

# The RetailObserver

February, 2011

AN EYE ON THE INDUSTRY SINCE 1970

Vol. 22, Issue 2

LG Smart Appliances  
with THINQ™ Technology

## THE 2011 INTERNATIONAL CES

INNOVATION & OPTIMISM  
SMART APPLIANCES FEATURED

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## G.E. TECHNOLOGY UNVEILED AT CES

EMPOWERING THE CONNECTED  
HOME OF THE FUTURE

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## BOOK REVIEW THE COMEBACK –

HOW INNOVATION WILL RESTORE THE AMERICAN DREAM

BY GARY SHAPIRO

PAGE 14



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"Whirlpool Corporation's history has been **guided by principles of integrity and perseverance** ever since Lou Upton, Emory Upton and Lowell Bassford launched the first electric wringer washing machine in 1911," said Jeff M. Fettig, Whirlpool Corporation chairman and chief executive officer. "Through the Great Depression, two World Wars and the rapid economic changes and challenges of more recent years, those ideals have guided our growth from a small washing machine company to a diversified, multi-billion-dollar global operation, and they will continue to guide us into our second century."

When Whirlpool Corporation looks to the future, it sees families seeking better, richer and more enjoyable lives. Today and tomorrow, **Whirlpool Corporation is working to create innovative products for families around the world.**

To learn more about Whirlpool Corporation's year-long celebration of its 100th anniversary visit [www.whirlpoolcorp.com/100](http://www.whirlpoolcorp.com/100)



## Doing Business in a Connected World

The Connected Home Appliances TechZone showcased innovative home appliance technologies and allowed visitors to experience the latest interactive, energy efficient and Smart Grid enabled appliances as well as concepts that will be incorporated in future product designs. The TechZone, featuring home appliances for the first time at the International CES, was a unique opportunity to experience advanced home appliance technologies and see how they will be integrated into tomorrow's home to improve consumers' health and productivity while reducing their environmental impact. These innovative technologies created quite an excited buzz within the industry at the show as seen from the media response in quotes on our *Retailers Observed*, page 52.

Gary Shapiro, author of *The Comeback: How Innovation Will Restore the American Dream* and president and CEO of the Consumer Electronics Association signed copies of his new book which is essential reading featured on pg. 14.

Do you want to know what will be the most significant technology trend in retail for 2011? In an interview with Randy Fry, president and co-founder of Fry's Electronics Inc., Randy said that "The Internet has forever changed the way that consumers receive information and react to market conditions. A product's value and/or where to buy it can change in a matter of seconds. Given the fragile market conditions of the Internet, we as an industry must adopt sound and ethical principles for marketing our products." He noted, "Most important is the unified approach of bringing new products to market. Our consumers fully expect that manufacturers roll out their new product introductions to all retailers (partners) simultaneously. Exclusive product roll outs simply ignore the consumer's needs by destroying their loyalty to the retailer they depend on. Manufacturers must make their marketing decisions in favor of what is best for the long-term health of their brand and our industry, not for the misguided purpose of reducing competition."

These are surely words to ponder as the economy picks up momentum and Retailers attempt to attract the attention of consumers. How well are manufacturers working with their industry partners, in support of the Retailer/Customer connection? How are we changing the way we are doing business in the new and changing economy? We'll be exploring this topic more in depth in upcoming issues and welcome your thoughts and concerns on the subject.



Here's to getting connected,

Eliana Barriga

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## The RetailObserver

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CELEBRATING OUR 22<sup>ND</sup> YEAR

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## Pictures Tell a Thousand Words, But Being There is So Much Better

**H**ow do you describe a show like CES? How do you tell someone all that you saw and experienced in six days at an event of this size? I really can't, so I'll give you a brief account of some of the things that caught my eye.

3D TV was a big buzz at the show, with new glasses as many manufacturers brought out new styles and innovations. Glasses with speakers built in, new colors, shapes and of course, "Bling" was on everything. The TVs got wider as their depth got smaller and the clarity of the picture was that much better. The biggest change was the fact that the new 3D will make glasses a thing of the past. There were many companies showing new technologies, some with multiple projectors, that allow you to view 3D content with no glasses or special screen covers. Some of the smaller units had pictures that were as good as products two years ago that needed glasses, and I'm positive that by next CES they'll have it down on the larger units as well.

There were speakers made of fabric that you could just hang on the wall; miniature cars built by GM and Segway, a two-wheel car that balanced itself and full-size robots that delivered tea. Cars, both gas and electric, were everywhere. Tesla, Ford and Audi really caught my eye. The Audi E-Tron is an electric version of their R8 and it was a real looker. In the car audio area there were enough cars to look at for a full day.

iPad, iPods, iPhones, iDock, iHear, iWish and iWant. The i's have it. As i™ went thru the show i™ saw more iStuff™ than i™ could imagine. Steve Jobs didn't even have a booth, yet Apple made a mint. Talk about marketing genius—or as one of the vendors called him, "the Pied Piper of Hamlin".

Fun things included computer mice that resembled model cars, usb devices that served only for entertainment, like the Dream Cheeky Missile Launcher and the Star Trek Internet Communicator. Mobile DTV is making tailgating fun again and Kinect™ for XBOX and Move™ for Sony PlayStation3 really got players into the games. I guess my favorite, though, was PLEO, an animated creature that resembled a one week-old Camarasaurus dinosaur. It interacted completely, expressing tons of emotion with its big blue eyes. Its "sophisticated sensory system has devices that enable him to hear, see, sense touch and to detect objects."

Again, the only way to know is to go. I did, and wow.



*Happy Retailing*

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The  
**RetailObserver**

FEBRUARY 2011

VOLUME 22, NUMBER 2

CELEBRATING OUR 22<sup>ND</sup> YEAR

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2011 CES I



# 2011 INTER C Wows W Innovation

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**M**ore than 2,700 technology companies across global industries dazzled attendees at the 2011 International CES®, with the ground-breaking event energizing the technology world. The 2011 CES set several new records, including 30,000 international attendees and 22 top CEOs participating as keynotes. Owned and produced by the Consumer Electronics Association (CEA)®, the 2011 CES, is the world's largest consumer technology tradeshow.

“The 2011 International CES was a phenomenal worldwide event that spanned global industries including technology, automotive and entertainment markets,” said Gary Shapiro, president and CEO, CEA. “This global technology gathering featured more innovation, more news, more social media buzz and more international attendance than any other show in CES history.”

Preliminary attendance figures indicate more than



# N REVIEW



# INTERNATIONAL CES

## World with & Optimism

### OVERSEAS VISITORS EXPERIENCE INTERNATIONAL CES TECHNOLOGY TRADESHOW

140,000 industry professionals attended the 2011 International CES. More than 30,000 attendees came from outside the United States, with the show attracting more than 80 international delegations.

Major technology trends emerged from the CES show floor including the launch of more than 80 tablets, wireless 4G LTE, connected TV technologies, electric vehicles and smart appliances – featured for the first time in show history.

#### CONNECTED HOME APPLIANCE TECH ZONE

The Connected Home Appliance Tech Zone (CHATZ) became all the talk at the Show (CES), with LG, Samsung, Haier, Whirlpool, and GE showing off what an Internet-connected refrigerator, stove or laundry pair could do for the home. The initial 10,000 square feet of exhibit space reserved for connected appliances | *continued on page 10* |





quickly grew much larger, as the only Tech Zone at CES expanded to cover space in every hall.

LG, touted the ability to text a shopping list based on what is low inventory in the fridge and what is about to expire. LG unveiled the new line of smart appliances called “Thingq” technology, which connects each appliance to the Web using a home’s Wi-Fi network. The Thingq technology also allows the appliances to cater their energy use to operate more cost effectively, the company says. Users can select whether they need to do the laundry right now, or whether they can let the machine decide when it would be most energy-efficient. LG also showed off its Smart Access system, which will allow consumers to operate all of their Web-enabled appliances remotely from a smartphone or tablet computer.

Samsung’s showed new refrigerators featuring Wi-Fi enabled LCD screens to access the apps needed in the kitchen, to the new Flex Oven range which can be divided into two separate oven chambers, and Samsung’s 5.0 High Capacity Front-Loading Washer. Proving efficiency is just as important as innovation, both the washer and Flex Oven range took top honors in the eco-design category of this year’s CES 2011 Innovations Awards. In addition, Samsung fully supports the Smart Grid initiative and will begin to roll out products with the ability to efficiently manage power consumption.

Haier demonstrated its “Smart Life” ecosystem of internet connected appliances. These innovative home solutions make managing your home even simpler, thanks to their remote management functionality. Owners will be able to get information from and instructions to their “Smart Life” refrigerators, washing machines and air conditioners from any internet connection, efficiently and securely. The full system can be used to remotely manage everything from home appliance controls, lighting and curtain controls, multimedia entertainment systems, and monitoring and security alarms, bringing together a number of outstanding features in the world’s first wireless-controlled network home appliance system.

GE’s focus at CES 2011 was on “smart” home technologies aimed to give attendees of the mammoth trade show an idea of how the company believes the “Connected Home of the Future” will operate. According to GE, the technologies showcased at CES 2011 “will help consumers reduce health and energy-related costs and redefine the benchmark for household performance.” Among the products showcased by GE were energy-efficient smart appliances, the GE Energy Smart LED, an advanced small wind turbine, and a home electric vehicle charging dock called the GE WattStation. The most popular product seemed to be the GE Nucleus, a home energy monitoring system that uses Brillion Technology to work with

smart meters and help homeowners manage electricity consumption. The device, the hub of GE's ideal "Connected Home," is about the size of a cell phone charger.

Whirlpool showcased a smart-grid-compatible clothes dryer that can respond to peak-demand signals from a local utility by automatically modifying its energy consumption. Their product demonstration provided a preview of the various smart-grid-compatible appliances Whirlpool plans to manufacture in the near future. The company has committed to producing 1 million smart appliances in 2011, and plans to make practically all the appliances it produces smart-grid-compatible by the end of 2015.

