

John McBrearty, senior vice president of finance for Entertainment Publications, prepares for the company's primary selling season following the issuing of its coupon book.

European partnership

For discount entertainment coupon books

By R.J. King
special writer

Despite the many trade barriers, currency and languages, Entertainment Publications in Troy expanded in Europe five years ago. But the world's leading publisher of leisure discount programs soon ran into problems unrelated to government restrictions and individual cultures.

The Europeans, as the company soon found out, were not as savvy as Americans when it came to savings. Planning to mimic its success in the United States, Entertainment Publications wanted to introduce its discount books in 8-10 cities per year.

But since 1985, just four cities — London, Copenhagen, Glasgow and Stockholm — have booklets circulating, and only on a limited basis.

In a tale of how two can often fare better than one, Entertainment Publications recently signed a joint venture agreement with Rikskuponger AB of Stockholm, the world's second-largest distributor of luncheon vouchers.

RIKSKUPONGER BECAME AN equal partner in Entertainment's European subsidiaries — a move the companies hope will solve distribution and cultural differences while putting savings booklets in as many European hands as possible.

"We were really in the pioneering stage of introducing discount programs across Europe, and we never were able to reach our expectations," said Hughes Potiker, president and CEO of Entertainment Publications. Potiker started the company in 1962 from an 8-by-15-foot room in Detroit that doubled as the fledgling entrepreneur's law office.

"So the more we looked at it, the more it made sense to expand and develop leisure discount programs in Europe with a strong European partner. Rikskuponger already had an extensive background with coupons, so it really became a natural."

AN AFFILIATE OF THE Wallenberg Group, which owns Saab and accounts for more than 40 percent of Sweden's national income, Rikskuponger developed as a result of the employer's desire to eliminate cafeteria service to employees, which is a typical benefit in Sweden.

The Swedish company distributed luncheon vouchers that workers could use to buy meals at local restaurants, Potiker said.

"With Rikskuponger's background in coupons, we thought it was a good idea to establish a strong link in Europe before the trade barriers come down in '92. We believe that when the Common Market finally comes together, it will allow for much more movement between countries and create more opportunities for us."

POTIKER EXPECTS to open branches in other European cities, but he wouldn't say where or when. The joint venture could provide the

American publisher with a solution to its distribution problems, not only in households, but corporations, too, officials of the company said.

In addition to producing discount coupon books for families, the company has sold millions of custom coupon books for corporate clients to use in marketing and sales promotions. The companies include American Express, Procter & Gamble, Sears Roebuck and Troy-based Kelly Services.

In fiscal 1989, which ended in June, Entertainment Publications sold more than 2.5 million books in 87 market areas. Revenues were up 20 percent from the previous year, at \$74.4 million. But despite the success, Europe still looms as an uncharted market.

"ANOTHER PROBLEM we ran into was that Europe does not have the non-profit and charity network that the United States has," said John McBrearty, senior vice president of finance. Seventy percent of the books sold by the company last year were through community and service organizations as the American Red Cross, Easter Seals and Girl Scouts of America. Of the 50,000 non-profit organizations involved in selling books, more than \$13 million was raised last year to benefit causes.

And even though the thick, hand-sized books are sold on consignment, with promotional materials available free, European organizations were slow to accept the notion of selling discount books to raise money, Potiker said.

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Get out the plastic

Charge those movie ducats

By Gerald Frawley
staff writer

For months you've been wanting to ask that man or woman at the office for a date and tonight — the day before payday — he or she mentions an interest in the new Woody Allen movie. Unfortunately, you're broke.

Don't sweat it, put it on plastic. Credit card purchases and advanced ticket sales are coming to a theater near you, according to James Merck, American Multi Cinema (AMC) director of marketing and public relations. Other theaters are looking at placing automatic teller machines in their lobbies to help solve their customers' cash flow problems.

AMC LAUREL Park 10 in Livonia is the first general run cinema in southeast Michigan to use a computerized automatic ticket sales (CATS) system that allows purchase of tickets with credit cards. Movie fans can also buy tickets up to three days in advance at the box office or over the phone.

CATS will also be available at the Wonderland 6 theater in Livonia when it opens Friday. AMC will evaluate the system and is considering installing it in other theaters, Merck said.

AMC, the largest theater operator in southeast Michigan, has 19 theaters in the area.

The AMC Maple 3 Theatres — which generally show limited distribution and art films — began using the CATS system in September, and Merck called it successful. In other areas of the country where the system is in use, approximately 12 percent of movie tickets are bought with credit cards, he said.

PHONE PURCHASES are picked up the night of the show at a designated window, Merck said. Customers can also put a \$10 charge on their credit card to use at the concessions stand, he said.

"You get a little slip of paper when you get your tickets and use it like funny money."

Over-the-phone credit card purchases are assessed a 50-cent surcharge per ticket, but tickets bought in house with credit cards are sold at face value, he said.

