

Quarter-century of Commodore

Commodore is a quarter-century old this year—25 years of dedicated service to the office equipment and, more recently, microcomputer industries.

It's hard to imagine that the typewriter repair shop opened by Jack Tramiel in 1958 on Adelaide Street in Toronto would metamorphosize into the international electronics firm of today. The company growth has been tremendous throughout its 25-year history—and the trend is continuing today with the popular VIC-20 and Commodore 64 microcomputers.

It wasn't until 1977 that Commodore began manufacturing microcomputers for the office, classroom and home. Jack Tramiel, Commodore International's President and CEO, started with his typewriter repair shop and progressed to selling and eventually to typewriter manufacturing with the acquisition of a factory in Berlin, West Germany. Responsive to market demand for office equipment, Commodore also moved into mechanical adding machines imported from Japan.

In 1965 Commodore purchased an office furniture manufacturing company and expanded its operations to a plant in Scarborough, where filing cabinets, office desks, lateral filing cabinets and computer desks are still being produced. Shortly after, realizing that electronic calculators would mean the demise of mechanical machines, Commodore moved into electronics with the acquisition of a chip manufacturer and brought out the C108, the first hand-held calculator.

Today, Commodore is a vertically integrated company producing all the inner workings and outer housings of its calculators, and has expanded into the microcomputer field in Europe, the United States and Canada. Its MOS technology workshop developed the 6502 microprocessor chip that is the standard in most of today's personal computers.

In 1977 Commodore began assem-

bling microcomputers at another Scarborough plant—the first international microcomputer company to assemble microcomputers in Canada. In 1982 the company began manufacturing the popular VIC-20 and Commodore 64 microcomputers in Scarborough as well, and in that year Commodore Canada manufactured and sold more home computers than their five major competitors combined, according to James Copland, national sales manager of Commodore's Consumer Division.

The versatile VIC-20 color home computer, with 5K RAM expandable to 32K and software for the gamut of home, education and entertainment uses, sold over 100,000 units in Canada in 1982 for a value of approximately \$30 million. And Commodore Canada has a mandate to manufacture and export the VIC-20 to 25 other countries.

That exporting mandate is the same for the Commodore 64, whose sales are expected to do as well as the VIC-20.

Commodore's consumer line will become swelled with a number of important new products which they will fea-

ture at Consumer Electronics '83. At that time, the Consumer Division expects to have micros retailing at the \$100, \$300, \$1,000, \$1,500, and \$2,000 price points.

With added sales from those products, Mr. Copland confidently expects total Commodore Consumer Products sales to eclipse the \$200-million mark for 1983.

Commodore's marketing acumen has been a strong factor in their remarkable domination of this end of the microcomputer market.

"Our marketing strategy was based on our ability to take a product and market it cleanly and professionally, thus giving the retailer the opportunity to make a decent profit while removing unnecessary confusion from the consumer during purchase," related Mr. Copland. "We've backed our products with an aggressive but clean advertising campaign in which we've outlined our products' benefits without attacking those of our competitors," he added.

"In order to maximize our market penetration, we opened not only the department stores but those audio and

video stores exhibiting an entrepreneurial spirit," he stated. "We sought them out in all major centres across the country and exchanged notes on our mutual goals, ambitions, and approach to business. We were very selective when we appointed our retailers."

Marketnews contacted key Commodore retailers who had this to say:

Claude Fragman, Atlantique, Montreal, "I am very impressed with the people at Commodore. They exhibit a professional attitude—especially with regard to marketing—from top to bottom.

"It's hard to estimate how much of our total retail sales is due to computers because the latter grows disproportionately every month. At present, I would say it's about 10 per cent. Commodore is the only computer line we carry at the present time.

"We're happy with Commodore's marketing strategy. We are pleased to note that the line has remained profitable, and that they help create and maintain demand in a market segment which at

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this time is very exciting."

Max Gold, Ava Electronics, Toronto, "Commodore has always been very cooperative and we are satisfied with the line's profitability.

"Although we only carry Commodore in our computer department, computer sales already account for 10 per cent of our retail sales, and that number is climbing.

"The VIC 20 and 64 are selling strongly as is their software. Their games are selling by the ton. Other peripherals like printers, monitors and disk drives don't move at such a rapid pace, but they're gaining momentum. Once the initial shock is over, most of our customers become steady clients.

"Many of our computer clients have returned to purchase audio and video products. In this way, computers have improved sales in all aspects of our retail operation.

"Everybody who retails audio or video will have to carry them sooner or later, whether they like it or not. It is the

future."

Dave Bennett, Kelly's, Vancouver, "We have had an outstanding relationship with Commodore. They have had the right product at the right time at the right price.

"The VIC 20 was introduced just as parents grew weary of investing in videogames lacking the educational capabilities of a micro. This dovetailed with Commodore's thrust into the educational market which ensured that their brand would have a high profile with the main instigators behind a home computer purchase, mainly kids. I think that had a lot to do with the phenomenal success of the VIC.

"I'm very pleased with the support given.

"Commodore has always dealt above the board with us—we know that we can trust them—and we feel that there is a greater potential for profit with this line than with its competitors.

"Although we've only retailed computers for less than a year, we're encouraged enough that we have hired a uni-

versity graduate so that we can offer a training course in computers for our clients. These will be conducted in our downtown Vancouver store. We plan to run the programs at a loss—about \$75 for a three week program—but we feel that the dividends which it will pay in terms of heightening our image as a computer retailer in this area will more than outweigh the short-term losses."

Commodore's next 25 years look as bright as the past 25 have been, if the present is any indication. ■

Vectrex Arcade System

Vectrex is a self-contained home arcade system complete with its own monitor. Because the unit can be played anywhere there is a standard electrical outlet, game players need not compete with other family members for time on the TV set.

More importantly, the videogame