



Record Spinners

By: Matthew Keys | Published October 8, 2019

John Radakovitz stands in front of a makeshift assembly line in the back warehouse of Dimple Records in Roseville in July. One by one, he picks up a record, places it gently in a sleeve, affixes an orange price sticker to the front and sets it aside.

Music has been at the core of John's entire adult life. He's made a career of trading tonal poetry captured on vinyl, then magnetic tape, then polycarbonate plastic disks — and somehow, in this era where millions of people lease music encoded as zeroes and ones, the company he cofounded more than four decades ago is still going strong. People still walk into his seven stores scattered throughout the Sacramento area, and they're buying music, movies, video games and books, both new and used.

But John knows many people are walking into his stores for what could be their last time: In June, John and his wife, Dilyn Radakovitz, announced Dimple would close, and they immediately started liquidating the remaining inventory. He's putting the records in plastic sleeves, placing stickers on

each one of them, priced to move, because everything has to be gone in just a matter of weeks.

He pauses only when asked this question: What's one thing he'll miss about Dimple Records?

"I don't think he was ready for that question," his son Andrew Radakovitz says from a corner of the warehouse. John never answers the question: He falls silent, his hands start trembling, and, for a man who likes to crack wise at any opportunity, he is left speechless. Then he leaves the room.

For John and Dilyn, the full effect likely won't be felt until they start to see the shelves empty. "The liquidators keep saying it won't fully hit them for the first few weeks," Andrew says in July, two months before all stores closed. "They'll see the (sales) numbers, and things will feel like they're still going, and then they'll start to see the store shelves empty out. They'll sell the fixtures. And that's when it'll feel real."

Musical Beginnings



John Radakovitz woke up the morning of his 17th birthday to find his parents had smashed his dinner plate and placed a Greyhound bus ticket under his bed pillow. His parents gave him an ultimatum: Enlist in the military or find a way to make it on his own. Either way, he was getting out of the house.

“Back then, young boys had two directions they could go in life,” John says. “One is not a good direction. I look back at that as probably one of the smartest things they could do.”

He left his home in Los Angeles, enlisted in the U.S. Navy and was dispatched to the USS Ticonderoga at the height of the Vietnam War. While helicopters took off to drop Agent Orange, he and his friend, Dave, put on shows for fellow sailors, changing the lyrics of popular songs at the time as part of a comedy routine that drew the attention of USO performers like Bob Hope and Joey Heatherton.

“Johnny gets out of the service, out of the Navy, in 1966, and has enough money from a car wreck when he was a kid to fool around for about a year,” Dilyn says. But he blew that money on his friends, and after a while, the money ran out.

With his wallet thinning, John moved to Sacramento to be closer to his brother. He visited an employment agency where he was interviewed by the owner of Canterbury Records, who, like John, was a Navy veteran. Canterbury bought John, then 22, a brand-new Dodge Monaco station wagon and gave him a route delivering about \$5,000 worth of records up and down Northern California. Back then, records were primarily sold in furniture stores that sold console stereos, drugstores and some grocery and department stores like Raley’s and Woolworths.

“(The records) brought life to that store, the employees loved it, and they wanted to see what you’re going to bring in, what the latest thing was,” John says. “And the community liked it too. This rack might hold 600 albums, and in three weeks, you’d come back and half of them were gone. It’s a good turnover.”

While delivering records, he met Dilyn. “He thought he was really cool,” Dilyn says. “He smoked. He always carried his flask. He always thought he was a cool dude. Girls were always hanging around him. I didn’t want anything to do with him. He was kind of a jerk.”

But John won her over — and her dad with his station wagon. “When my dad saw that car, and it was so much nicer than the car he had, and this guy worked for a company who let him use a car like this, my dad was impressed,” Dilyn says. They married in 1967.

In 1969, John joined Musical Isle of America, where he continued delivering records to small stores throughout Northern California. At one point he was stiffed out of a company initiative where employees who worked long routes were given new cars because his boss had kept it for himself.

“John was ready to quit,” Dilyn says. But, instead, Dilyn says John drove down to the Bay Area and confronted his boss, Vern Couples. Vern made John a compromise: Go to the car lot, pick out what you want, and the company would help John

pay off the car by paying out mileage on his routes. John picked out a new Mercedes — with wood paneling — and estimates he drove around 1,500 miles a week delivering records, enough to pay off a car that was titled in his name.

In 1974, Musical Isle threw a huge celebration dinner in honor of Vern, but one day later, Vern was let go. When John found out, he called Vern, who told John he planned to sell records out of his garage, and John could buy inventory while still working for Musical Isle. John agreed, and that relationship eventually grew when John formed his own distribution company after Musical Isle folded later that year.