CREDIT CARD purchases are just as fast as money purchases, Merck said. A window teller takes a card, runs it through a scanner and hands over the tickets and a receipt. Credit card purchases do not require signatures so the line should move as fast as cash lines, he said.

"What people really like is when you have a blockbuster movie like 'Batman,' you can call ahead and get tickets without standing in line. It's also of benefit to us because we know what we need for crowd control."

Merck is not certain how many credit card purchases are made in advance — it varies from movie to movie — but the number seems to be growing, he said.

There are a lot of advanced sales and we're certain we will sell more."

The system will accept Visa, MasterCard, American Express and Discover.

BUT ROBERT KLEINHANS found using credit cards more trouble than it was worth. He is the local general manager for Star Theatres, which has three theaters in metropolitan Detroit — Star Rochester Hills, Star Taylor and the Winchester Mall Cinema.

Tickets can still be bought in advance, but the cinema requires they be bought with cash.

"We used to [sell tickets with credit cards over the phone], but then people wouldn't show," Kleinhans said.

NO-SHOWS — ESPECIALLY for blockbuster



'What people really like is when you have a blockbuster movie . . . you can call ahead and get tickets without standing in line.'

— James Merck
AMC

movies — are aggravating to both theater management and the movie customer who can't get in to see a show. No-shows can also cancel credit card purchases, so the theater loses both the pre-purchased ticket sale and money that could have been made if the vacant seat had been filled.

And credit purchases cost theaters more to process, Kleinhans said. With the cost of film rental and operating overhead, Star Theatres decided to stay away from credit cards because of extra costs, he said.

"We're looking at putting money machines — automatic teller machines (ATMs) — in our theaters instead," Kleinhans said. "We've found that most people find it preferable to using credit cards."

ALTHOUGH NONE of Star Theatre's local movie houses has ATMs, several near Grand Rapids are currently using them, he said, and the response has been favorable.

"People can go to a movie, and then go out to a restaurant later (after using the ATMs)," he said. "We try to meet everyone's needs and we think that banking machines are the way to go."

"It only takes couple of seconds, you get your money, you have money for later, and everyone is already familiar with them," he said.

PAUL PAQUETTE, district manager for General Cinema, which operates four theaters in metropolitan Detroit, said his company has no plans to start a similar system.

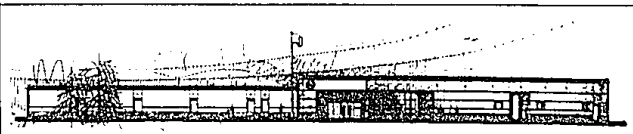
"I understand the reason why it's being tried out, but I'm not sure it's necessary."

Paquette believes an ATM may be more beneficial in the long run, he said.

"From a customer point of view, that's not a bad idea."

Depending on the system, credit card purchases could be slower, creating longer lines. Advance ticket sales may offset this problem, Paquette said, but he can see potential problems stemming from pre-purchased tickets.

"As a customer, my plans change from day to day."



Architect's drawing of the Walsh College expansion.

Boom in enrollment prompts expansion

By Gerald Frawley
staff writer

The business of America is apparently still business, as evidenced by the \$4.5 million building expansion necessitated by an exploding student population at Walsh Business College in Troy.

"We're increasing our size by almost double," said Walsh College director of marketing Lisa Johnson. The new 33,000-square-foot expansion will increase the total size of the building to 74,000 square feet. When completed, the college will have 22 classrooms, four computer laboratories, an expanded library and additional office space.

The expansion will also include a lecture hall that can accommodate up to 200 people at a time, a student lunch room and a new parking lot. It

is scheduled to be ready for use by the fall 1990 school year.

Walsh College located in Troy in 1970 and has been growing ever since, Johnson said, especially with the booming economy in the mid-1980s.

Walsh College enrolls nearly 3,000 students in bachelor's and master's degree programs. Five years ago enrollment was 1,700 students. An additional 4,000 students attend continuing education seminars at the college.

"We're at a point where we don't have any more room in our buildings."

TOM PLATZ, an associate with the Livonia architectural firm of Louis Redstone and Associates that designed the addition, said the design attempts to match the existing ar-

chitecture of the college, but also to enhance what exists.

Similar materials will be used, he said, but accent brick work and a new, more visible stone entrance will greet visitors and students, Platz said.

"The design concept was very deliberate. We didn't want to just tack a 33,000-square-foot block onto it."

The expansion was also designed so that every room would have windows. The expansion will be connected by two corridors creating a 4,000-square-foot enclosed court yard.

The expansion will rest lower than the main part of the building, Platz said. The natural topography of the site declines sharply behind the existing structure, so he took this into account when designing the addition.

"It should save them a lot of money on grading."

The expansion will include a 200-person-capacity lecture hall that can easily be partitioned to form three separate rooms for individual classes.

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