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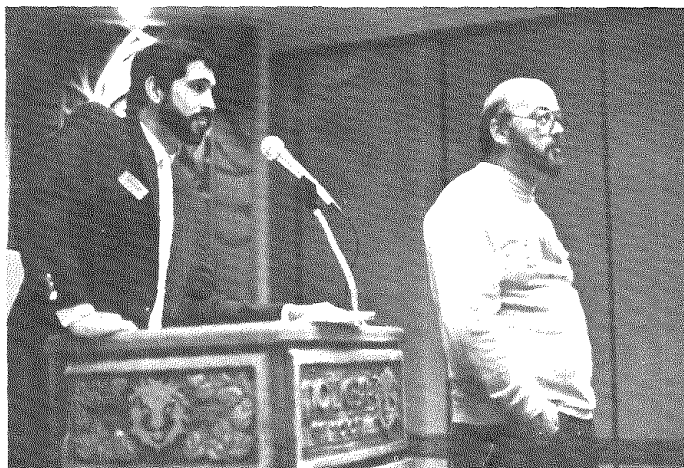
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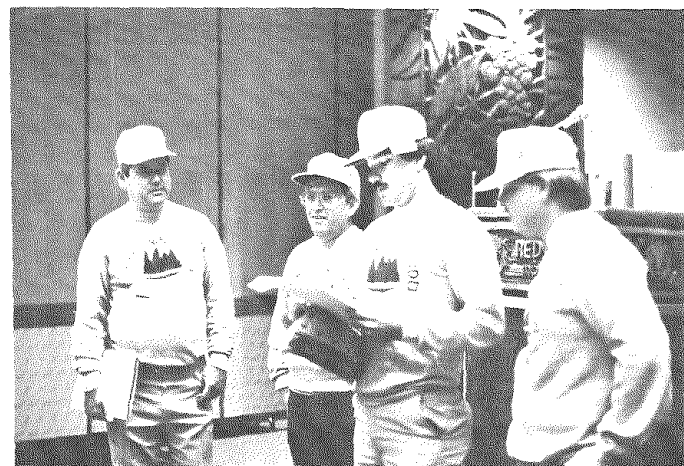
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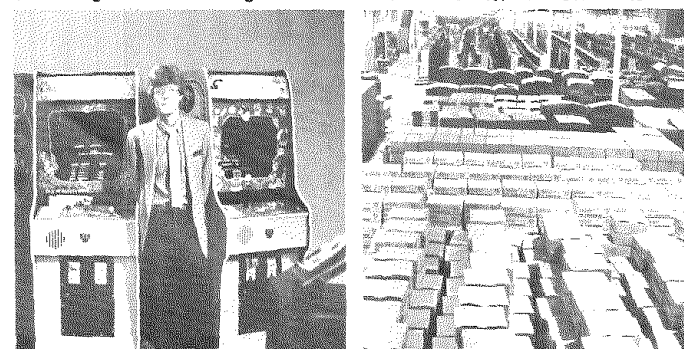
THE HEAD COUNSELORS: Frank Ballouz (left) and Bill Cravens convene "Camp" Nintendo's distributor meeting by thanking the participants for their support.



OVERSEEING QUALITY: Rick McManus, quality-control technician and programmer, monitors printed circuit components with an electronic measuring device.



THE SALES TEAM: Sporting sweatshirts and caps, regional sales managers (left to right) are Art Gallagher, Joe Gilbert, Brian Duke, and Pete Walton.



FROM SHIPPING AREA TO SHOWROOM: John Pedersen, director of technical services, displays video games in showroom (left), while uncrated and packaged game components form long rows in the warehouse.

## Nintendo Of America Sales Staff Reaps Healthy Harvest Of Orders At 2nd Distributor Meeting

REDMOND, Wash. — "Unbelievably successful" was the way Frank Ballouz, vice president of marketing at Nintendo, described his company's second annual distributor meeting here, at which 40 Nintendo distributors placed orders and became "campers" at "Camp" Nintendo's meetings, factory tour, boat ride, banquet, and sports activities.

"We're unbelievably pleased," Ballouz said. "The 'Vs.' packs and kits are all sold out. The tough part was the cabinets, but we're moving those too."

