

ATARI COIN VIDEO GAMES DIVISION

Jerry Marcus Appointed Executive VP of Sales

The Coin Video Games Division is implementing several new approaches toward expanding sales in 1983. Acknowledged as one of the industry's spokespersons, Jerry Marcus brings his experience and expertise to help meet this goal as he joins Atari in the newly-created position of Executive Vice President of Sales. Formerly President of Bally Midwest Distributing Company, one of the world's largest coin machine distributors, Mr. Marcus will manage all sales functions for the division, a responsibility that was previously held by Don Osborne.

In a related move, Mr. Osborne has been given exclusive responsibility to formulate and manage the ever-expanding marketing department of the division. In this capacity, he will focus on product research, marketing, public affairs, and industry issues, including video game legislation. Both individuals will report to John Farrand, President of the division.

Prior to his presidency of the Chicago-based Bally Midwest, Jerry Marcus held the same position of Executive Vice President with both Seeburg, a Chicago-headquartered manufacturer of music vend-



ing machines, and Rowe International, a distributor. He has managed to feel "comfortable on both sides of the fence already" and does not foresee any difficulty in making the transition once again. He received his Bachelor of Science and his Masters of Business Administration

from New York University. Responding to an ad placed by Rowe in the *New York Times* during 1957, he immersed himself in the exciting coin machine industry with its continual sense of change and constant "people" orientation. These are the aspects of the business which keep his interest level so high.

Addressing the responsibilities of his new role with Atari, Mr. Marcus states: "At those times when the market slows down, there's always something that comes along to give it that needed boost." He has no doubt that Atari will furnish the industry with key technological advances in coin video games. He anticipates an increase in the use of 3-D visual effects and simulators as well as laser technology. To support these developments, he also plans to expand "day-to-day" contact with distributors and operators in the field to maintain our reputation of high serviceability.

"Jerry Marcus comes to Atari with impeccable credentials and achievements," commented John Farrand at the time of the appointment. "We think it's essential that Atari has a broad understanding of distributor issues. After 26 years in this industry, Jerry's certainly qualified. We have an outstanding line-up of products in 1983—both creatively and technologically innovative. We feel the sales and marketing team of Marcus and Osborne will maximize this effort."

Earth Readies for XEVIOUS* Invasion

BACULA, ZOSHI, ANDOR GENESIS

... your players will gasp as they discover what's next. With its dynamic animation, XEVIOUS is one of the most exciting video experiences ever presented. With its diverse game play, XEVIOUS challenges players in a way no other video game does, and the test collections are confirming its absorbing power.

Many eons ago, an advanced, technologically oriented civilization was forced to evacuate the Earth to other planets in the distant Universe. Now, the Xevious people are returning to reclaim their heritage—with a vengeance that has been fired up through all those years. They have already secured certain locations on Earth and are mounting a fierce attack in the air to conquer what remains. The player faces a head-on collision with the past to protect the Earth from their invasion.

In the most critical search and destroy mission ever flown, the player is alone at the controls of his super sophisticated SOLVALOU space fighter which he maneuvers with an eight-position joystick. He must stop the Xevious infiltration and win



back the world! The player cruises over the scrolling landscape, bombing the Xevious ground entrenchments by centering his bombsight over each and zapping the air targets that come into range.

As the player flies over the Earth, various landmarks can be distinguished. Heavily forested areas, landing strips, roadways, rivers, ocean and desert all pass below. The player may fly over the ground targets such as the domes, rovers and tanks without harm—but he must watch out for their shots! In later waves of game play, Machu Picchu, the ancient landing strip "of the gods", appears, and this seems to be a particularly heavily defended Xevious stronghold with its mysterious citadels hidden in the sand.

The player faces a seemingly endless cast of foes on both the land and in the air. A flotilla of flying BACULA resistor shields forms an impregnable opponent that repels the player's shots. These BACULA resistor shields cannot be de-

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*Xevious is engineered and designed by Namco Ltd., manufactured under license by Atari, Inc. Trademark and © Namco 1982.

