

# Record store fails, mark-up too small

By Ken Kirk  
School of Journalism

The ASUN record store closed its door this summer.

Manager Terry Braye blamed the store's failure on lack of publicity, but Jack Guthrie, student activities business manager, disagrees.

Guthrie said there was never the possibility of making enough profit when the mark-up was only 15 per cent. He said that most department stores have a mark-up of about 40 per cent and the so-called discount stores have mark-ups in the neighborhood of 30 to 35 per cent.

He also said that because the record store worked on a small volume, they purchased records at a higher price than what larger volume record stores paid.

#### Undersell competition

The record store tried to undersell the competition, who were buying records cheaper. And it tried to undersell them with a stock limited to about \$3,000 worth of records.

Guthrie said a major department store would have \$60,000 to \$100,000 invested in record inventory.

"A bunch of people got together and said 'lets sell records and make a lot of money'

without looking into the business details," Guthrie said.

"We'll sell them 35 to 40 cents below competition and be a good service to students, but they never asked themselves 'Can we make it work?'" Guthrie said.

Another problem for the record store, according to Guthrie, was that expenses were higher than originally planned. Salaries were estimated at \$165 a month, however the record store was paying more than twice that amount to the manager and part-time salespeople.

#### No rent or utilities

The store paid no rent or utilities, but couldn't make it. Guthrie said the store needed professional management. Braye, a music major, was the fourth student manager.

Guthrie said that it was necessary for a manager to devote more time than possible with a student manager.

"If you get records in and they're not selling, then you must turnover the merchandise into something that will sell," he said.

A full-time manager is needed to keep up on record trends and exchange merchandise not in demand for new records in demand.

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The ASUN record store has closed.

Photo by Gail Folda

## weekly calendar

Tuesday, July 24  
"Civilisation", "Heroic Materialism", 7:30 p.m., Sheldon.  
"What the Butler Saw", 8 p.m., Howell.

Wednesday, July 25  
"What the Butler Saw", 8 p.m., Howell.

Thursday, July 26  
Administrators Conference, Ramada Inn.  
"Company", 8 p.m., Howell.

Friday, July 27  
Final day for submitting drops for courses without labs.  
Administrators Conference, Ramada Inn.  
"What the Butler Saw", 8 p.m.,

Howell.  
Saturday, July 28  
Physiology Symposium, 8:30 a.m., Nebraska Center.  
"Company", 8 p.m., Howell.

Sunday, July 29  
"Civilisation", "Heroic Materialism", 2:30 p.m., Sheldon.  
"What the Butler Saw", 8 p.m., Howell.

Monday, July 30  
Summer Film Series, "The Raven", 7 p.m., Union.

Tuesday, July 31  
"New Trends in British Primary Education", Ms. Elizabeth Aggett, 10 a.m., Union.  
"Company", 8 p.m., Howell.



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