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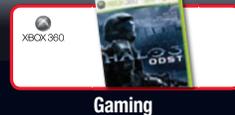
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# Maintaining Margin

Accessories retain their profitability in all economies.

BY COLLEEN LERRO

It's no secret that retailers face a challenging economic climate as jobless rates climb and the country scratches its way out of the recession. It's tempting to sit back and hope this storm just passes by, but successful retailers have been and will be the ones who look for innovative ways to sell and market their products during tough times.

Accessories have traditionally been tools for retailers to reap high margins, and that doesn't have to change. For 2009, CEA research anticipates total CE factory sales to dealers will dip .6 percent, but CE enhancement sales will grow a slight 1.1 percent to \$19.7 billion, which includes batteries and blank media. As consumers become more conscious about how they spend their money, it's important to do more than just suggest an add-on product. Salespeople must convince consumers why they are necessities.

Consumers have problems and questions about how to best use their CE products and retailers need to offer solutions. When you think about all of the various CE products available, there are so many that it can be overwhelming, especially for the technically challenged consumer. Choosing the right products becomes like solving a problem, which makes solution- or lifestyle-selling the way to go. This type of marketing is becoming more popular and will be the wave of the future for successful retailers. Accessories retailers are in a great position to do this.

For years retailers have presented products to con- ▶



Colleen Lerro,  
communications specialist,  
CEA

## On Top of Furniture

Knowing the trends yields higher margins

BY LEO DARDASHTI

Home entertainment furniture generated over \$1 billion in sales last year. Lower flat-screen prices and enhanced imaging features will drive growth for new furniture. This holiday season offers an opportunity to profit by selling entertainment furniture. Here are five attributes that will increase your sales.

### Value-Priced

According to recent surveys, most consumers spend between \$99 and \$149 for entertainment furniture. Although many would like a higher-priced unit, saving money is the new norm. After spending their budget on the latest flat panel, they are looking for quality, value and unique design.

### Eco-Friendly

Although recent CEA consumer research indicates consumers prefer eco-friendly products, a minority of them is willing to pay a premium. Differentiate your entertainment furniture offerings with units that use recyclable materials and are less bulky. Lighter units use less material, less packaging, save shipping costs and typically require less energy to produce.

### Extra Features

Extra features such as wire management systems and media storage are common in higher-priced solutions. Quality finishes and sturdy construction are a must. Look for value-priced units that offer these and other extras, including a dedicated game accessory, cable and remote storage.

### Easy to Assemble

Product packaging that reveals a myriad of panels, assembly hardware and multi-step instructions usually is the first and dreaded step of the assembly process. Entertainment furniture that uses fewer parts and requires less than 30 minutes to assemble will be a hit with your customers.

### Minimalist Styling

Last but not least, consider the product's style. Most units sold today use some combination of wood, metal and glass to support 42-inch and larger flat panels. Responding to the new generation of lighter and thinner flat panels, a new breed of minimalist entertainment furniture is emerging. This neglected segment of the market offers an alternative to those seeking a unique solution. Look for design-forward, less bulky, lighter entertainment furniture that is visually quiet, draws attention to the electronics and fits in with existing furniture. Complement your entertainment furniture offerings with unique, value-priced, quality units that exhibit these characteristics to increase your holiday sales and build a healthy bottom line.

*Leo Dardashti is president and CEO of Atlantic, Inc., a manufacturer of storage and organization products for home entertainment, movies, music and video games, and is also a member of CEA's Accessories Division Board.*



Leo Dardashti, president  
and CEO, Atlantic, Inc.