The prime concerns of operators, according to Bill Cravens, director of sales, are the availability of games, prices, and getting "locked" into one manufacturer. Despite the misgivings of others, the distributors helped make the Nintendo show a success. Cravens said, because of three positive developments. "Cash flow has improved lately," he reported. "And everyone we talk to said that they had a better July than June. Third, the people here were very enthusiastic. There is a real positive attitude."

At the initial group meeting, Cravens and Ballouz addressed rumors that Nintendo was considering direct sales to operators. "We've been accused of going direct," Cravens said. "We are pushing every way we can to go through our distributorships. And we will drop any distributors who continue to sell to jobbers." The assertion drew a round of applause. Ballouz added that "it's not in the cards — we have no plans to go direct — but please, we need your support."

He mentioned how two distributors in the same area reported business in different terms: one said he was doing well, the other said business was not good. "You can't tell me it's the industry," Ballouz maintained. "It's the attitude and aggressiveness of the organization."

The marketing of Nintendo video games to the home sector was another issue that Ballouz spoke about. "We're going to put a time frame on the introduction of games to the consumer market. We're sensitive to that; we know from the mistakes of other manufacturers. Our number one business in the U.S. is our commercial business," he declared.

### FULL STEAM AHEAD

Perhaps the best illustration of Nintendo's health and aggressive marketing plan is their production goal for 1985. According to Ballouz, the company hopes to have out in the U.S. 40,000-50,000 game systems by the end of August, and 80,000-100,000 pieces by the end of the year. "While others are cutting back," he said, "we are adding people to our staff."

In the drive to market so many games and game systems, Nintendo is now focusing much of its effort on convenience stores. "There are 90,000 convenience stores and about 90 per cent have games in them," Cravens informed the distributors. "We're going to advertise in trade magazines to show what these games can do. We're going to use direct mail to make the location

owners aware of our games. We have to make the owners demand them from the operators!"

Cravens conceded that Nintendo was into a stumbling block with the chain. Evidently, some of the managers balked at purchasing games like "Duck Hunt" and "Vs. Hogan's Alley" because they feared people would use the black plastic guns and hold them up. While Cravens implied that the reasoning was silly, he expressed Nintendo's determination to "get the account this year."

To help placate the fears of location owners, the plastic guns will be available in shocking orange. "We're spending a lot of money so we'll have 7.11 next year," Cravens insisted. (A gun will also be available to minimize gun barrel wear.)

At the distributor meeting, Nintendo displayed the "Vs. UniSystem" hardware, dual upright cabinet and table models, and most noteworthy, a "Vs. UniSystem" conversion kit for "Pac-Man." The conversion kit was displayed for the first time.

To those who have anxieties about new products replacing the "Vs." line, Ballouz gave his assurances: "We don't see ourselves abandoning our flagship product, the 'Vs. UniSystem'."

### THE FRONT RUNNERS

According to Cravens, the "Vs. D. citebike", "Vs. Hogan's Alley", and "Duck Hunt" were the leading sellers at the show, and "Vs. Golf" also did well. On a regional basis, the entire west coast, with the exception of San Francisco, "has been very strong," Cravens said. "and Texas is very strong. Recently, the east coast was somewhat weak, but that has turned around. The south is the slowest for systems."

