

AVRA NEWS

September 2003

NEWSLETTER OF THE AUSTRALIAN VIDEO RETAILERS ASSOCIATION LIMITED

OUR MISSION

To develop, promote and represent the video industry. To provide effective service, support and direction for our members.

AVRA AWARDS 2003

PLATINUM EVENT SPONSOR

The ZenithPac/ Zenith One-Time Security System by Brackley Industries

Gold Sponsor

What's Hot on Video Magazine

Silver Sponsor

20th Century Fox Home Entertainment
Buena Vista Home Entertainment
Gadens Lawyers
Paramount Home Entertainment
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the Shock Music Group
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Imagine Entertainment
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21st Century Pictures

Supporters

Eagle Entertainment
Campbell Murray Creating



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AVRA Board Meeting 30th July 2003

The Board of Directors of AVRA were all in Sydney for two full days last week conducting a Board meeting on the 30th July followed by individual meetings with the Managing Directors of the major studios.

The agenda for the Board meeting was very full with topics including the coming AVRA budget for 2003 / 2004, Membership renewals, including a report from the Executive Director on the direct membership mail out to all Video Ezy stores, review of the Association Memorandum and Articles, to bring them into line with modern day trends in the industry, returns policies on damaged stock, rental packaging VHS and DVD of direct to retail product, received a report from the President of AVSDA, Michele Garra, on the newly formed Australian Film Industry Coalition and an update from the Executive Director on the progress of arrangements for the AVRA Retailer Excellence Awards 31st October 2003.

AVRA Board conducts Individual Interviews with the Managing Directors of six major Distributors

In what is hoped may become an annual event, the Board of Directors of AVRA invited the Managing Directors of all the major Distributors to individual meetings with the Board on the 31st July 2003. The Board believes this type of meeting is very beneficial in helping them understand where the industry maybe heading in the future and also allowed the Board to put forward their thoughts on a range of issues they see affecting the rental channel.

Topics covered included:

- Marketing Support for the Rental Channel
- Rental packaging
- Returns policy damaged VHS and DVD
- AVRA awards sponsorship
- Windows – breaches
- Release formats policy VHS and DVD
- Movielink
- Disposable DVD's
- Security Cases

The Association is currently tabulating a summary of the answers by the Managing Directors and it hoped within a short time to be able to forward this information on to its members.

The Association would like to thank all those people involved in what was a very long day, the rewards were well worth the time and effort put in by all.

Australian Video Retailers Association Ltd

Notice of Annual General Meeting

AVRA will conduct its Annual General Meeting on Friday 31st October 2003 commencing at 10.00 am in Boardroom Star City Pyrmont. Members are encouraged to attend, its your Association, its your industry, its your business, its your future get involved in the activities of the Association it's the only independent body representing the video industry.

MEMBERSHIP 2003

Membership renewal notices have been distributed to all members. The membership year commenced July 1, 2003 and expires June 30, 2004.

We ask that you all continue to encourage other retailers to be a part of AVRA. The fees you pay to AVRA enable your interests to be both represented and protected where necessary.

AVRA NEWS

PRICE ADVERTISING – SOME SIMPLE RULES

Michael Bradley Partner, Gadens Lawyers

Anything you can do to avoid a visit from the ACCC is worth doing. They are annoying people who ask unpleasant questions, cost you a lot of money and time and distract you from your business. If you upset them, they can prosecute you in the Federal Court and cost you more money, even if you win, than bears thinking about.

As a retailer, the thing that is most likely to attract the ACCC's attention to your business is an advertisement. Advertising is a dangerous game, not surprisingly since its purpose is to attract attention. It can be a thin line between what is legal and what is not.

In this article, I have summarised a few of the more obvious rules of the game, and some of the common problem areas that arise.

Discount advertising: If you advertise a discounted price for a product, the discount must be genuine. That is, the pre-discount price must have been available for a reasonable period and in reasonable quantities. It is not acceptable to simply raise a price for a couple of days before reducing it back to its original level, and calling that a discount.

Bait advertising: A common practice of retailers is to advertise a small number of

items at dramatic discounts, in order to entice customers into the store, in the hope that they will buy something more expensive. This is okay, but only if the advertised items are available for a reasonable period and in reasonable quantities. Otherwise, the advertising might constitute a "bait", which is unlawful.