#### 2011 KEYNOTE SPEAKERS

The 2011 CES brought top CEOs to the CES stage including Microsoft's Steve Ballmer, Verizon's Ivan Seidenberg, Audi's Rupert Stadler, Samsung's Boo-Keun Yoon, Ford's Alan Mulally, Netflix's Reed Hastings, Cisco's John Chambers, Xerox's Ursula Burns and GE's Jeffrey Immelt. These executives were joined onstage by leaders spanning various industries including Comcast's Brian Roberts, Time Warner Cable's Glenn Britt, Dreamworks Animation's Jeffrey Katzenberg and Hulu's Jason Kilar. The 2011 International CES conference program consisted of 250 sessions featuring 900 speakers.

Gary Shapiro kicked off the 2011 CES during his opening keynote address. Shapiro stated that the International CES is the world's most important tech gathering and the products and services at the show demonstrate how innovation is the engine for our global economy. In fact, CEA predicts the U.S. consumer electronics industry to grow 3.5 percent next year to \$186 billion. "As you listen to the phenomenal leaders speaking, as you inhale the sights and senses of the show floor and as you take in the experience of the CES," stated Shapiro, "you may conclude as I already have, that at this CES we have more innovation and cause for celebration than at any event in our history."

CEA has taken on the cause of innovation under the grassroots platform of the CEA Innovation Movement, a coalition supporting policies such as deploying broadband, attracting the best and the brightest, free trade and reducing the federal deficit. Shapiro also announced the launch of his new book, *The Comeback – How Innovation Will Restore the American Dream*. "I believe innovation is our destiny," stated Shapiro, "Innovation can and will restore the global economy."

Ivan Seidenberg, chairman and CEO of Verizon, followed Shapiro with a keynote address focused on the future of connected technology. Seidenberg stated that Verizon's vision is to create a connected world and take down barriers that have challenged us from moving innovation forward. He was joined on stage by Verizon | *continued on page 12* |





COO Lowell McAdams who discussed Verizon's plans to blanket the country with its 4G LTE network, which provides continuous nationwide spectrum.

During the keynote, Seidenberg and McAdams were joined on stage by Jeff Bewekes of Time Warner to discuss "TV anywhere" and Sanjay Jha, Motorola's CEO, to discuss the line-up of new Droid products. Mike Cleron, principle architect for Google's Android gave a demo of the new tablet-specific Honeycomb operating system. Seidenberg closed by proclaiming innovation's strength to the American economy and predicted that high tech manufacturing will be back in the US.

Rupert Stadler, chairman of the board of management of Audi AG, delivered a mid-morning keynote to a packed crowd. "The car of the future is part of the mobile world," said Stadler, "and that is the future we are driving toward." Stadler drove on stage in an eTron Spyder, a fully electric concept sports car that can go from zero to 60 in 4.7 seconds, and comes loaded with software to direct you to local restaurants and attractions.

Stadler talked about Audi's goal to link the way we drive and the way we live. He touted the company's MMI (multimedia interface) platform that provides driver resources including navigation and entertainment. Stadler was joined on stage by Jensen Huang, CEO and founder of Nvidia, to announce a partnership that brings the Tegra 2 processor to the dashboard. Nvidia's 3D navigation graphics require less driver attention, reducing driver distraction. Other features where technology enhances safety included a vibrating steering wheel that alerts drivers if they drift into another lane and collision sensors on the front and back of the vehicle.

CNET's Next Big Thing: Thursday afternoon drew a packed house. The standing room-only event featured CNET moderators Brian Cooley and Molly Wood as they posed the



Steve Ballmer



Ivan Seidenberg



Rupert Stadler



Boo-Keun Yoon



Alan Mulally



Reed Hastings



John Chambers



Ursula Burns



Jeffrey Immelt



Gary Shapiro

question of what would be the next big thing: tablet PCs, smartphones or Internet-connected TVs. The session featured two videos, three panels of experts and even audience participation in the form of a texted poll. The first panel of experts debated devices, services and operating systems, while the second discussed the content market and consumer choices. The final panel of experts held a spirited discussion on content delivery, transparency and digital rights.

Thursday afternoon's keynote featured Samsung CEO Boo-Keun Yoon who discussed Samsung's vision of 'Digital Humanism,' uniting people around Samsung products fueled by high quality video content stored in the cloud. Yoon announced a number of partnerships focusing on Samsung's Smart TVs and other connected devices.

Yoon was joined by Comcast CEO Brian Roberts and Time Warner Cable CEO Glenn Britt, who shared their plans for Samsung's Smart TVs. Comcast's Roberts demonstrated cross-device portability on Samsung devices. Consumers will not only be able to access Comcast video-on-demand content on Samsung's Smart TVs and Android-based Galaxy Tab via the Xfinity app, but will be able to pause videos on one device and continue viewing on the other. Time Warner's Britt shared plans to deliver all Time Warner content – including live television – to Time Warner subscribers over just an Internet connection with no need for an additional set-top box.

Yoon was also joined by Hulu CEO Jason Kilar, who announced that Hulu Plus will soon be available on Android phones, including Samsung smartphones. Adobe CEO Shantanu Narayen joined Yoon onstage to announce that Samsung Smart TVs will also support both Adobe Air and Adobe Flash technology. Finally, Dreamworks Animation CEO Jeffrey Katzenberg and Boo-Keun Yoon reaffirmed their partnership, bundling Dreamworks 3D titles with Samsung TVs.

For more news on the 2011 International CES, visit [www.CESweb.org](http://www.CESweb.org). The International CES will return to Las Vegas next January 10-13, 2012. **RO**





## The Comeback: How Innovation will Restore the American Dream

### BLUEPRINT FOR ECONOMIC RECOVERY

**T**he *Comeback* debuted during the 2011 International CES, the world's largest technology trade show, with more than 140,000 attendees. Speaking at the show on January 7, Federal Communications Commission Chairman Julius Genachowski acknowledged *The Comeback's* availability as an ebook and called this year's CES "one of the most elaborate book-launch parties in American history."

*The Comeback: How Innovation Will Restore the American Dream* by Gary Shapiro debuted at No. 7 on the New York Times Bestseller List during its inaugural release week. Released on January 10, *The Comeback* has also been a bestseller at Barnes & Noble and Amazon.com, and it has been on the *Publishers Weekly*, *USA Today Money*, *Wall Street Journal* and *Washington Post* bestsellers lists.

In *The Comeback*, first time author, and President and CEO of the Consumer Electronics Association (CEA)<sup>®</sup> Gary Shapiro outlines how the federal government has lost its way, and, in a critique of Washington, provides readers a blueprint to restore the American dream.

"It is an honor to make the *New York Times* bestseller list, but I believe this achievement reflects that Americans are frustrated with our economic situation and are hungry for decisive action," says Shapiro. "My hope is that the positive feedback from readers and reviewers on the need for a national strategic plan and specific ideas presented in *The Comeback* will translate into action and an innovation-focused national agenda."

As Shapiro explains, throughout its history America's innovators and entrepreneurs have been the drivers of America's economic success. Innovation creates jobs, markets and new industries where none existed before. Most important, innovation moves the country forward, pushing Americans to succeed and strive for a better future.

By returning innovation to its rightful place at the center of America's economic policy, Shapiro shows that there is hope for America's economic future, but it will require sacrifice and strategic thinking. In particular, some of the tough policy choices Shapiro says U.S. lawmakers must pursue include:

- Reforming our immigration laws to ensure that the world's best and brightest come to and stay in America.
- Opening American products to world markets by concluding free-trade agreements.
- Obtaining spectrum for wireless broadband.
- Reducing litigation, encouraging investment rather than debt, improving education and supporting America's best companies.
- Drastically reducing the deficit through triage, smarter tax collection and economic growth.

Shapiro has spent 30 years at the forefront of America's most innovative industry, witnessing firsthand the most exciting, groundbreaking innovations the world has ever known. His time in the Washington trenches, fighting for our nation's innovators, has shown him that when America leads in innovation, America – and the world – moves forward. All proceeds from *The Comeback* go to CEA.

*The Comeback* is a clarion call to the present generation that the America we know, that our parents and grandparents sacrificed for, is courting disaster. It provides both a disturbing analysis of the state and depth of America's current decline, and a hope that from the economy's collapse we have a chance to engineer a true American comeback that reasserts America's hegemony in the world. It starts with innovation. From the preface by innovator Mark Cuban to the ending letter to Shapiro's unborn son, the book presents innovation and policy intertwined in a readable and compelling format.

## HIGH PRAISE FOR THE COMEBACK

“Informative, sobering, and at times frustrating, *The Comeback* is that rare breed of book that actually delivers on what it promises: A way forward.”

– **Steve Forbes**, *President and CEO of Forbes and Editor-in-Chief of Forbes Magazine*

“By working together in public/private partnerships, we all can deliver on the compelling vision Gary Shapiro details for innovation and economic growth based on creating the products people really want and value.”

– **Alan Mulally**, *CEO, Ford Motor Company*

“Our nation is facing a major crossroad and we need a new strategy to excite our people. Throughout his career, Shapiro has always understood the role of innovation in business; he is right that we can only preserve the American Dream by doing what we do best – doing things better.”

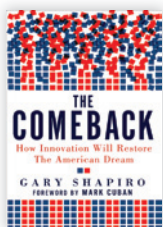
– **Ivan Seidenberg**, *Chairman and CEO, Verizon Communications*

“We cannot afford to allow our nation to fall further behind in the race to create innovation and save our American Dream. Gary offers a gripping story that is a road map to American success.”