XEVIOUS Major Media Schedule Announced at Open House

Distributors who attended the "Open House" activities on February 7 went home confident that Atari is once again taking the leadership stance in the industry. One might say we gained the veritable "pole position" after the November AMOA Exposition in Chicago and have high expectations for our early 1983 contender, XEVIOUS. To ensure the new game's immediate visibility, Atari will be launching an immense media schedule, including print advertising, television and radio. Jerry Shereshevsky, Vice President of Young & Rubicam which is the advertising agency developing the media campaign, confirmed at the Open House breakfast meeting: "XEVIOUS will be the first coin-operated video game to receive major consumer advertising support in almost every major market."

The demands for consumer advertising are basically twofold: first, the short life cycle of a game necessitates immediate awareness and trial on the part of distributors, operators, and players combined. In the constant state of flux that characterizes this marketplace, reliance on "word of mouth" is not effective. Secondly, today's investments made by distributors and operators require a higher level of confidence in the successful pay-out of any game introduction than they have in the past.

Atari began conducting a test of its advertising efforts behind DIG DUG™*

in July of 1982. By August, the results indicated that awareness of the game in our test markets was 227% higher than in our non-test markets. Even among the very staunch coin video game players, awareness was proportionately increased. Furthermore, in the advertised markets, the average number of games initiated by each player was 20% higher than in the "control" or non-advertised markets. Awareness plus the excitement of the media "blitz" generated location earnings: quarter drops in test markets were almost 30% above those in control markets. And players specifically requested Dig Dug at the locations they frequented.

What media magic does Atari now have up its sleeve to support your investment in XEVIOUS? Over a million dollars' worth! Beginning March 21 and running three consecutive weeks thereafter, Atari will advertise in these major market locales: New York, Los Angeles, Chicago, Philadelphia, San Francisco, Boston, Cleveland, Dallas, Minneapolis, Seattle, Atlanta and Charlotte. Our target audience is male between 12-24 years of age. The 30-second Xevious commercial will be aired on television during prime time, sports, late night, and special shows, including "Saturday Night Live", "American Bandstand", and "Dance Fever". On a national scope, players will be introduced to the game on the Cable Music Television

(MTV) network. And there will be radio spots scheduled on the major AM rock stations in these same twelve cities.

