has offered 3-5 min. breaks between 10:30-11:30 p.m. and additional min. 8-9 p.m. during Olympic coverage.

"The affiliates are not satisfied with that," said outgoing Affiliates' Chmn. James Lynagh, pres. of Multimedia Bestg. However, he said that he understood network's position and that "it's a matter of negotiation... It's a difficult issue." NBC plans 179-1/2 hours of Olympics coverage Sept. 17-Oct. 2, 1988 -- much of it in prime time and continuing beyond midnight. Lynagh said stations realize that NBC can't stop Olympics for normal 11 p.m. local news, which will come after midnight during Seoul coverage.

### Consumer Electronics

**CES IS UPBEAT,** despite smaller crowds and slow sales, but products star and prices appear to be firming. (P. 10)  
Gadgets, gimmicks, add-ons. (P. 16)

**ATTRITION BEGINNING** among importers. Citizen suspends TV activity, Seiko slows pace. Craig TV line from China. Japan seen urging VCR move to U.S. (P. 11)

**DAT DAM SPRINGS LEAK** as Marantz pledges 'full speed ahead' on digital recorders, with others following. Odds now seen against Copycode legislation. (P. 12)

**SVHS TAKES CES BY STORM,** as decks and camcorders are introduced in large numbers, demonstrations pleasing crowds. But pricing, software, pose questions. (P. 12)

**CD-VIDEO'S ELABORATE DEBUT** gets software community endorsement but skeptics abound. Many titles for 5" discs, first hardware products displayed. (P. 14)

**VIDEOGAME RESURGENCE** gains steam at CES, as more companies reenter software business. (P. 15)

**SVHS AND DAT TAPE** suppliers make big splash at CES, showing new video and audio tape products even before hardware systems have reached stores. (P. 15)

**TOSHIBA, HITACHI, REPORT** sharp declines in net for fiscal 1986, blame higher yen for severe drop in exports of electronics products. (P. 16)

CDV booth, which cost some \$1.5 million exclusive of merchandise, was fully furnished 6-room house with connecting theater, created by Hollywood set designer, by far most elaborate at CES. "Lifestyle" rooms depicted various users of CDV video, including Beverly Hills doctor, Midwest couple and single big-city investment banker. World premiere introduction on first night of show drew huge crowds. "The entire record industry is behind this," said John Messerschmitt, who retired last week as N. American Philips vp and now heads CDV launch effort, which drew 11 major record companies as sponsors. Representing CDV hardware suppliers, Magnavox Mktg. Vp Bob Beasley said: "If you look around the booth, there's tremendous excitement on the hardware side."

**GAMES HOT AT CES:** Videogame resurgence is gradually gaining true believers, as more companies reenter software business, particularly for hot Nintendo game, and era of independent software producer seems to be coming back.

Major unheralded product display at CES was combination 19" TV set and videogame by Sharp -- first such combination since first game go-around and disastrous combination Magnavox color TV and Odyssey game. Sharp's combo looks somewhat like moon lander, was displayed in fashion colors, has game cartridge slot below TV screen. Sharp said that it makes game chips for Nintendo and that game is its own but is compatible with Nintendo cartridges. Company said it's looking at price around \$549.

Nintendo unveiled 6 new videogames for Nintendo Entertainment System (NES), including one that uses new 3D glasses. Other new peripheral is joystick (\$50) that allows slow-motion play (TVD May 18 p19).

Nintendo Mktg. Vp Peter Main told us price competition is building in videogames, with discounts emerging despite relatively high demand. He said rising yen has led to annual price increases of about 5% for Nintendo products, which are made in Japan. Main said others have stayed out of hot videogame market because they remember industry's great collapse from \$3-billion market in 1983-84.

Sega of America introduced 7 new software titles for videogame system (\$35-\$40), including first 3D games, announced plans for \$8-\$10 million TV and print ad campaign for Aug.-Dec.

Atari added 40 videogames and announced new marketing plan that includes repackaging of game system and new TV ad campaign. It said ad budget has been increased significantly for videogames and home computers.

New line of games for Apple and Commodore computers (\$30-\$45) and word processing package for Apple Macintosh that includes color graphics (\$80) were introduced by Activision. Company also signed with Nintendo to develop and distribute videogame cartridges for NES.

LJN Toys, division of MCA, signed with Nintendo to manufacture 5 videogames for use with NES. Games will carry Enteractive name. Konami, maker of arcade games, also signed with Nintendo to develop arcade games for use with Nintendo system. Pact includes 4 new games from Konami.

**Dish market attrition** continues with pullout of Sweden's Luxor from U.S. sales. Pres. Hans Giner cited "disruption" caused by scrambling, adding that satellite reception probably will be included in TV sets in "near future" and "Luxor is not presently positioned to enter the TV business in North America." Company will concentrate resources in Europe where DBS market is developing rapidly, according to Giner.

**TAPE AT CES:** Video and audio tape suppliers were among more visible companies at CES, making splashes with new Super VHS (SVHS) and digital audio tape (DAT) even before SVHS and DAT hardware has reached stores.

Among major suppliers, Fuji, Maxell and 3M introduced SVHS and DAT (TVD May 25 p18, June 1 p13), TDK said it will have DAT and SVHS in U.S. as soon as hardware is available, Memtek plans DAT introduction later this year, BASF plans DAT and SVHS in 1988 (neither Memtek nor BASF currently has SVHS license). Fuji announced pricing of SVHS videocassette (\$15-\$16) and DAT (\$7-\$10); 3M said its DAT will cost \$8-\$13.

Other tape products: Memtek unveiled new Memorex high-grade and standard videocassettes; Polaroid introduced new line of videocassettes; Kolon Scen'a, Fairfield, N.J., newly formed U.S. subsidiary of Kolon Industries of Korea, introduced Scen'a brand videocassettes to U.S. market, will add audio tape and floppy discs in early 1988.

Battle of tape promos continued. Memtek is giving away 90-min. audio tape with purchase of Memorex headphones or earphones, videocassette with purchase of video head cleaner, \$2 refund with purchase of head cleaner, \$1 refund for purchase of any Memorex videocassette. BASF gives \$1 refund for each videocassette purchased, \$3 and 90-min. audio tape with purchase of 3 videocassettes, and later this year will give \$5 refund for purchase of 4 videocassettes.

Polaroid gives \$1 rebate for single standard videocassette purchase, \$3.50 for 3-pack and \$7 for new 6-pack. TDK continues \$3 refund for purchase of 4 videocassettes. 3M offers storage case and coupon worth \$1 with purchase of 10-pack 3.5" floppy discs, two extra 5.25" floppy discs with purchase of 10-pack.

3M, which demonstrated SVHS capabilities on eve of CES (TVD June 1 p13), was most optimistic on sales of new tape formats, predicted industrywide annual sales of 300 million SVHS tapes by 1990.

Hardest-to-spell new tape brand is Ssangyong, fielded by Ssangyong (U.S.A.), subsidiary of Korea's 7th largest industrial group, which also plans to add color and monochrome TV, VCRs and stereo in U.S.

**NAD has moved** to 575 University Ave., Norwood, Mass. 02062 (617-762-0202).

#### THIS WEEK'S YEN RATE

Yen values have been converted to dollars in this issue at 143 yen = \$1, unless otherwise specified.