

# Profit from Selling Gaming Accessories



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Did you know that the gaming industry generated \$11.6 billion in sales last year? Gaming category sales are expected to vault another 21% this year to nearly \$14 billion. **Who's buying gaming products?** Recent CEA consumer research confirms that most gamers are older than you might think – 18 to 49. With older gamers comes the ability to tap into higher disposable incomes. November, 2006 will mark the debut of two new major gaming systems – the much anticipated Sony PlayStation 3 console and **Nintendo's innovative Wii**. This holiday season presents a unique opportunity to profit from low margin electronic gaming console sales by selling higher margin gaming accessories that enhance new and existing gaming systems. **Here's a plan to help you maximize your gaming accessory sales.**

## **Merchandising**

Most consumers are not aware of the wide array of gaming system accessories that will complement their purchase. You will benefit by appealing to **your customer's needs and wants** by cross-selling and bundling accessories with new game consoles. Here is a guide:

- Do something different and generate excitement by creating a gaming storage category. Most consumers purchasing new game systems plan to keep their old systems, games and accessories. Sell them home game storage products that accommodate multiple consoles and accessories. Consumers also transport their consoles. Merchandise portable cases, travel cases and backpacks designed for gaming next to the new PS3 and Wii products to maximize add-on sales. TV gaming centers that store multiple gaming systems and accessories are perfect for the ultimate gamer.
- Bundle game consoles with gaming accessories to increase overall sales and profit margins. Consumers are willing to purchase console bundles with complimentary accessories that provide the consumer with an overall savings. Retailers reap the rewards of selling higher margin accessories with every console sale.
- Bundling takes advantage of high initial demand for new game consoles. When the Xbox 360 hit store shelves last year, the frenzy to get these new units drove demand through the roof. One enterprising dot com put together a \$2,000 Xbox 360 bundle that sold out quickly. With high expected demand for the new Sony and Nintendo units comes the opportunity to increase sales through bundling with these new consoles.

- Promote gaming accessories with ads, flyers, temporary price reductions, end caps and online specials.
- **Accessories that belong in the "Gaming Section" of your store include gaming storage products, wireless controllers, gamer's kits, games, game guides, A/V cables and headsets.**
- Use POP to highlight Value Priced Bundles. Consumers will see the value, make a larger dollar purchase and increase your profitability through the sale of higher margin accessories.
- Improve sales by selecting accessories that have self-selling packaging. Packaging should clearly show what the item does and tell which gaming systems it is designed for. **If the packaging doesn't attract the customer's attention in 4 seconds, you've probably lost the sale.**

## Upselling

Great merchandising in the gaming category will only go as **far as your employees'** product awareness and expertise. The key to upselling is product knowledge and motivation.

- Schedule employee product training sessions for gaming category sales team members. Emphasize the uses and benefits of each accessory item in your mix.
- Ask manufacturers for tools and resources to train your employees on the features of each gaming system and compatible accessories. Use their product sheets and brochures as factual training session takeaways. Partner with companies that provide great customer service.
- Share the importance of upselling accessories when helping customers purchase gaming systems. Convince your team members that accessory sales are important for profitability.
- Give your team a reason to sell. Motivate your employees to sell higher profit margin accessories by offering sales incentive programs. Create a gaming accessories sales contest. A little encouragement, some recognition and a few dollars can go a long way toward ensuring a profitable selling season.

## Know your customer

Now that you have a motivated knowledgeable sales team, they need to help your customers make their gaming system and accessory purchase decisions. Here are a few questions to ask your customers:

- Are they looking for accessories, a new gaming system or both?
- Who will be playing the games and what types of games do they prefer?
- Will they be playing their games at home, in the car or at another location?
- Have they considered purchasing gaming storage to organize their new and old gaming systems?
- Have they considered the solutions that help them efficiently transport their gaming systems?

Putting these retailing tools into practice will increase your holiday sales and build a healthy bottom line that will make your new year a happy one.