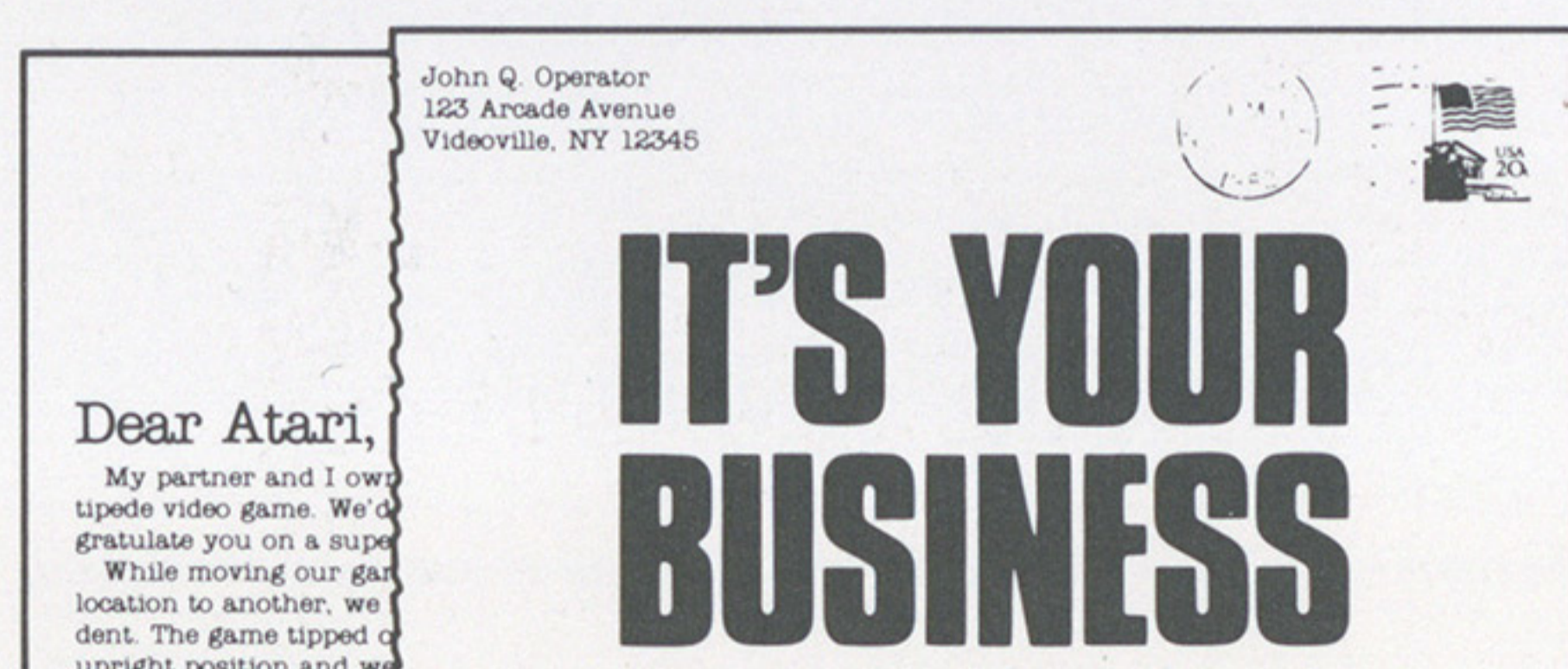
For perspective, if our advertising expenditures behind the release of XEVIOUS were extrapolated on an annualized basis, the impact would be that of \$26 million. The name "Atari" is already second in consumer awareness only to "Coca-Cola" according to a national survey conducted in January, 1983.

Don Osborne, Vice President of Coin-Op Marketing, explained that the advertising schedule will cover the markets wherein 54% of our customer purchases are derived. "We are continually seeking new ways to compete, to help our customers to launch our products with more confidence and assurances for success."

During the course of the special day's activities, distributors witnessed this "thrust" as they toured the various California facilities, including the engineering, printed circuit board, woodshop, silk-screen, and final assembly buildings.

Open House concluded with a catered dinner during which John Farrand, President of the division, addressed his audience with humor and optimism. Quite seriously, however, his final remarks set the tone of Atari's leadership stance as well as the future of the industry as a whole. "We're all in a business that's definitely here to stay." Although he did not recount the details of the Xevious commercial, he chose to preview its final impact: "XEVIOUS... the ATARI video game you can't play at home!"

*Dig Dug is engineered and designed by Namco Ltd., manufactured under license by Atari, Inc. Trademark and © Namco 1982.



We'd like to give credit where it's due... Atari distributors are contributing their involvement in various hospital and school programs, particularly in regard to rehabilitative uses of video games. It's not always "fun and games" for our distributors but serious business. Their game donations not only uplift the spirit of the recipients but the industry's image as well. We here at Atari extend our thanks to all of you.

Recently, Mark Franco, Executive Vice President of Franco Distributing in Montgomery, Alabama, thoughtfully wrote in to update us on the "Nova Program" at Bryce Hospital in Tuscaloosa, Alabama, and how his company was able to make a special contribution of ATARI coin video games.

During the week of December 20, 1982, Bryce State Hospital in Tuscaloosa, Alabama, received an ATARI Asteroids Deluxe™ and a Battlezone® from Franco Distributing Company, Inc. of Montgomery, Alabama. "The coin video games will serve several therapeutic functions," says Patricia Scheifler, director of the hospital's Nova Program. "In addition to providing constructive recreation during the patients' free time, we believe the games can improve eye-hand coordina-



Patricia Scheifler, Nova Program Director, roots for a patient playing an Atari coin video game from Franco Distributing of Montgomery, Alabama.

tion, motor skills, concentration, reflexes and reality orientation. Another important function served by the games will be that of positive reinforcement for the patients on individual behavioral management programs. These patients will be able to earn tokens to play games by fulfilling their responsibilities such as proper grooming, attending classes and activities, and achieving their individual behavioral goals," affirms Ms. Scheifler.