– **Congressman Darrell Issa (R-CA)**,  
*Chairman, House Government Oversight and Reform Committee*

“*The Comeback* is exactly the kind of forward-thinking economic strategy that America lacks right now. This should be required reading for everyone in Washington. What Shapiro has done is deliver an honest, tough assessment of the nation’s precarious economic situation. You won’t agree with every solution he offers, but we ignore his advice to our peril.”

– **Grover Norquist**, *President, Americans for Tax Reform* **RO**



*Author: Gary Shapiro, a graduate of the Georgetown University Law Center, is president and CEO of the Consumer Electronics Association (CEA), the U.S. trade association for 2000 consumer electronics companies. CEA owns the International CESTM, the world’s largest annual technology trade show. Shapiro has led the technology industry through seismic shifts: from analog to digital television, and the move to wireless, personal computers and the Internet. He has received numerous awards including the Pinnacle Award, the exhibition industry’s highest award, and was recognized repeatedly as one of the 100 most influential people in Washington by Washington Life magazine.*

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## CALL TO ACTION



### SEND US YOUR SHOTS

LOOKING FOR RETAILERS, DISTRIBUTORS AND MANUFACTURERS engaged in their element while at trade shows, special events, showroom openings or just plain group get-togethers. *The Retail Observer* is interested in featuring you in our new snap-shot page, “Retailers Observed”, where you can see what your industry buddies are up to. Please e-mail us your hi-res photos in .jpg format. Include the captions with the photos you send for consideration and be sure to put “Retailers Observed” in the subject line. Send to: [production@retailobserver.com](mailto:production@retailobserver.com)

**FEATURED THIS MONTH:**  
WHAT THE PRESS IS SAYING—  
AHAM, CES & RETAIL OBSERVER



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# Industry [ News ]

## CEA AND CEDIA STANDARDS COMMITTEE ANNOUNCES MULTI-ROOM AUDIO CABLING STANDARD



The Consumer Electronics Association (CEA®) and the Custom Electronic Design

and Installation Association (CEDIA)'s R10 Residential Systems committee today announced it has approved CEA/CEDIA-2030-A: Multi-Room Audio Cabling Standard. This standard provides documentation for multi-room audio installers, including client labeling and considerations for multiple systems, multiple buildings, grounding and ground loops, and power feeds.

This standard improves on the existing ANSI/CEA-2030: Multi-Room Audio Cabling Standard, which addressed how to wire a multi-room audio system. The updated standard covers much more, providing sample documentation and diagrams of multi-room audio systems.

"This standard provides installers with everything they need to know for their audio integration business, helping everyone from the newest members of our industry to the most experienced," said Brian Markwalter, vice president of research and standards, CEA. "CEA's Technology and Standards program has a proven track record of developing standards that provide the industry with the tools to develop better products and services."

"This standard update addresses the future of multi-room A/V systems, keeping clients happy well into the future by providing the infrastructure to accommodate cutting edge systems including wireless, power line and Internet protocol cloud-based systems," said David Pedigo, senior director of technology, CEDIA. "The new standard is part of the R10 Residential Systems committee's continued dedication to establishing bulletins and standards for the design and installation of residential systems."

"Of all the cross-industry best practices, this is the one must-have tool for anyone in the multi-room installation business," said Michael Braithwaite, senior vice president, ClearOne and chair of the R10 Residential Systems committee working group. "From basic wall-mounted speaker volume controls to the latest in time-sensitive synchronous A/V streaming, this standard will ensure installers are ready to handle any A/V system on the market."

The CEA/CEDIA-2030-A: Multi-Room Audio Cabling Standard document is available in the CEDIA Marketplace at [www.cedia.org/marketplace](http://www.cedia.org/marketplace) and is priced at \$57.00.

## MEGA GROUP USA INTRODUCES SPECIALTY PAULA DEEN MATTRESS LINE AT VEGAS

BUYING GROUP ALSO INTRODUCED BED BUG MATTRESS PROTECTOR PROGRAM



MEGA Group USA, a leading national home furnishings buying group for furniture, mattress, appliance and electronics retailers, announced that they will expand their successful Paula Deen Home by Serta Mattress Collection into the specialty category later this year. This new specialty collection will include (6) new models

retailing from \$799 to \$1,499 and offer options in Memory Foam and Latex, as well as models built with both foams. The new Paula Deen Home by Serta Specialty Mattress Collection was debuted at the Las Vegas Market, in the MEGA Group USA showroom.

MEGA Group USA launched its successful Paula Deen Home by Serta mattress collection earlier in 2010. With the continued success and growth of the collection, leaders at MEGA Group and Serta decided to expand the collection into the specialty category to meet consumer demand and help MEGA members capture additional market share. The new Paula Deen Home by Serta Specialty Collection was designed in collaboration with Paula Deen to reflect her dedication to style and home comfort, and complement the existing collection.

"With nearly 25% of mattress sales falling into the specialty category, we knew we needed to provide our members a great product in this area," states Jerry Honea director/COO for MEGA Group USA. "Since our exclusive Paula Deen Collection by Serta mattress line introduction was so successful and sales continue to rise, it just made sense to expand that collection to include specialty. Consumers want options for memory and latex



mattresses and this Paula Deen line provides just that with the continued promise of down home comfort that is inspired by the life and home of Paula Deen.”

In addition to the new specialty mattress line, MEGA Group USA introduced a new Private Label Mattress Protector program under the DreamHaven label. The product will be supplied by Fabrictech International and is exclusive to MEGA members. The new health and wellness mattress, pillow and foundation protectors are available in a number of sizes and types. The product is designed to be a barrier encasing the entire mattress, pillow and foundation providing the consumer protection from not only bed bugs, but also dust mites and allergens. Retail price points are from \$69 to \$129 with high dealer margins.

MEGA Group USA's DreamHaven Mattress collection by Serta was re-launched featuring new profiles, covers, materials and price points this market. “DreamHaven is very popular among our members,” continued Honea. “This market we are bringing new enhancements to the line and giving our members even more features/benefits for the same or less money delivering an excellent value proposition for the dealer to grow his business.”

## GE AND PARTNERS SEEK BEST IDEAS FOR ECO HOME OF THE FUTURE IN NEXT PHASE OF \$200 MILLION “ECOMAGINATION CHALLENGE”



COMMITMENT TO ACCELERATE HOME ENERGY MANAGEMENT TECHNOLOGY THROUGH OPEN INNOVATION



- Largest challenge of its kind continues with a global call for the best eco-home ideas
- GE and venture capital partners seek innovations to improve household energy efficiency and harness wind, solar, hydro and biomass power

GE announced today a new phase of its \$200 million open innovation challenge. Building on the record-breaking global success of the “ecomagination Challenge: Powering the Grid,” GE and its venture capital partners today announced the “Powering Your Home” Challenge, which begins January 18 and seeks the best ideas for harnessing and managing energy at home.

“We launched the Challenge to spur innovation that will help transform how we create, connect and use power, and the number of passionate and innovative people who got involved to collaborate on global energy solutions has been a real eye-opener for GE”. GE announced this new investment phase at the Consumer Electronics Show (CES) in Las Vegas, where the company is demonstrating its ecomagination home technologies. The global challenge invites technologists, entrepreneurs and start-ups to share their best ideas and come together to build and improve the eco home of the future with new technologies. The Challenge is one of the largest ever with more than 4,000 ideas submitted and more than 1,100 in the category of home energy use. In the next phase of the Challenge, these ideas will be reexamined and participants are encouraged to submit new ideas or resubmit an idea if it has evolved. The Challenge will be open between January 18 and March 1, 2011 at [www.ecomagination.com/challenge](http://www.ecomagination.com/challenge).

“We launched the Challenge to spur innovation that will help transform how we create, connect and use power, and the number of passionate and innovative people who got involved to collaborate on global energy solutions has been a real eye-opener for GE,” said Beth Comstock, chief marketing officer and senior vice president, GE. “Thousands of ideas were entered to help build the next-generation power grid, and a significant number of these submissions focused on how we use energy. The volume of ideas in this area sparked us to take a new look at consumer energy usage and focus on innovation that people can touch and feel – solutions that can help harness and improve energy efficiency at home.”

In addition to investment, | *continued on page 18* |

commercial relationships and other partnership opportunities, the judging panel of GE executives and leading academics and technologists will select five \$100,000 Innovation Award winners whose ideas represent pioneering entrepreneurship and innovation. The judging panel for this phase will also include a group of leading participants who submitted ideas in the first phase and have agreed to serve as Challenge Community Leaders. In this role, they will help to judge the “Powering Your Home” ideas, and help guide the Challenge as it evolves and progresses.

The Challenge launched in July 2010 in collaboration with leading venture capital firms Emerald Technology Ventures, Foundation Capital, Kleiner Perkins Caufield & Byers and RockPort Capital, and Chris Anderson, editor-in-chief, *Wired* magazine. In addition, UK-based Carbon Trust, a not-for-profit company that works with business to reduce carbon emissions has also joined as a partner to bring their proven expertise in commercializing low carbon technologies. The Challenge is part of GE’s ecomagination business strategy and was formed as a global commitment to build innovative, clean-energy technologies and help fund the most promising ideas. Proposals are sought in two broad categories of the e-home: energy efficiency, including management software, appliances and air conditioning; and renewable power, including solar, wind, hydro and biomass.

Select Challenge entrants will be offered the opportunity to develop a commercial relationship with GE through:

- **Investment:** \$55 million of the \$200 million has already been committed by GE and its partners and the evaluation of opportunities to deploy resources to fund promising ideas continues.
- **Validation:** evaluate entrant’s business strategy through in-depth discussions with GE’s technical and commercial teams;
- **Distribution:** explore partnership opportunities with GE to scale a business and create global reach;
- **Development:** leverage GE’s technical infrastructure and GE Global Research Centers to accelerate technology and product development; or
- **Growth:** explore opportunities for utilizing existing GE customers to take Challenge products to market.