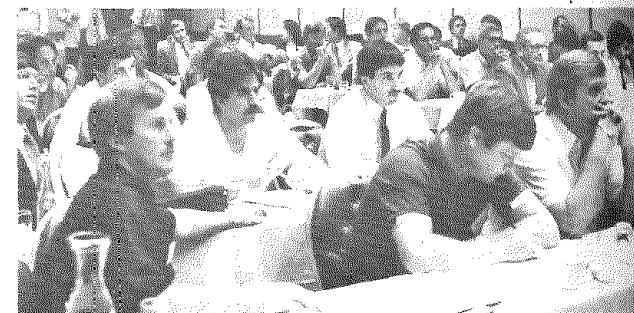
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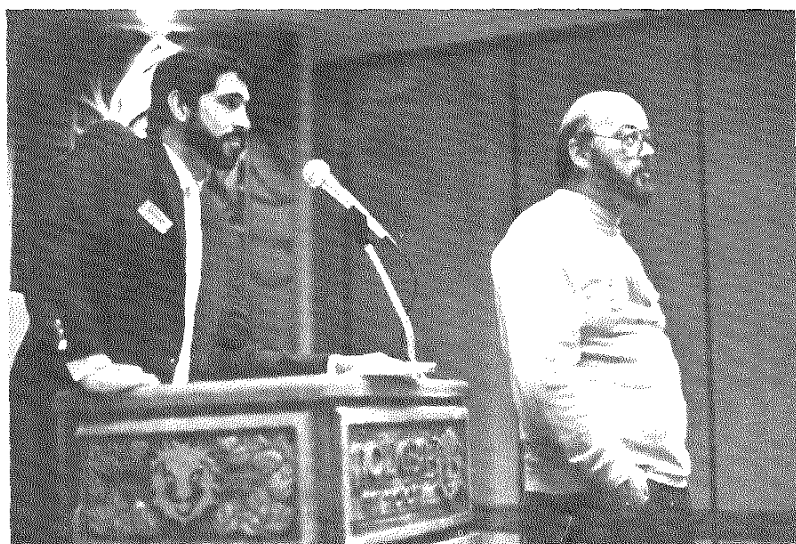
"Camp" Nintendo sports activities which took place the next day, included a choice of golf, tennis, or the much preferred salmon-fishing. More than 100 guests attended the awards banquet, at which Cravens and Ballouz praised Julie Hicks and Lisa Chidister for coordinating the entire show.

"Our events and boat cruise enable us to get closer to our customers," Cravens said later. "We get a lot of feedback from them that way."

"The whole time we're here," Ballouz concluded, "whether it's playing golf, tennis, or whatever, we are bettering our business relationships."



THE DISTRIBUTOR "CAMPERS": Nintendo distributors listen to the head counselors' remarks on business trends, plans, new products, and prices.



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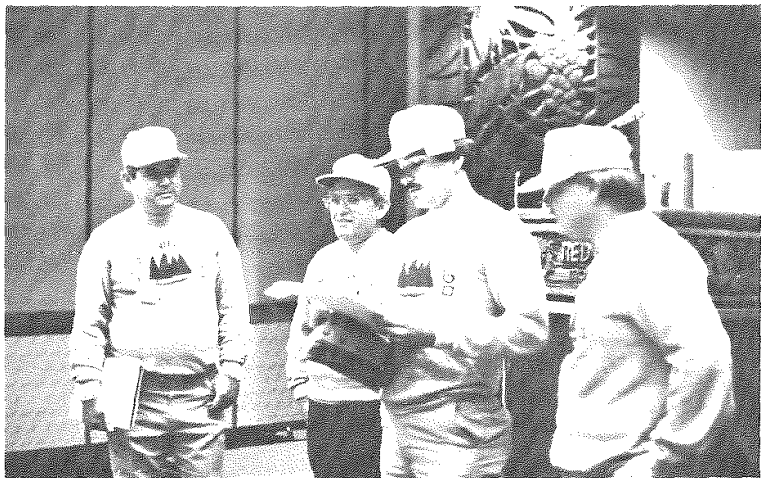
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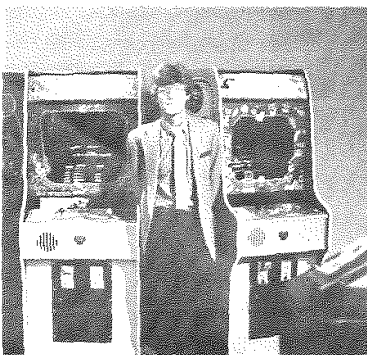
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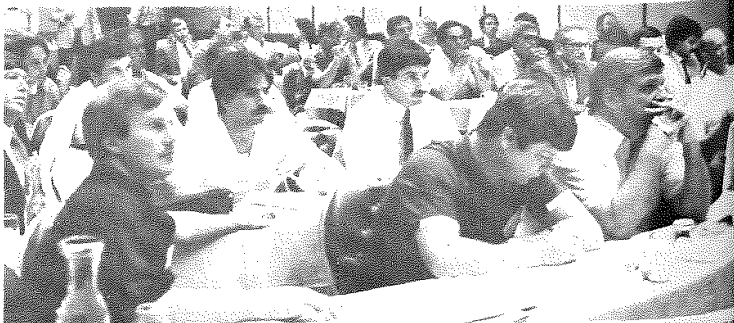
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