"Video games have been falling victim to a lot of harsh criticism lately," explains Mark Franco of Franco Distributing Company, Inc. "We are pleased to help out a program that can utilize the games in a

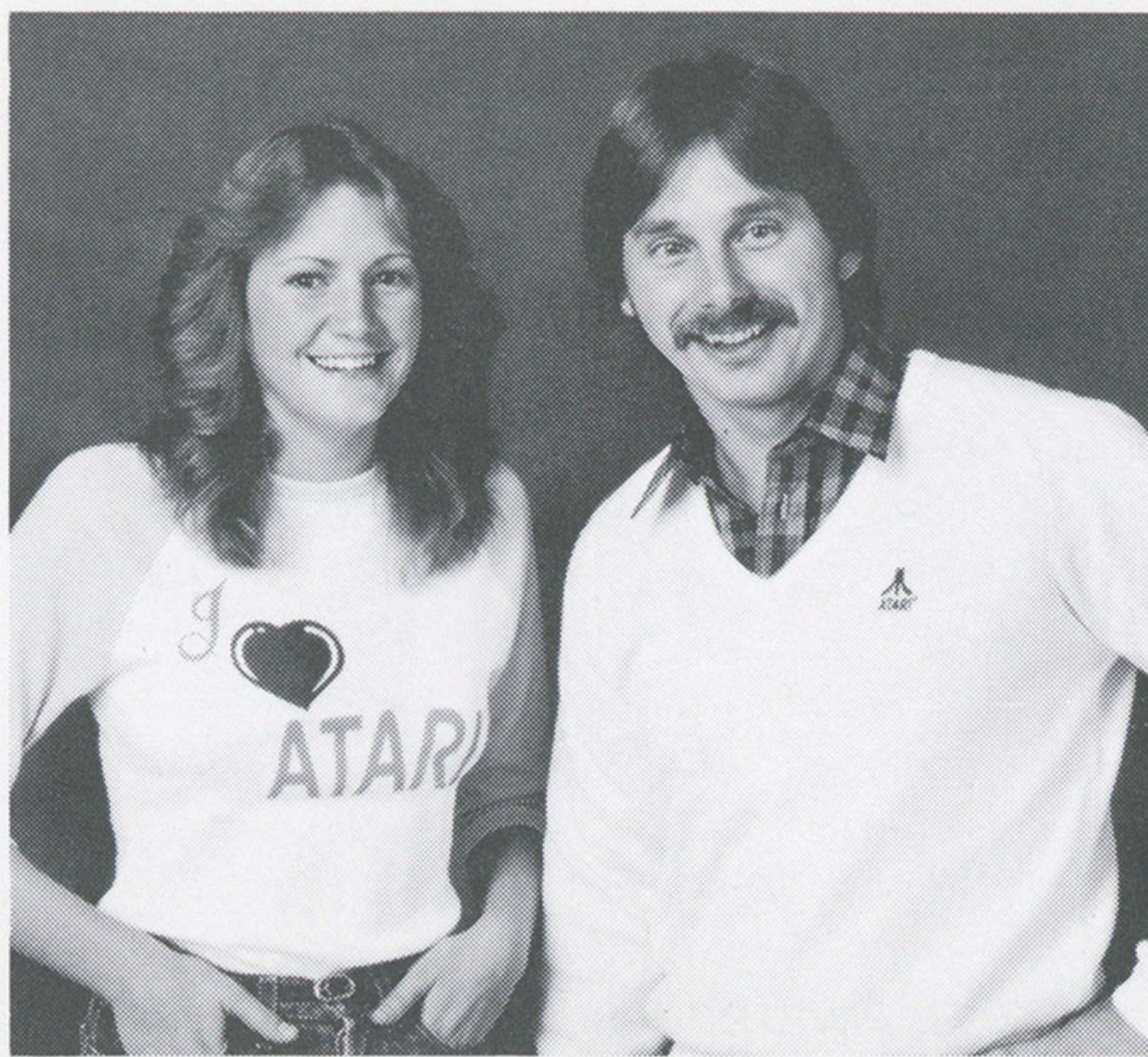
positive and therapeutic way."

