

range. Intellitoys sells 6 to 8 microcomputers for \$500-\$800 each, 2 printers for \$600-\$700 each, and 200 software packages for about \$35 each per month. Intellitoys buys both directly and through a distributor, and sells about 40 percent hardware and 60 percent software. Mr. Bailey is experiencing problems with his current suppliers, especially in price support and would definitely be interested in looking at Canadian computer products.

### **FEDERATED GROUP**

5655 East Union Pacific Avenue  
City of Commerce, CA 90022

Mr. Kirk Keys, Buyer,  
Computer Department (213) 728-5100

The Federated Group operates 15 stores which sell stereo, video and computer systems. Total sales are worth \$89 million per annum. Federated sells about 30 percent hardware and 70 percent software. Federated stocks Atari, TI, Commodore, Epson, NorthStar, Coleco, Mattel, and Franklin hardware. The company also sells a variety of software. Currently, Federated's most popular computers are the Commodore home microcomputers which sell for \$79-\$200. Federated sells mostly entertainment software, plus some educational/home management software and some business software. Mr. Keys commented that the market is dividing into a price conscious segment and a sophisticated home computer and small business segment, which are far less price conscious. Mr. Keys believes that the home computer category is disappearing because customers now want either very low priced "toy" computers for entertainment purposes or sophisticated, challenging small business or personal computers, which sell for a higher price.

Mr. Keys is interested in looking at hardware in either category together with compatible software. Federated is experiencing problems with both delivery and service from suppliers. Canadian companies wanting to supply Federated must be prepared to maintain a service facility in the market area.

Mr. Keys explained that California law stipulates that service stations should be located no more than fifty miles or one hour from the point of purchase and that many computer companies do not conform to this requirement. He said that consumer action can be expected shortly to correct this situation. Mr. Keys is familiar with Canadian audio equipment but not with Canadian computer products. He would definitely be interested in looking at Canadian computer products and he would appreciate it if brochures were sent to him.

### **MAY COMPANY**

Platt Music  
625 Alaska Avenue,  
Torrance, CA 90503 (203) 320-5880

Ms. Marni Godfried, Chief Buyer for the electronic departments of Southern California May Company Stores

May Company operates 3 stores with electronics departments in Southern California. May Company stocks Atari, TI and Commodore computers. Although business is soft, \$100 Atari and Commodore computers are popular. May Company usually sells one piece of software for every piece of hardware. The company sells approximately 150 \$100 microcomputers, 10 low priced printers and 300 software packages in each line per month. May Company's customer is the home-user and the chain is interested in looking at moderately priced units and would definitely consider Canadian products if exposed to them.

### **GEM CO.**

La Grand Corporation  
3090 East Airport Way  
Long Beach, CA 90806 (213) 424-0717

Mr. J. Jones

### **GEM CO.**

2169 West Redondo Beach Boulevard  
Gardena, CA 90247 (213) 327-9550

Mr. Sid Dutcher, Manager, Electronics Department

Gem Co. operates a chain of 60 membership department stores with electronics departments which stock Commodore, TI, and Atari hardware. Total sales are \$176 million per annum. Gem Co. managers could not comment on the rate or the volume of computer products Gem Co. sells or buys in. However, they did say that each electronics department buys software from independent distributors and hardware from La Grand Corporation, which deals directly with manufacturers. Gem Co. would be interested in looking at Canadian computer products. The company is currently looking at keyboards, computer monitors, printers, telephone interfaces and disc drives.

### **San Francisco Area:**

#### **COMPUTER CONNECTION**

214 California Street  
San Francisco, CA 94111 (415) 781-0200

Mr. Larry Bovenzi, Chief Buyer

Computer Connection is a retail computer store which stocks Apple, Epson, Sony, Fortune Systems, NorthStar, Columbia and Kaypro products. Its most popular computers are the Kaypro and Apple basic systems in the \$1,500-\$4,000 price range. Computer Connection sells 12 to 15 microcomputers for \$2,000 each, 12 to 15 printers for \$600 to \$700 each, and 60 business software packages for \$200 each every month. Computer Connection already stocks a Canadian word processing package which they buy through a distributor. Mr. Bovenzi is currently interested in looking at software for IBM PC compatibles, especially accounting, word processing and data base packages, and at any competitive hardware.