Chris Anderson, editor-in-chief, *Wired* magazine and Challenge advisor said, “The Internet and emergence of other digital tools have paved the way for energy-efficient solutions at all levels down to the home. This next phase of

the ‘ecomagination Challenge’ will fuse these new tools with innovative ideas from across the globe to improve household energy management. The overwhelming response so far demonstrates the passion people have for taking on our global energy challenges in their own way. We look forward to the ideas ready to be uncovered and accelerated through this next phase.”

For more information about GE’s “ecomagination Challenge: Powering Your Home” and “Powering the Grid,” visit [www.ecomagination.com/challenge](http://www.ecomagination.com/challenge). This site includes information about the terms and conditions, judging panel as well as details and videos about the first round of winners announced on November 16, 2010.

## GE’S ECOMAGINATION

GE is driving a global energy transformation with a focus on innovation and R&D investment to accelerate the development and deployment of clean energy technology. Since its inception in 2005, more than 90 ecomagination-approved products have been brought to market with revenues reaching \$18 billion in 2009. With \$5 billion invested in R&D its first five years, GE committed to doubling its ecomagination investment and collaborate with partners to accelerate a new era of energy innovation. The company will invest \$10 billion in R&D over five years and double operational energy efficiency while reducing greenhouse gas emissions and water consumption. As part of the initiative, GE launched “GE ecomagination Challenge: Powering the Grid”, a \$200 million financial commitment challenging innovators to join in developing clean energy technologies. It is extending this Challenge with the “GE ecomagination Challenge: Powering Your Home,” to develop technologies that help households manage their energy usage. For more information, visit the ecomagination website at [www.ge.ecomagination.com/index.html](http://www.ge.ecomagination.com/index.html).

## THERMADOR COOKS UP A HIT WITH ITS VIRTUAL DINNER PARTY

THE THERMADOR WEB EXPERIENCE—AN INTERACTIVE COOKING WEBSITE, LAUNCHES AS A CENTERPIECE OF THE BRAND’S REVITALIZATION CAMPAIGN

**Thermador**® Thermador is inviting the entire country to its dinner party. No RSVP required. Setting itself apart from the traditional humdrum of appliance marketing, | *continued on page 20* |

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luxury-kitchen-appliance brand Thermador ([www.thermador.com](http://www.thermador.com)) launched what's been whispered as the "Thermador Virtual Dinner," an immersive cooking and product demonstration website that's not only unique, but the first of its kind among major appliance brands.

Officially named the Thermador Web Experience, the site is the centerpiece of Thermador's largest marketing campaign in its history, which formally kicks off this month and follows the new theme, "Real Innovations for Real Cooks." Seeking to re-establish itself as the ultimate luxury cooking brand, Thermador's bold new brand positioning and integrated marketing communications program targets the "culinary enthusiast," or those most passionate about cooking and entertaining at home.

"The concept behind the Thermador Web Experience stemmed from our Gallery & Training Center in Scottsdale, Ariz., where throughout the year we invite employees, dealers, designers, builders, culinary enthusiasts and media out to experience the latest Thermador kitchen innovations at our showcase facility," said Zach Elkin, director of the Thermador brand. "We wanted to bottle that experience and make it available to everyone. The immersive aspect of the new site makes it seem like you're actually at the dinner party, conversing with the host, learning recipes, and at the same time, gleaning knowledge of our appliances."

Created by Orange County, Calif.-based DGWB Advertising & Communications, the Thermador Web Experience, hosted at [www.thermador.com/experience](http://www.thermador.com/experience) or linked directly from Thermador's homepage, takes users into an interactive culinary world that highlights the brand's Masterpiece® Series and Professional® Series kitchens. The home screen gives the user a choice to either enter a Manhattan-style urban loft, showcasing the sleek, classic Masterpiece Series appliances; or a Malibu-style beach house, representative of the state-of-the-art, bold Professional Series line.

Once a user chooses a kitchen of their choice, a home cook introduces himself and invites the user to click on a number of appliances within the kitchen. The cook then starts a demonstration — if a range is chosen, for instance, the cook demonstrates how to prepare a recipe such as seared sea scallops, using the Thermador appliance. The site features 12 of these video demonstrations, ranging from refrigeration, to cooktops to dishwashers and more.

In addition to the new online experience, Thermador's revitalization incorporates a new logo accented with the Star® Burner with an updated brand line of "Real Innovations for Real Cooks," which communicates the company's dedication to cooking innovations that stems back to 1916. From introducing the industry's first built-in wall oven, to taking the stainless steel kitchen mainstream, to redefining gas cooktops with the patented Star Burner, Thermador has continually defined kitchen innovations for the serious cook.

"In keeping with the innovative nature of Thermador cooking appliances, our new message to the culinary enthusiast is that the Thermador brand stands for real innovations for real | *continued on page 22* |



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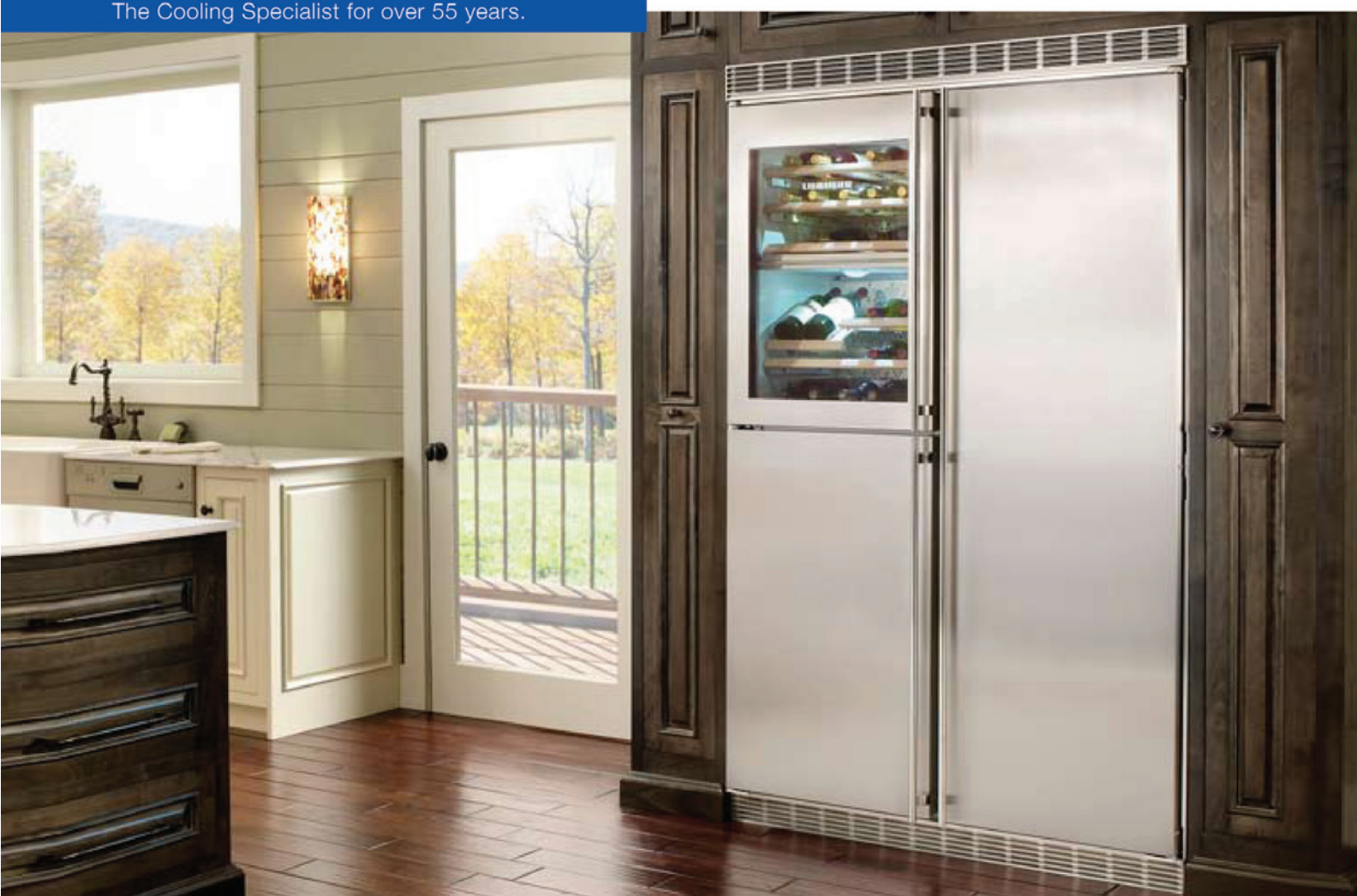
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# Five Ways to Fresh

Liebherr's new side-by-side SBS 246 refrigerator has five different climate zones to best preserve what you eat AND drink. The gorgeous stainless steel and glass exterior with cabinet-depth dimensions houses perfect storage options for groceries and Gewürztraminer. Open the doors and discover patented BioFresh technology, creating ideal conditions for fruit, vegetables, meat and fish to last up to three times longer. Vitamins are preserved and you don't need to shop as often.

Convenient compartments in the freezer, energy efficient LED lighting, unique soft-close door system and advanced airflow patterns highlight Liebherr's design ingenuity. And because you don't store your fine wine the same as your lettuce, enjoy two separate temperature zones in the wine cabinet for your reds and whites.

The Cooling Specialist for over 55 years.



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cooks,” explained Elkin. “We’ve dedicated the past year to revitalizing the Thermador brand, identifying our core cooking audience and crafting our marketing messages that cater to our audience’s aesthetic value, individualism and its inner passion for cooking and entertaining at home.”

Social media is also a large component of Thermador’s revitalization campaign — as the brand looks to connect with its cooking audience on a more personal level. Thermador will continue to employ its Facebook page ([www.facebook.com/thermador](http://www.facebook.com/thermador)), Twitter account (@ThermadorHome), a culinary blog ([www.thermador.com/blog](http://www.thermador.com/blog)), as well as partner with nationally-recognized culinary bloggers to emphasize its dedication to the cooking enthusiast.