The Nova Program is a new treatment concept implemented at Bryce Hospital for young adult men (18-35 years old) with chronic schizophrenia. The program is based on the philosophy that the young adults served have very special needs which set them apart from other psychiatric patients. Treatment is directed toward helping the patients develop responsible behavioral patterns and a healthy lifestyle. A highly structured daily schedule, mega vitamin therapy, proper nutrition, exercise, medication, and active family involvement are combined to provide a diverse approach to rehabilitation.



AT YOUR SERVICE

"You oughta be in pictures." Here's your chance to meet some of our Customer Service people. Now you can put a face with the name at the end of the toll-free line. Modeling some of our latest apparel selections, they provide "first-feel" assurance that the merchandise is of the finest materials and workmanship, as is the standard with all ATARI coin video games, too. Figuratively speaking, when it comes to service, they'll give you the shirt off their back! Give them a jingle at 800-538-1530 for more information, color brochures and prices.



Lynette Davis, Senior Sales Order Processing Clerk, looks adorable in her "I LOVE ATARI" jersey. Rick McDowell, Senior Materials Planner, looks dapper in the classic V-neck sweater with embroidered Atari logo.



Kathy Allison, Customer Service Secretary, warms up in this light blue hooded sweatshirt with white accents. Dwight Thomas, Stores Specialist, enjoys unrestricted movement in his half T-shirt or shimmel. Alberto Perez, son of Senior Shipping Clerk Sahara Perez, keeps a-hoppin' in his Kangaroo™ T-shirt. Jeanette Matteucci, Shipping and Planning Supervisor, and Mike Savage, Materials Planner, both look super in the stylish Atari polo shirt with embroidered logo.

*Kangaroo is manufactured under license from Sun Electronics Corporation.

THE OVERSEAS CONNECTION

We have it on the best authority that Shane Breaks, Vice President of International Marketing and Sales, is a man of utterly indomitable spirit. His workstyle displays the same approach he takes in all other aspects of living—he never gives up! And his self-motivation transfers to his own personnel, as attested to by the pen of Nathalie Favre-Gilly, Sales Administrator for France. Attached herewith is her poem inspired by and dedicated to the great one himself.

A Poem by Nathalie Favre-Gilly

Up in a plane,
Out on the beach,
He's starting to snore
But his phone's within reach.

Driving his car,
Buying a drink
You think he can't find you
But the coins start to slink

Out of his pocket,
Into the phone
Good God, he's saved!
A dial tone.

He's Doctor Dime,
He's Mister Ten P,
He is on automatic dial,
Right to you
Right to me.

"Hello, were you sleeping?"
"No Shane, I'm awake . . ."
"What did you sell today?"
"Jeezus, give me a break."

He'll phone you in the morning,
He'll ring you at night,
Bells in your dreams
My God what a fright!

Area codes, country codes,
He knows them all,
He says that he's working
But he's having a ball!
Dialing with speed,
Dialing for fun,
His finger's a trigger
And the phone is his gun.

So join in the fun,
Learn the rules of the game,
Lend him a dime and
Your life won't be the same.

ON THE ROAD

The fast-track news from "on the road" comes to us this month in the form of a distributor newsletter. We're pleased to let Louis Boasberg of New Orleans Novelty Company located in Metairie, Louisiana, do the speaking for us as we reprint with his permission the following portions of his correspondence.

We would like to say several words about Atari's Pole Position*, both upright and sit-down models. There is no question that the sit-down model is one of the greatest coin-operated video games ever made. The collections on this game are proving this fact . . .