In 1975, John and business partner Ed Lewis agreed to buy the inventory of a record store in Roseville that was going out of business. While John continued delivering records, Dilyn worked as the brains and muscle behind The Record

Shoppe on Douglas Boulevard, making sure the books were balanced and the employees were in line; sometimes, she'd bribe her young sons, Andrew and Ollie, with doughnuts if they'd help her sticker inventory and stock the shelves (Ollie and Andrew continued working for Dimple well into adulthood, with Ollie serving as the family's chief financial officer and Andrew working as treasurer and manager of the stores).

"I'm the person at home at the office while (John and Ed are) on the road," Dilyn says. "They're calling me in the middle of the night or early in the morning ... and I'm like, 'How many checks do you have? How much money do you have? Well, that's not enough. Stay out there. I need to have \$8,000 from you and \$5,000 from him, and don't come back until you have it.' I wasn't the nice person, I was the person who was writing the checks. I was the person paying the bills."

Leaving the Road Behind



By 1983, John and Ed decided to wind down the distribution company and throw everything behind the retail operation. Nearby businesses had flashy names like Licorice Pizza, Peaches and Odyssey, and John and Ed wanted something more interesting than The Record Shoppe.

"Back in the day, you could have wet T-shirt contests, and we had this big contest to name the store," Dilyn says. Contestants submitted a lot of different names. John and Dilyn thought most of them were bad, so Dilyn decided to come up with one of her own: Dimple, because she figured guys observing a wet T-shirt contest "should be looking for dimples or something."

Dilyn thought the name sounded good; John and Ed did not. But they left the decision up to Ed's wife, Dolores. "I don't even know why they gave it to her, because they hated it. But she said, 'Well, Dimple, of course. That's what you should name it.' And they were so pissed!"

Dilyn had more influence on Dimple than just coming up with the name. Andrew attributes much of Dimple's success to her presence in the

store. "Mom was the heart and soul of the retail store," Andrew says. "She set the pace and the tone, and we became legendary, even with one store, because customer service was unreal. We had really good customer service, because you had the actual owner there, and the other employees would see (her behavior) and mimic her."

But customers loved Dimple for more than the customer service. Early on, at a time when disco, dance and soft rock dominated the charts, John

and Dilyn made the decision to sell music other stores didn't: metal, punk and a rising genre called rap. That put the couple in direct contact with the record labels and the musicians they represented. Dilyn recounts a time when Tom Araya, the lead singer of metal band Slayer, sat in the middle of the store with a group of kids and teenagers, teaching them the ins and outs of the music industry.

Another time, Vacaville rock band Papa Roach agreed to perform in the parking lot of Dimple's Arden Way store. That show, and others, forged a deep connection between the store, its customers and the musicians who came from all over to visit. At one point, the label representing Papa Roach told John and Dilyn they wanted Dimple to sell tickets to a show hosted at the Memorial Auditorium in Sacramento.

The show was a ruse: The label wanted Papa Roach to have a hit album, and they knew Dimple used SoundScan to track purchases. At the time, SoundScan weighed Dimple heavier than other independent record stores that didn't use SoundScan, so one copy of an album sold at Dimple was counted by SoundScan as three. Knowing this, the label told Dimple the ticket to the show would be free with the purchase of the band's new album.

The scheme worked. Dimple sold more than 3,000 copies of the album — which counted for 9,000 — and Papa Roach had a No. 1 record for a solid month. "That one band had so much success in Sacramento because (the audience) loves that music," Dilyn says.

Record Store Day — and More



One of the biggest initiatives to shake up the music industry is largely due to Dilyn Radakovitz and Dimple. In 2007, while attending a conference in Baltimore, Dilyn and a group of fellow independent record store owners learned from a newspaper story that rival chain Tower Records was going out of business. That got the store owners thinking about their own vulnerabilities and what they could do to get more customers in the stores.

"This one guy, who was really a comic-book store (owner) ... he says, 'Well you guys should do comic book day,'" Dilyn recounts. "We just give away free comics, and then we sign them up for a service, they pay \$35, then they get their comic every month, and that makes them come back into the store every month to get the next chapter of that comic."

Dilyn thought the idea was absurd — the labels were never going to just give independent record stores something for free. But she adapted that idea into a more realistic one. Shortly after the conference, she and a team of independent store owners flew around the country meeting with big-name labels like Warner Records, Universal Music Group and Sony Music to pitch the idea of an annual record store day. The labels would give retailers limited-run exclusives on vinyl, and the

brick-and-mortar stores would be able to stave off competition from digital downloads.