Comparative advertising: There is nothing wrong with advertising by comparison to your competitors. However, it can be highly dangerous. You have to be absolutely scrupulous about fairly representing your competitors' offerings, and ensure that you are only comparing apples with apples. Even the slightest misrepresentation (by, for example, failing to mention a particularly relevant piece of information) will bring trouble. You can be sure your competitors will be searching for a reason to attack you if you engage in this form of advertising, and the case law is littered with these disputes.

GST price advertising: All advertised prices must include the GST component. There are no exceptions to this.

Special conditions: Many promotions and sales involve quite extensive conditions. A common practice is to include these conditions in small print at the bottom of an advertisement. This is generally considered to be acceptable. However, the small print

must be sufficiently prominent to attract the reader's attention and clear enough so that the reader can easily work out what the deal really is. It is prudent to include such devices as asterisks to draw the reader's attention to the conditions.

The ACCC takes the view that all small print is evil, but the courts have not agreed with this view to date.

Putting a general statement such as "Conditions apply" on an advertisement is unlikely to be acceptable. If the advertisement itself is likely to mislead people, then the fact that unspecified conditions apply will not assist you.

Generally... The key thing to remember is that what is prohibited is conduct which is likely to mislead or deceive your customers. Any form of advertising that contains a misrepresentation as to the terms of the available deal will fall foul of this. Because advertising is by its nature usually less than 100% truthful, it can be difficult in practice to ensure that no misleading of customers occurs. There is nothing wrong with "puffery", or minor exaggeration in advertising, but the distinction between this and misleading advertising is often difficult to see.

Often it is a good idea to seek expert assistance before you advertise, rather than wait until after the ACCC comes knocking on the door. Just a thought!

STOP PRESS!!
Entries for the Retailer Awards
close Monday 1st September 2003!

AVRA Retailer Excellence Awards 2003

Proudly sponsored by The ZenithPac/Zenith One-Time Security System by Brackley Industries

Friday 31st October 2003, 7.00 pm Star City Ballroom, Pyrmont Sydney

For further information call the AVRA office 02 9960 0046 and speak to Ross, or email us on info@avra.com.au

Don't forget the Retailer Excellence Awards will be held in the ballroom at Star City Pyrmont on Friday 31st October 2003.

The event is proudly sponsored by Brackley Industries and recognises the achievements of retailers in the rental channel. Retailer award winners will be state by state, in two categories, Metropolitan and Regional. The prestigious National Retailer of the Year is the highlight of the night selected from the state winners.

Nomination entry forms are enclosed with the newsletter and entries close on Monday 1st September 2003. Please read the rules and conditions of entry on the back page.

Marketing awards for distributors, group head offices and stores will also be awarded on the night and further information about these categories can be obtained by ringing the AVRA office.

The members only voting ballot paper is also enclosed for AVRA members to vote on their most popular distributor and sales executive.

These categories are always closely contested and as the result is based on the number of votes cast by members, it is important to make sure your vote is faxed back to the office by Monday 1st September 2003 and remember to fill your store name in for verification purposes.

This event is a night of nights when once a year all video retailers have the chance to get together and just celebrate. The glamour, the hype, the entertainment, the black tie dress and the best venue in Sydney will make this a night to remember.

Do not miss out, do not leave booking your table any later, first in, best tables.

Members are urged to take advantage of the great discount offered on tickets by paying for them when lodging your entry form. Tickets are normally \$165 per person but book and pay when lodging your store's entry and tickets will only cost \$145 per person, that's more than 10% off the normal price.

DISCOUNTED ACCOMMODATION PACKAGES AVAILABLE AT STAR CITY

On behalf of AVRA members, Garth Taylor the event co-ordinator for the AVRA Excellence awards, has negotiated a very attractive room rate package for those who need accommodation on the night, \$240 per night for standard double room. The packages must be booked through Garth who can be contacted on 1800 22 55 13 or 0419 357 433 or email garth@1e.com.au.

Remember please book early as rooms may be limited due to the hotel's World Cup Rugby commitments. Contact Garth today.