To those operators who think that Pole Position is high priced, we might mention that Pole Position is the same price as Turbo** and Subroc 3D***, both in the upright and sit-down models. We might also mention that Pole Position is better than Turbo and far superior to Subroc 3D.

We repeat once again what we told you before: in our opinion, Pole Position is the best driving game of all time—more player appeal, more beauty and better engineered.

We would also point out that, while Pole Position sit-down model is great for arcades, game rooms, bowling alleys and similar locations, Pole Position upright can be operated in any location. We have some of them operating in convenience stores and the collections are merely fabulous, even though most collections are off at the present time.

So take our advice and put a Pole Position in any kind of location you have and watch the results. You will pay more for a Pole Position, but you will get far greater collections over a much longer period of time and, because there will not be too many Pole Positions made, you will realize a greater resale or trade-in value for your game . . .

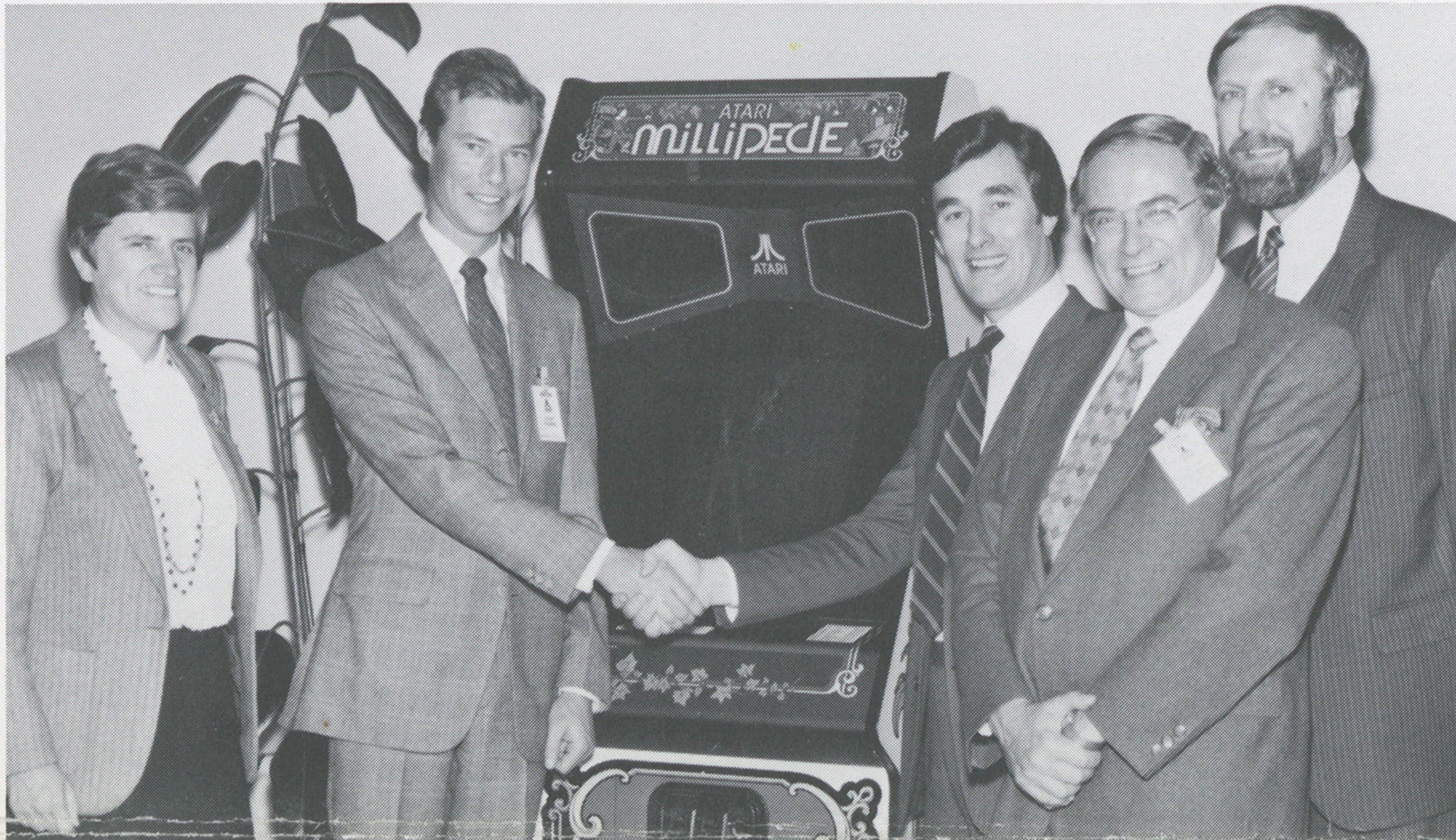
We have Atari's Millipede™ operating in the Fun Arcade and also have two Centipede® games. The collections over an eight-week period on Millipede have been better than the two Centipedes. If the Centipedes were not in the Fun Arcade, we guarantee that Millipede would be right up with the very top games. As it is, it gets a steady play, and we can predict with certainty that Millipede will be another Centipede and will last on location for at least a year. So, if you have some Centipedes that are dropping off, replace them with a Millipede and forget about another change for a long time.