"Only one label cared about us, and it was Atlantic (Records)," Dilyn says. "These guys at Atlantic said, 'We've got some stuff that we were trying to promote on vinyl. ... We'll give you some of those, we'll sell them to you, but you can't return them.'"

Dilyn says the first year Dimple and others ran Record Store Day, they sold around 10 different singles and albums. Each year thereafter, more labels signed on, but she says they mostly gave them stuff they were probably going to give away as promos anyway. It wasn't very good, Dilyn says, and after several years, she and other store owners felt they had enough clout to demand better from the labels.

“(Now) we don't get as much stuff on Record Store Day, but it's better stuff,” she says two months before Dimple's closing. Andrew agrees. “When you see these customers come in, it's a feeding frenzy. ... And the reason why is because that record that they're trying to find, it is a limited release — there's only a certain number, and they want to get their hands on it.”

Record Store Day — now hosted by nearly 1,400 independent stores across the country — has been one of several tactics Dimple used to stave off competition from digital and streaming music formats. Another one: buying used records, CDs and tapes (and eventually movies, games and books) from the public.

“When I started at Dimple, we were almost 99 percent new (inventory). When we bought something from a vendor, we'd owe money on that,” says Brian McCulloch, Dimple's marketing manager who started as a clerk in 1987. “If someone stole something, our margin on that is so low, we'd have to sell five of those to make up for that.”

Andrew says the labels made it tough for independent store owners like Dimple to turn a profit. The suggested retail price of a CD was around \$25.99 in the 1980s, he estimates, while the cost to the store was around \$14 or \$15. Dimple would often sell for well-below MSRP — around \$20 at the most, but sometimes even lower. And they were often stuck with inventory because they had to pay up front. But the margins on used media is better — buy an album from a

customer for a few bucks, sell it to another customer for a few dollars more.

What opened the door for Dimple to sell used albums was the popularity of record clubs like Columbia House: Members were lured by the appeal of buying 12 CDs for a penny, even though they had to purchase additional CDs at full MSRP. Customers came into Dimple asking to get a refund on those marked-up CDs they got through the record clubs or seeking to swap a copy of an unopened CD for a different album.

“We can't buy that, we can't send it back, we can't sell it, because it says Columbia House,” Dilyn says. But they could buy it from the customer if the CD was opened — as a used item. Dimple gave customers \$1 or \$2 (or more if they opted for store credit) for a CD, then resold it as a used item for a little more than \$5 (the Radakovitzs unanimously agree that entering the used-media market is likely the reason Dimple outlived Tower Records, whose inventory was almost exclusively new. Tower Records filed for bankruptcy in 2006).

The idea of buying and selling used items caught on with other independent stores, but labels didn't like the practice. In the early 1990s, they enacted a policy that threatened to withhold popular new albums from retail outlets that sold used CDs. The label's biggest backer of the policy was country superstar Garth Brooks; he relented after the Federal Trade Commission launched an investigation into alleged price-fixing by music labels.

The labels lost that battle, but it wasn't the only one Dimple and others faced. In 2016, the music industry decided new albums would be released on Friday instead of Tuesday. Labels said the move was intended to help generate buzz behind popular acts like Taylor Swift and Lady Gaga in the era of streaming music. Dilyn says it was a harmful move for record stores because it meant stores had to wait out the weekend before they could restock popular albums, suggesting the

labels were moving away from retail distribution altogether.

In addition to industry shifts, California has become a harder place for small businesses to operate. Last year, the company was sent nearly a dozen letters from the Internal Revenue Service challenging its compliance with the Affordable Care Act and other business regulations. Dimple proved it was in compliance each time, Andrew says. Other regulations, such as California's decision to increase the minimum wage for

employees and force businesses to provide paid sick leave, have been challenging. "Anytime there's regulation, there's an equation you have to solve," Andrew says. "If you have more costs coming in the form of labor cost ... how do you offset that?"

But for the Radakovitzs, industry shifts and tighter business regulations were not the largest battles they would have to face as business owners and as a family.

Three Months to Live

Every five years, John and Dilyn get remarried, a ceremony they both look forward to. In 2012, their preparations were mostly left to Dilyn because John was experiencing severe back problems. He had been complaining about his back for several years, but things kept getting worse. Dilyn would take him to the hospital, and he'd greet the doctor with his usual jovial anecdotes. He'd tell the doctor everything was fine. After a while, Dilyn got fed up — pretending to be John, she sent the doctor an email saying he was embarrassed to bring up his back pain and associated symptoms in front of his wife.

