Video, which deals directly with manufacturers. Video Concepts would be interested in looking at Canadian Computer products. Potential suppliers should contact:

VIDEO CONCEPTS

8501 West Bowes Littleton, CO 80123

(303) 973-9146

Mr. Andre Daniels, Manager

Andre Daniels told us his most popular computers are the \$149 TI, the \$249 Commodore and the \$449 Atari. His store sells about 2 complete systems including a microcomputer, a printer and software for \$2,000 each plus an additional \$2,000 worth of software every month. Andre Daniels is not familiar with Canadian computer products and he would like to see brochures.

VIDEO CONCEPTS

1600 28th Street Boulder, CO 80301

(303) 443-9710

Mr. Don Lyman, Manager

Don Lyman told us that his most popular computers sell for \$200-\$500 and his most popular software packages sell for \$30-\$40. His most popular computer is now the Atari 800. He also sells about 2 systems and 40 software packages per month. Larger Video Concepts stores in Denver sell 5 to 16 systems plus 100 software packages per month. Don Lyman is not familiar with Canadian computer products and would be interested to learn about them.

9.3 SUMMARY

The remarkable growth potential in the retail segment of the computer industry is of particular interest to Canadian companies producing medium and above priced microcomputers for professional and business use. The Southwestern U.S., which has been a constant leader in almost the entire field of computer technology, has become a major computer retailing center.

The retailers in this report show clearly that they are interested in looking at up-priced microprocessors and related products. Because retail expansion has been so rapid, there has been very little opportunity for a conventional type of retail distribution pattern to develop. Retailers interviewed advised that they buy most of their requirements from distributors who appear to be "wholesalers" to the retail computer industry.

In order to be successful in this market, Canadian suppliers will need to sell through an established distributor or alternatively make arrangements with an agent or selling organization to hold a serviceable quantity of stock in the market area. Some companies may prefer to establish their own stock distributorship.