Summing up the video situation, we emphatically and positively recommend Pole Position upright in any kind of location . . . The sit-down model will remain on location for a year and a half to two years, no matter where you put it . . .

Millipede will take its place alongside Centipede®, Asteroids®, and other games that can't be removed from location.

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**Trademark and © Sega Enterprises 1981.
***Trademark and © Sega Enterprises 1982.

A Royal Gift for a Royal Visitor



MILPITAS, California, February 15, 1983: Crown Prince Henri of Luxembourg took an Atari Millipede™ coin video game home with him when he ended his recent visit to the United States. The prince toured Atari's coin video game manufacturing facilities before being presented with the game by John Farrand, President of the Coin Video Games Division. In the photo (l to r) are Madame Colette Flesch, Luxembourg's Ambassador to the United States, and Dick Maslana, Atari's Vice President of Manufacturing for the division.

XEVIIOUS* Invasion* continued

stroyed by the player's fire power, but a collision with one of them will result in the guaranteed demise of the SOLVALOU. They are followed on the screen by the appearance of the ZOSHI death squad which can clip the SOLVALOU's wings with energy blasts unlike anything ever previously encountered.

After battling his way through wave after wave of enemy forces—each made more menacing through the advanced game graphics of the color raster—the player meets the monumental controlling source of the Xevious offensive, the AN-DOR GENESIS Mothership. A direct hit to her central reactor will disable her, but the player should not be lulled into a false sense of security. Xevious forces will soon

appear and renew their attack with increased determination and vigor. The fearsome aggressors just get trickier as the player gets better.

XEVIIOUS thrills with more treacherous surprises as the player advances into the upper point levels of the game. And only by increasing his skills will he be able to discover the secret ending of the battle for the planet Earth. It transgresses the outer limits of the imagination.

XEVIIOUS offers a unique game play feature that challenges the player in a way no other coin video game does. The computer program self-adjusts the difficulty level of game play to the ability of the player at the controls—moment by moment. No other game allows for such di-

verse game play, as no wave is ever the same with this self-percentaging feature. XEVIIOUS provides a unique competition between the player and a "smart" computer that really responds to player input.

The worldwide introduction of XEVIIOUS dominated the spotlight at the Distributor Open House held on February 7 by the Coin Video Games Division, although show attendees were given a "sneak preview" of the game at London's Amusement Trades Exhibition in January where it also stole center stage. On top of being so well-received in Europe, it has met with considerable enthusiasm in the United States test locations. Don Osborne, Vice President of Marketing, affirms: "From the first involvement with the product, our 'gut' feelings have been incredible. Market research has confirmed that this game will be a number one challenger and probably the pacesetter for 1983."



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