For more on the Thermador Web Experience, follow the Twitter chatter using the hashtag #ThermadorVirtualDinner.

Thermador is part of BSH Home Appliances Corporation, a fully-owned subsidiary of Bosch and Siemens Home Appliance Group, the third largest appliance manufacturer in the world. For more information, visit [www.thermador.com](http://www.thermador.com). For Thermador customer service, call 1-800-735-4328.

## HAIER REVEALS THE FUTURE OF HOME APPLIANCES AT CES LAS VEGAS 2011

THE WORLD’S #1 MAJOR HOME APPLIANCES BRAND SHOWCASES INTERNET-CONNECTED TV AND HOME APPLIANCE PRODUCTS AT THE WORLD’S LARGEST CONSUMER TECHNOLOGY EVENT



**Haier** Haier, the world’s #1 major appliances brand, unveiled its latest home appliances solutions with the launch of its latest Net Connect Wi-Fi internet-connected televisions, innovative 3D televisions, and new range of “Smart Life” internet-connected appliances. These new creations from Haier were on display at CES Las Vegas.

Haier is ushering in a new era in television, in partnership with Yahoo! Connected TV with the availability of its EV wireless internet-connected LED televisions. These next-generation televisions make it possible for TV viewers to

get closer to the action than ever before thanks to thousands of on-demand movies, television shows and wide range of downloadable applications from brands worldwide. Furthermore, lovers of 3D television | *continued on page 24* |



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Daewoo Steam Laundry

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ELECTRONICS

were able to experience Haier's game-changing new 3D televisions in a specially created 3D room at the Haier booth. Enthusiasts experienced changing from 2D to 3D at the push of a button and Haier's own Active Shutter TV and Passive Polarized 3D technologies.

Haier also demonstrated its "Smart Life" ecosystem of internet connected appliances at CES 2011. These innovative home solutions make managing a home even simpler thanks to their remote management functionality. Owners will be able to get information from and instructions to their "Smart Life" refrigerators, washing machines and air conditioners from any internet connection, efficiently and securely. The full system can be used to remotely manage everything from home appliance controls, lighting and curtain controls, multimedia entertainment systems, and monitoring and security alarms, bringing together a number of outstanding features in the world's first wireless-controlled network home appliance system.

"Our strategy has always been to listen to our customers and to implement what they tell us they need and want from their home appliances and entertainment systems. We clearly heard the message that today's consumer wants to engage in a more meaningful way with the technology that helps them in their day to day lives – whether that's for entertainment or for managing domestic tasks, commented Ms. Zhang Tieyan, director of Haier Global Branding Operation. "We have been developing our Smart Life solutions since 1999 and have consistently led the market in integrating excellent functionality with exceptional interactivity - the new wireless internet-connected TVs, 3D conversion capabilities and the range of "Smart Life" appliances clearly demonstrate that focus."



## TRI STATE DISTRIBUTORS EXPANDS IN OREGON

Tri State Distributors recently entered into an agreement with Amco Distributing purchasing Amco's assets and their distribution facility located in Milwaukie, Oregon.

Key distribution partners Broan, Crosley and U-Line have approved distribution agreements appointing Tri State as distributor for Amco's former territory. These brands are already distributed by Tri State in Washington, Alaska, Idaho and Montana.

"We are really excited that we were able to come to an agreement with Bard and Chuck Westergren of Amco," stated Gary Dickson Co-President of Tri State. "We believe it's a win for everybody."

Former Amco employees Cary Martin and Samson Lee have joined Tri State. Cary will be a Territory Manager along with current Tri State Territory Manager Mitch Dickson. Samson will assume one of the order desk positions.

Brands now distributed by Tri State Distributors in Oregon are Blue Star, Broan, Crosley, Danby, Liebherr, Lynx, Sharp, Speed Queen and U-Line.

Tri State's Oregon phone number is 503-659-2623. Mitch Dickson can be reached at 503-313-3513 or [mdickson@tristatedistributors.com](mailto:mdickson@tristatedistributors.com).



## U-LINE WINS BEST OF YEAR AWARD

U-Line's 2175RCG Glass Door Refrigerator received 'Best of Year' Award, Kitchen Appliances category, sponsored by Interior Design Magazine. Best of Year Product Design honorees were selected by interior designers and architects via an online vote, and category winners were determined by a jury of leading architects and designers. The voting site received approximately 25,000 unique visitors, 135,000 page views and generated 55,000 votes.

Over 800 people from the design community gathered at the IAC Building in NYC, designed by Frank Gehry to celebrate the best projects and products of 2010. Kevin Kinch, U-Line's Industrial Design and Product Manager, was in attendance to accept this award on U-Line's behalf. This award is a testament to U-Line's commitment to superior design and innovation. The U-Line 2175RCG not only looks great but is also leading the under counter glass door refrigeration market in energy efficiency. The 2175RCG is ENERGY STAR® qualified and CEE (Consortium for Energy Efficiency) rated Tier 1. *[continued on page 26]*



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The sleek design of the 2175RCG glass door refrigerator is outfitted with an elegant dual lighted black interior, three tempered glass shelves and 5.4 cubic feet of storage capacity. With touch glass digital controls, temperature can be set to accommodate different food and beverage items. The convection cooling system quickly and evenly pulls down temperature to preserve contents and cool beverages fast, while the LowE, argon gas filled thermopane glass blocks potentially harmful UV rays and prevents cold air transference.

The 2175RCG can be a freestanding unit or fully integrated into any cabinet style. The unit is a great accompaniment to the U-Line Wine Captain® or Beverage Center in a bar area or added to the kitchen or play room for easy access to drinks and snacks. This refrigerator comes with either a stainless steel door frame or can accommodate a custom overlay door frame to match surrounding cabinetry.

For nearly five decades U-Line has been synonymous with innovation, quality and selection of premium under counter appliances. In addition to providing versatility for multiple applications including light commercial, outdoor and marine use, U-line offers the largest selection of ENERGY STAR® qualified under counter refrigerators. U-Line is headquartered in Milwaukee, WI, with an office in Laguna Beach CA. For more information on U-Line and its full product line, visit [www.u-line.com](http://www.u-line.com).

## VENT-A-HOOD CELEBRATES BANNER YEAR IN 2010 WITH 14 PERCENT INCREASE IN SALES AND ADS A NEW DISTRIBUTOR TO LIST

NEW PRODUCT LINES, NEW DISPLAY UNITS AND THE BUILD-A-HOOD ONLINE ORDERING SYSTEM CAPPED YEAR OF GROWTH FOR THE LEADER IN AMERICAN RANGE HOOD MANUFACTURING

*Vent-A-Hood* Vent-A-Hood, the company that created the modern residential range hood, announced a record year in 2010 with a 14 percent increase in sales across North America over the previous year.

“It was an incredible year of growth for our company,” said Mark Klein, director of sales for Vent-A-Hood. “We sought to raise the bar for our industry, and consumers responded in a way that defied the economy. We’re incredibly proud to make Vent-A-Hood a shining example

of confidence in American manufacturing and the desire to invest where it counts.”

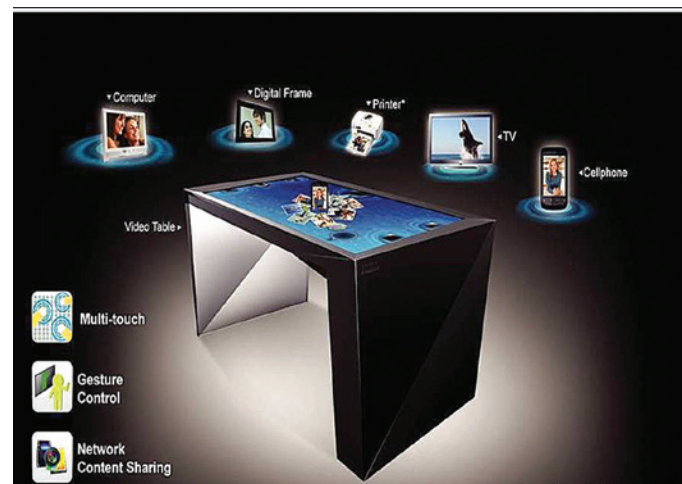
Vent-A-Hood crowned its 77th year of business by rolling out a record number of new displays to appliance dealers and showrooms throughout the U.S. and Canada.

“We sell well because we show well,” Klein explained. “Our new displays have invited customers to see a full range of designs, to operate the Magic Lung blower system unique to our products, and to understand the custom options available to a discerning buyer who wants the best.”

was an ambitious year for Vent-A-Hood and we embraced innovation to make a lasting mark on the industry,” Klein explained. “The same could be said when Vent-A-Hood sought to bring indoor ventilation to the masses more than seven decades ago. The idea of the range hood was considered a novelty back then. Look at how far we’ve come, and we’re not done yet.”

Woodall shares the credit for 2010 with Vent-A-Hood’s strong distributor network, great appliance dealers who understand good cooking ventilation, leading kitchen designers who value Vent-A-Hood’s name and craftsmanship, and homeowners throughout the U.S. and Canada.

## Haier HAIER SMART & CONNECTED HOME APPLIANCES



For a decade now, Haier has engaged in research and development for smart living, establishing joint development laboratories with several | *continued on page 28* |



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multinational corporations to provide innovative solutions including the smart home system, remote medical diagnosis and treatment, online grocery shopping, fault feedback intelligent security systems, and the smart-hotel.

In China, Haier owns a set of patents in smart living and was responsible for drafting the national standards for network home appliances. The company was also a major contributor to the national industry standard of ITopHome. These were later submitted as international standards. Haier launched its smart and connected appliances products in 2006 and has grown the line of connected-ready appliances throughout the country.