"So the doctor goes, 'Well, come on in, we're going to do an MRI,'" Dilyn recounts. "I didn't even know what an MRI is." The MRI revealed several large tumors along John's spine, the outcome of stage IV melanoma that had spread to his central nervous system.

"(The day after the MRI,) Kaiser calls and says John has to come in immediately, that he's going to be paralyzed for the rest of his life if he's not operated on immediately," Dilyn says. After the operation, the surgeon greeted the Radakovitzs in tears, telling them John had three months — a year, at most — to live. "The doctor felt so helpless ... he got what he could," Andrew says. In the days that followed, Dilyn became a fervent researcher into melanoma, looking up web pages



and reading books in between filling orders for the store that she still had to run. "I didn't want to know how people died; I researched how people survive," Dilyn says. "Three people came up, and we did what they said."

A marathon runner, Dilyn took the advice of her trainer: Give John steak immediately after his surgery because the protein will help him heal. After that, go strictly vegetarian. He did. He also went through chemotherapy and radiation therapy, quit smoking and drinking, increased his exercise, started meditating and got a therapy dog, among other things.

The doctor was wrong: In February, John will mark eight years of being cancer-free.

Closing Time



What John, 75, didn't want to do anymore is run Dimple — between his health scare, increasing animosity from the record labels and state regulations piling on, it had become too much. “I think he's tired,” Dilyn, 72, says. “It's just a lot of hard emotions, because he's got grandkids and he's got problems and he's tired.”

John and Dilyn could have sold Dimple, but Dilyn says John didn't have the energy to play the business game and jump through bureaucratic hoops anymore. It was easier to liquidate.

They hired Great American Group to sell the remaining inventory and assets. There was a lot of stuff — three warehouses full of CDs, DVDs, cassette tapes, games, hardware, shelves, displays and miscellaneous other items, in addition to the inventory in Dimple's seven music and bookstores.

In its first week of liquidation, Dimple shattered Great American's sales records, according to Andrew. In late August, he told Comstock's the stores were still pulling in \$30,000-\$40,000 a week, even with a 60 percent to 80 percent price reduction.

“There's a lot of customers right now that are trying to round out their collections,” Andrew says during a conversation in August. “There's so much good material out there ... and people are trying to get their hands on it now because it's incredibly cheap.”

That's good news for Andrew and his business partner, Brian McCulloch. Last year, they leased space out of the back of Dimple's Arden Way store to pilot a new business called The Cave that embodies one of Dimple's hallmark initiatives: buying, selling and trading used media.

“Everything about The Cave, it's based on Dimple, but it's the amplification of everything that made

Dimple good,” Brian says. Like Dimple, The Cave sells music and movies, but it also sells apparel, toys, comic books — anything collectible. In the year since The Cave launched on Arden Way, it's done well. “By Christmas, we were on cruise control,” Brian says. “I thought, after Christmas, we were going to dip. But it didn't.”

In early October, The Cave is expected to move into a 9,000-square-foot store in Folsom that was one of Dimple's seven stores. Andrew and Brian will be taking over the lease from John and Dilyn, and Andrew will be bankrolling The Cave with a loan taken out against his house. He's confident the mission of buy-sell-trade that kept Dimple sustainable through numerous challenges will do wonders for The Cave on a larger, nerdier scale.

“When you incorporate the best elements of Dimple and you retain those ... you can add in all these other layers,” Andrew says. “I want it to be the whole family, where the dad can come in and look at the collectibles, the mom's going to come in and look at the apparel, the kids are going to come in and play with the toys.”

The Cave will be more than just a retail outlet. Brian and Andrew say they want to host events that will engage members of the community in Folsom and beyond. That was hard for Dimple to

do with seven stores, but Brian is confident The Cave will be able to pull it off. “With one store, we can focus on the events, we can try to do something maybe once a week or every two weeks. ... It’s something we need to do to get people in.”

And it will be a place for people who miss Dimple too. “Will Dimple leave a void? It will,” Andrew says. When people start to reminisce about Dimple’s 40-plus-year legacy in the Sacramento region, he hopes they’ll live out some of those memories by popping into The Cave.

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For John and Dilyn, the closure of Dimple will be followed by several weeks of rest and relaxation — no more having to make sure the orders get fulfilled, or worrying about which day an album will come out, or how to balance higher costs against squeezed margins on certain inventory. John says he’d like to travel, though he notes he’s been to just about every country in the world. “We like to go on cruises,” he says. And, from time to time, John and Dilyn may pop into The Cave to buy, sell or trade something, just as Dimple had done before.