Haier's Smart Life system provides a unified service experience, connecting consumers to a world of service and application at home or on the go. Haier connected refrigerators, air conditioners, and washing machines utilize the internet, mobile networks, and broadband for converged access, allowing customers to communicate with their home appliances anytime, anywhere. Haier Smart Life ecosystem brings together home appliance management, lighting and curtain controls, multimedia entertainment, video conferencing, security alarms, and environmental monitoring. Haier is a recognized leader in connected home appliance and service ecosystems. For more information visit: [www.HaierAmerica.com](http://www.HaierAmerica.com)

## LED FLUORESCENT TUBE REPLACEMENT LAMPS AVAILABLE FROM NXGEN TECHNOLOGIES

**NxGEN TECHNOLOGIES** NxGen Technologies, Inc. has announced the availability of its second generation LED fluorescent tube replacement lamps. The lamps are UL listed and are available in 2-, 3-, 4-, and 5-foot lengths.

"The lamps come in either clear or frosted versions as well as daylight, neutral, and warm white color temperatures," said David Allen, president of NxGen Technologies. "With the frosting and color temperature options, the 100- to 277-VAC operating range, and the UL listing, the lamps work well in industrial as well as commercial and residential applications."

Requiring no ballast to work, the LED fluorescent tube replacement lamps are virtually maintenance-free for their lifetime – which is estimated at more than 40,000 hours. The daylight white color lamps operate at a color

temperature of 6,500oK, the neutral white at 4,100oK and the warm white at 3,000oK. And, because they are LED-based, they do not have the flicker or warm up time associated with fluorescent tubes.

Further information on the LED Fluorescent Tube Replacement lamps produced by NxGen Technologies can be obtained by calling 215-493-2673 or writing to NxGen Technologies, Inc., 1790 Yardley-Langhorne Rd., Suite 206, Yardley, PA 19067. Information about the lamp is also available on the worldwide web at: [www.nxgentechnologies.com](http://www.nxgentechnologies.com).

## VENT-A-HOOD NAMES PINNACLE EXPRESS, INC. AS NEW DISTRIBUTOR

*Vent-A-Hood* Vent-A-Hood, the company that created the modern residential range hood, has named Pinnacle Express, Inc. the official Vent-A-Hood distributor for North Carolina, South Carolina and the southern part of Virginia effective Jan. 1, 2011.

"We are extremely excited to partner with Vent-A-Hood, because it is the leader in the ventilation industry," said Ron Avery, president of Pinnacle Express. "Vent-A-Hood understands superior ventilation, Pinnacle understands superior appliance distribution, and together we look forward to representing the brand and its products throughout our territory."

"We're enthusiastic about welcoming Pinnacle Express to our exclusive group of Vent-A-Hood distributors across the U.S. and Canada," said Mark Klein, director of sales for Vent-A-Hood. "As we reflect on a successful year with positive sales, we're also focused on an even bigger year ahead and the relationships it will take to meet the growing demand for our range hoods. Pinnacle will champion our appliances in a market where we know Vent-A-Hood products are what consumer's desire most for their homes."

Pinnacle Express, based in Haines City, FL, has been marketing kitchen and bath products since 1980 and distributes fine appliances for Bertazzoni, Perlick, BlueStar and other leading brands.

The company will distribute Vent-A-Hood products to dealers in North Carolina, South Carolina and all of Virginia excluding Alexandria, Arlington, Fairfax, Falls Church, Loudon, Manassas and Prince Williams Counties. **RO**

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# 2011 NKBA President & Ex

The National Kitchen & Bath Association announces the election results for the 2011 NKBA Executive Committee, which will be led by 2011 President David Alderman, CMKBD of Chesapeake, Virginia. 2010 Vice President Alan Zielinski, CKD of Niles, Illinois will become President-Elect, while 2010 NKBA Secretary John Morgan of Glyndon, Maryland has been elected Vice President. Mark L. Karas, CMKBD will serve as Immediate Past President.

The NKBA is also proud to announce the two newest members of the Executive Committee. Carolyn Cheetham, CMKBD of Red Deer, Alberta, Canada was elected 2011 Secretary, while John Petrie, CMKBD of Mechanicsburg, Pennsylvania has been elected Treasurer.



**PRESIDENT DAVID ALDERMAN, CMKBD;**  
**DAVE'S CABINET, INC.**  
Chesapeake, VA

David Alderman, CMKBD started Dave's Cabinet Inc. in Chesapeake, Virginia in 1980. Today, he and his partner fabricate granite countertops and manufacture face frame and frameless cabinets, closet systems, and millwork. An NKBA member since 1984, Alderman served the Virginia State Chapter as President, Chapter Representative, Vice President of Programs, Vice President of Professional Development, and Treasurer. He has also served nationally on the Board of Directors and as Chairman of the Chapter Leadership and Development Committee, Membership Committee, and Governance Review Task Force. He has received the Certified Kitchen Designer National Merit Award three times.



**PRESIDENT-ELECT ALAN ZIELINSKI, CKD;**  
**BETTER KITCHENS, INC.**  
Niles, IL

Selected as one of the industry's Top Leaders by Interior Design Magazine, Alan Zielinski, CKD is the president and CEO of Better Kitchens, Inc., a 50-year-old design firm located outside Chicago. With 25 years of kitchen and bath experience, Zielinski is a talented and creative designer with great technical knowledge. Very active within the NKBA, he has served as a chapter president and as a member of the Board of Directors. Zielinski has been a judge for both the NARI Contractor of the Year Award and the NKBA Design Visions Award. He presents the "Edmund L. Zielinski, CKD Memorial Award" each year for excellence in design to the top kitchen and bath designer.



**VICE PRESIDENT JOHN MORGAN;**  
**MORGAN PINNACLE LLC**  
Glyndon, MD

John Morgan is a 20-year kitchen and bath veteran. A manufacturer's representative, consultant, trainer, and speaker, he has served on advisory councils of industry manufacturers, as well as Virginia Tech. He authored the popular "Rep's View" column in Kitchen & Bath Design News for nearly a decade, and currently represents nationally-known cabinet and technology companies through his Baltimore/Washington-based agency, Morgan Pinnacle. For the NKBA, he has chaired the Certification Task Force, Council of Manufacturers' Representatives, Nominating Committee,

# Executive Committee Elected

and Development Task Force. He also served on the Ad Hoc CAD Design Committee, Ad Hoc Governance Committee, and Board of Directors.

and bath industry since 1987, designing custom kitchens, bathrooms, home offices, wine cellars, and home theaters. His early education was in architectural design, but his defining specialty and advanced training have been in kitchens and baths. Petrie is the owner of MH Custom Cabinetry in Mechanicsburg, Pennsylvania, and has served the Susquehanna Valley Chapter of the NKBA as Treasurer, Vice President of Communications, and President. Petrie has also served the NKBA as a member of the Certification Task Force, Nominating Committee, and Board of Directors, as well as a judge for the 2010 NKBA Design Competition.



**SECRETARY CAROLYN CHEETHAM, CMKBD;**  
**DESIGN WORKS BY CHEETHAM**  
 Red Deer AB, Canada

Carolyn Cheetham, CMKBD became a Certified Kitchen Designer in 1995, a Certified Bathroom Designer in 1996, and a Certified Master Kitchen

& Bath Designer in 2006. Through her business, Design Works by Cheetham, she uses her skills as an architectural technologist and CMKBD to design complete house plans and renovation projects. Her experience as an NKBA volunteer leader began in 1993 as a chapter officer. Since then, Cheetham has served as a national leader on the Advisory Council of Designers, Board of Chapter Representatives, Board of Directors, Canadian Ad Hoc Membership Parity Committee, International Task Force, and Sustainability Task Force, as well as a judge for two NKBA Design Competitions.



**IMMEDIATE PAST PRESIDENT MARK L. KARAS, CMKBD;**  
**ADAMS KITCHENS, INC. – Stoneham, MA**

With over 30 years of industry experience, Mark L. Karas, CMKBD, is the General Manager of Adams Kitchens, Inc.

in Stoneham, Massachusetts. Active in the NKBA for more than 20 years, Karas has served as President, Vice President of Communications, and Vice President of Programs for the Northern New England chapter. Nationally, he has served on the Board of Governors of Dealers and the Ad Hoc CAD Design Committee, as well as chair of the Certification Subcommittee, Professional Development Committee, Ad Hoc Sustainability Committee, and Certification Task Force. Mark is also a member of the NKBA Ambassadors' Club and teaches at the Boston Architectural College, an NKBA-accredited school. **RO**



**TREASURER JOHN A. PETRIE, CMKBD;**  
**MH CUSTOM CABINETRY**  
 Mechanicsburg, PA

John A. Petrie, CMKBD has been working in the kitchen

# Consumer Tech Revenues to Reach Record High in 2011, According to CEA

## 2010 REVENUES GROW SIX PERCENT, STRONGER THAN PREVIOUSLY FORECASTED

**T**he consumer electronics (CE) industry will reach a new industry peak in 2011, with revenues exceeding \$186 billion, according to the semi-annual industry forecast released by the Consumer Electronics Association (CEA)<sup>®</sup>. Industry revenues also had a stronger than anticipated 2010, growing six percent. CEA President and CEO Gary Shapiro announced the forecast in his opening remarks at the 2011 International CES<sup>®</sup>, the world's largest consumer technology trade show.

"Innovation has become the engine for our global economy and it is so important that CES, the CE industry, our customers and our colleagues around the world embrace innovation as the central element of our shared future," said Shapiro. "Innovation can and will restore the economy and the consumer electronics industry will lead the way."

Innovative new products, like tablets, eReaders and smartphones, helped spur consumer interest and brought stronger than expected growth throughout the year. Personal computer sales led the way in 2010, as the category became the industry's primary revenue driver for the first time. Led by mobile computing, shipment revenues for personal computers increased 34 percent in 2010 to \$29 billion, more than 16 percent of overall industry revenues. The category will continue to grow in 2011, with nearly 59 million units being shipped to dealers and revenues of \$32 billion projected. Within the personal computer category, mobile computing, especially tablets, saw strong growth in 2010, with revenues climbing 35 percent to more than \$21 billion. Tablets represent a little less than a third of all mobile computing revenues in 2010 and will claim a 36 percent share of shipment dollars in the category in 2011.

The wireless handset category was also a bright spot in 2010 and will see continued growth in 2011. Smartphones continue to lead the way, generating nearly \$18 billion in shipment revenue with more than 55 million unit sales in 2010. In 2011, smartphone revenues will increase nearly 20 percent to more than \$21 billion and 72 million units are projected to ship to dealers.

"The CE industry rebounded and consumers rallied in 2010, embracing innovative new technologies while maintaining a

collective enthusiasm for familiar products that have become increasingly affordable," said Steve Koenig, CEA's director of industry analysis. "The big story in CE in 2010 was the sudden infiltration of tablets into the mainstream, which will continue well into the New Year. In 2011, the industry foresees additional sales growth allowing CE revenues to achieve a new sales summit."

With U.S. household penetration over 70 percent, sales of total digital displays fell for the first time. DTV unit sales are down one percent in 2010, a result of market maturation and saturation. Internet-connected TVs were a bright spot within the display category. Unit sales grew 151 percent in 2010, resulting in more than \$4 billion in shipment revenue. In 2011, sales will grow 63 percent and exceed \$5 billion in revenue. 3DTVs will also see steady growth in 2011 as increased content from video games, Blu-ray movies and TV events, especially sports, will drive growth. 3DTV unit sales grew 91 percent in 2010 to 1.1 million units and will grow another 67 percent in 2011 to 1.9 million units.

With high-definition displays now solidly established in American homes, more consumers are upgrading their audio experience. Home audio unit shipments are up 27 percent in 2010. Overall, in-home technologies are up 5.8 percent as consumers continue to integrate their existing HD displays with other HD sources, such as surround sound, Blu-ray players and set-top boxes.

"Intense price competition continues to provide consumers with great deals on displays but are cutting into industry revenues," said Koenig. "The resurgence of home audio is a signal that consumers are spending money and beginning to focus on a complete in-home high-definition experience."

The U.S. Consumer Electronics Sales and Forecast 2006-2011 (January 2011) is published twice a year, in January and July. It was designed and formulated by CEA, the most comprehensive source of sales data, forecasts, consumer research and historical trends for the consumer electronics industry. Please cite any information to the Consumer Electronics Association (CEA)<sup>®</sup>. The complete report is available free to CEA member companies. Non-members may purchase the study for \$2,000 at [www.mycea.CE.org](http://www.mycea.CE.org). **RO**



# REVITALIZE

NEW YEAR, NEW INNOVATIONS

**SAMSUNG**



**Samsung Innovative 4-Door Refrigerator**  
4 Temp Zones Plus a FlexZone Drawer  
Model # RF4287HARS

**Samsung OTR Speed Oven**  
One Unit Microwave, Griller,  
Convention Oven & Range Hood  
Model # SMK9175ST



**Samsung Super Quiet  
Auto Sensing Dishwasher**  
With the Cleaning Power of StormWash™  
Model # DMT800RHS

**Samsung Hybrid Induction Range**  
The Control of Gas Without the Heat  
Model # FE-N500WX



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1



2



3



4

THE GE NUCLEUS™ ENERGY MANAGER WITH BRILLION™ TECHNOLOGY

# GE Technology

## Empowering the Connected Home of the Future

UNVEILED AT THE 2011 INTERNATIONAL CONSUMER ELECTRONICS SHOW

**GE** unveiled its smart home technologies at the company's first appearance at the 2011 International Consumer Electronics Show (CES). These ecomagination<sup>SM</sup> and healthymagination technologies — including Nucleus<sup>TM</sup> energy manager with Brillion<sup>TM</sup> technology, the GE WattStation<sup>TM</sup> electric vehicle charging station, an advanced small wind turbine, and more — will help consumers reduce health- and energy-related costs and redefine the benchmark for household performance.

“GE’s innovative technology addresses the needs of our rapidly changing lives and does so at a lower cost for consumers,” said David McCalpin, general manager, Home Energy Management, GE Appliances & Lighting. “Consumers expect near real-time information to inform household decisions. We provide this at GE. From Nucleus<sup>TM</sup> energy manager with Brillion<sup>TM</sup> technology, to the WattStation electric vehicle charger, digital-energy technology is enabling an energy transformation that will make peoples’ lives easier.”

GE’s leadership in innovation was highlighted by Jeff Immelt, chairman and CEO of GE, who joined two other Fortune 500 CEO’s on the CES Innovation Power Panel to discuss GE’s ecomagination business strategy, as well as GE’s growth in digital energy.

GE’s Booth in the CES Connected Home Appliance TechZone featured ecomagination and healthy-magination technologies.

#### GE SMART METER TECHNOLOGY

GE smart meters enable two-way communication between the electric utility and the customer via smart devices in the home, empowering consumers to manage their energy use and utilities to manage demand. With smart meters in place, utilities will have the option to charge different rates for electricity throughout the day, with lower prices when energy demand is lowest (off-peak). This will call for new consumer technologies, like GE’s Brillion suite of home energy solutions, that not only improve overall household efficiency, but also help people manage their electricity use — including the charging of electric vehicles (EVs) — in response to utility price signals.

#### NUCLEUS ENERGY MANAGER WITH BRILLION TECHNOLOGY

**1.** WattStation electric vehicle charger **2. & 3.** GE Nucleus<sup>TM</sup> energy manager with Brillion<sup>TM</sup> technology serves as home-energy command center **4.** GE home energy manager

At the core of the smart, connected home is GE’s Nucleus energy manager with Brillion technology, a communication and data storage device that “talks” to the utility smart meter to provide consumers with secure information about their household electricity use and costs so they can make more informed choices about how and when to use power. Additionally, consumers who have the GE programmable thermostat with Brillion technology and GE Profile<sup>TM</sup> appliances enabled with Brillion technology in their homes will also have access to estimated consumption data on their home heating and cooling and major appliances. Future planned software upgrades will further enable Nucleus to monitor water, natural gas and renewable energy sources, as well as plug-in electric vehicle charging.

GE energy display with Brillion technology — new at CES, the energy display communicates with the utility smart meter to provide consumers with near real-time energy data to help them make smarter energy choices by boiling energy use down to dollars and cents. This intuitive display provides a continuous audit of household energy consumption in kilowatt-hours and in estimated dollars spent.

- **GE Profile<sup>TM</sup> appliances enabled with Brillion technology** — Brillion-enabled appliances can automatically react to utility price signals from the smart meter and delay or reduce the wattage consumed by the appliance until lower-cost, off-peak periods. GE Profile appliances enabled with Brillion technology will include ENERGY STAR<sup>®</sup>-qualified refrigerators, dishwashers, clothes washers, and the new GeoSpring<sup>TM</sup> hybrid water heater, as well as ranges, microwaves and clothes dryers.
- **GE WattStation<sup>TM</sup>** — Named a “2011 CES Best of Innovations” by the Consumers Electronics Association<sup>®</sup>, the GE WattStation is an easy-to-use EV charger that helps consumers reduce EV charging time from 12 to 18 hours to as little as four to eight hours, compared to standard charging.<sup>1</sup> Using smart grid technology, the WattStation also allows utility companies to manage the impact of EVs on the local and regional grids. The development of the WattStation is part of GE’s commitment to cleaner technology innovations for a more sustainable future.
- **Energy Smart<sup>®</sup> Lighting** — new innovations in lighting mean more efficient homes. GE will showcase the latest in high-efficiency lighting technologies, including the new 9-watt GE Energy Smart LED bulb — | *continued on page 36* |



2



3



4



producing the same light output as a standard 40-watt incandescent, while reducing energy consumption by 77 percent. The best part: the bulb is rated to last more than 22 years.

- **Advanced Small Wind Turbine** — Debuting at CES, Southwest Windpower's Skystream 600 is the most efficient power grid-connected small wind turbine in its class, producing 74 percent more energy for commercial and residential use than its predecessor. Depending on the wind resource, siting and energy efficiency, a Skystream 600 could provide up to 80 percent of an average home's energy requirements. Skystream 600 will be the first fully smart grid-enabled wind turbine when available to the public in March 2011, making it easy for consumers to connect their homes or businesses to wind-generated electricity. As the country's leading supplier of large wind turbines, GE invested in Southwest Windpower, the world's largest supplier of small wind systems, in early 2009 through its energy-investing arm, GE Energy Financial Services.
- **Solutions from Intel-GE Care Innovations** — Innovations in healthcare will empower consumers with tools to remotely manage their health and increase their independence. GE and Intel's new healthcare joint venture, Care Innovations, will develop technologies that support healthy, independent living at home and in senior housing communities. The Intel® Health Guide will provide remote health management, connecting more engaged patients with more informed clinicians. The Intel Reader will help increase independence by making printed text accessible for anyone who has difficulty reading standard print. GE QuietCare® will transform eldercare by helping improve response times and identify potential problems before they become emergencies. For more information, visit [www.ge.com](http://www.ge.com). **RO**

<sup>1</sup> Assuming a 24 kWh battery and a full-cycle charge.

1. GE Profile refrigerator enabled with Brillion technology 2. Energy Smart lightbulb 3. Advanced Small Wind Turbine 4. GE energy display with Brillion™ technology - front view

**M**ore than likely, this magazine is your trade news and information source. Also more than likely, you're reading this particular article because you sell retail—you send happy products home with happy customers. But as you know even the happiest products can turn rogue and malfunction on unsuspecting owners. And more than likely, those owners will turn back to you, their original product retailer for a solution to repair the item you sold them—making them your returning customer.

Yeah, the products you sell are kind of a big deal to your customers, and so are the parts they need to work. If you aren't selling these parts today you are missing an opportunity to keep close to your most cherished possession...happy 'repeat' customers.

MyPartsCenter is three words—retail, revenue, increase. Designed to provide new or extended business avenues in parts and accessories, myPartsCenter is dedicated to expanding your product offering to customers with no hassle of inventory and employee involvement. Through three unique opportunities for you to choose—one, two or all three, myPartsCenter is virtually no cost and is prepared to work within all business structures.

Take advantage of Marcone's national Call Centers with myPartsCenter's most popular business option known as myPhoneCenter. This program is simple! We issue you a toll-free

number. You promote your number to your customers. The number is routed to our experienced Call Center parts professionals and answered in your business' name. We do all the work; research, shipping, billing and returns. You earn a 15% rebate without any of the bother.

myWebsite is selling retail on the web and it makes it ultra easy for your customers to get all their product essentials while you increase your profits. With myWebsite we provide your company with a customized website. We maintain the site and process the orders, shipping, returns and customer service. You post the link on your company website and promote it with your customers. You earn a 15% rebate while letting your customers order anytime, anywhere!

Store Retail Displays is myPartsCenter's solution to your retail location: Have all the essentials your customers need the second they walk through your door. There's a variety of counter and floor displays for you to choose from as well as deciding the products sold in them—all of which you choose to best fit for your customer market. Creating a retail space on your selling floor has never been easier!

Selling parts is as simple as 1-2-3 with MyPartsCenter. Call, 800.482.6022 and ask for Member Services or talk to your Marcone representative for more details and sign up today. Receive a free startup kit when you mention this ad. **RO**

## IF YOU SELL APPLIANCES THEN YOU NEED myPartsCenter<sup>sm</sup>

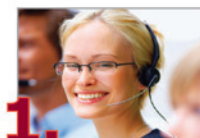
**myPartsCenter<sup>sm</sup>**  
**Start-up Kit**  
**ONLY \$75!**

Everything comes personalized with your company's name and toll free number.

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**Get Started Today!**

**Sell your customers appliance parts and accessories with no inventory, no employee involvement and virtually not cost!**



**1.**

### **NATIONWIDE CALL CENTER**

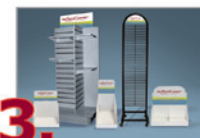
- » Advertise an exclusive toll-free number we provide.
- » Our call center answers in your company's name.
- » We do all the work: research, shipping, billing and returns.
- » Earn the highest rebate in the industry at 15%.



**2.**

### **SELL RETAIL ON THE WEB**

- » Post our link on your website.
- » We maintain the site and process all orders.
- » We handle all shipping, returns, and customer issues.
- » You receive 15% of all net revenues.



**3.**

### **SELL RETAIL IN YOUR STORE**

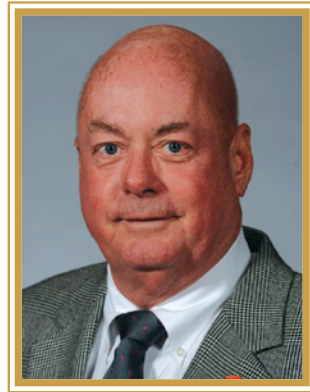
- » You decide what type of products best fit your market.
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## J. Randolph Vaughan — 1947-2010



On behalf of the CEDIA family, it is with heavy heart to share the news of the passing of a beloved member of our organization. On December 23, surrounded by his loved ones, CEDIA Chairman Randy Vaughan passed away after an illness.

Randy was a 40-year veteran of the electronic systems industry and was a longtime CEDIA member and volunteer. He will be remembered among his peers and colleagues for his many contributions to the industry as a volunteer, instructor, and leader.

Born Jan. 20, 1947 and raised in Portsmouth, he was a 1965 graduate of Wilson High School. He was drum major of the Marching Presidents and enjoyed playing sax with “The Stingrays.” Randy graduated in 1969 from The University of Miami where he earned a degree in engineering. After teaching at Norfolk Academy, Randy pursued his real dream of mixing his love of music with his desire to create better sound and communications systems.

In 1970, he was founder of Ambassador Enterprises (AE Systems). His continuing search for education excellence and love of his work placed Randy and his company in the forefront of the communications industry for 40 years. He was a founding member of the National Systems Contractors Association and served many positions for NSCA from board member to president. Randy helped establish its Education Committee and was chosen Educator of the Year in 2007. He was recently serving as chairman of the Board of the Custom Electronics Design and Installation Association.

Randy loved his hometown and was an enthusiastic supporter as a member of the Portsmouth Partnership and the Bons Secours Maryview Foundation Board of Directors. Cruising the waterways

of the east coast, especially the Chesapeake Bay, was Randy’s passion. He loved having family and friends together on “Sunshine Tyger.” He served as chairman of Rendezvous Mile Marker Zero, as well as founding member and past commodore of Hampton Roads Yacht Club. Randy admitted he worked hard so that he could enjoy good food, good drink, good friends and go cruising - and “just have fun!”

Randy is survived by his lifelong sweetheart, his loving wife, Mary Parker Vaughan; and two children, Jennifer Vaughan Garcell and husband Joseph of Portsmouth and Tyler Randolph Vaughan and wife Megan of New York City. “Grandy” loved his beautiful granddaughter, Kylie Ann Marie Garcell. He was so happy to have her in his heart. Randy was also survived by his brother, Richard Thomas Vaughan and partner Walter Sherman of Indianapolis, Ind. He also leaves behind dear friends, Fran and Al Taylor Jr.; wonderful nieces and nephews, loyal fraternity brothers, boating buddies, great colleagues and former employees, many others for which we are truly grateful and his best furry red friend, golden retriever, Sophie Bubbles.

The family would like to thank the caring doctors, nurses and staff at Maryview’s CVT ICU and our friend and doctor, Kevin Wilson. A memorial service was held Dec. 30.

Additionally, to commemorate Randy’s enduring commitment to industry education, CEDIA is establishing a scholarship fund in his honor. Those interested in participating in this fund may contact CEDIA COO Don Gilpin at [dgilpin@cedia.org](mailto:dgilpin@cedia.org) or myself at [ubaldwin@cedia.org](mailto:ubaldwin@cedia.org).

We offer our sincerest condolences to Randy’s wife, Mary, his children, his granddaughter, and his family and friends. He will be greatly missed. **RO**

## VENT-A-HOOD NAMES ELIZABETH POSPICK CFO



Vent-A-Hood, the company that created the modern residential range hood, has named Elizabeth F. Pospick as the company's Chief Financial Officer.

"Elizabeth is joining us at an exciting time," said Skip Woodall, CEO of Vent-A-Hood. "We are addressing rising consumer

demand, a sharp increase in sales and strong financials that are projected to continue throughout the coming year."

The company announced a 14 percent increase in sales in 2010. Managing the financial side of the business to meet that growing demand will be Pospick's primary goal.

Pospick brings extensive experience as a Certified Public Accountant and a senior financial executive to her new role. She has led several companies as CFO in the restaurant, manufacturing and distribution sectors as the principal of Pospick & Associates since 1993. She worked at Mister Sweeper, Inc. for six years, rising to the position of COO and CFO. Pospick also served as Controller for Clean Crete,

Concurrent Systems, Inc. and University Park United Methodist Church.

"I am extremely excited to join the Vent-A-Hood team and support an icon in the appliance industry," Pospick said. "I've been a long-time admirer of the brand and, based on very treasured past experience, I relish the opportunity to work with the Woodall family and Vent-A-Hood employees."

Pospick holds a bachelor's degree from the University of Texas at Austin and a master's in business administration from Tulane University. She is a member of the Texas Society of Certified Public Accountants and active on the Body, Mind & Spirit Board of C.C. Young. A native of Dallas, she resides with her husband, Robert Pospick and two sons.

Pospick replaces Richard Almazan as CFO of Vent-A-Hood. Almazan, who completes his MBA at the University of Texas at Dallas this semester, announced he is leaving to pursue other opportunities. A member of the company since 1998, Almazan will continue at the company through the end of January.

## CEDIA LEADERSHIP SELECTS RANDY STEARNS AS CEDIA CHAIRMAN



Long-time member and current CEDIA vice chairman to fill position due to the passing of CEDIA Chairman Randy Vaughan.

The Custom Electronic Design & Installation Association (CEDIA) has named Randy Stearns, owner of Engineered Environments located in Alameda, Calif., as the new elected official to fill the role of CEDIA Chairman, recently held by the late Randy Vaughan. Stearns has served on the CEDIA Board of Directors since 2005 and has been an active member of CEDIA since 1993.

"Randy's contributions to the industry and CEDIA have been instrumental in affecting positive change and association growth over the years," said Ken Erdmann, CEDIA past chairman. "He has served on many committees, councils, and action teams and is a perfect fit for the leadership role of CEDIA Chairman."

Randy's involvement with CEDIA encompasses a wide variety of positions, including Industry Outreach Council

Chair, EXPO Chair, Treasurer, Best Practices Action Team, Instructor, Subject Matter Expert, and Finance Committee. He most recently served as Vice Chairman for the Board of Directors.

Randy's education includes a B.A. from Dartmouth and an MBA from the University of Southern California. His company is one of the largest, most highly reputable electronic systems contracting businesses in the U.S. and has won many awards in CEDIA's Electronic Lifestyles® Awards competition, which showcases CEDIA members' best work in categories ranging from home theater to whole-house integration.

"Stearns' diverse CEDIA background and business expertise is a powerful asset to have as CEDIA Chairman," said CEDIA CEO Utz Baldwin. "We are proud to have him serve in this role and look forward to kicking the year off under his leadership."

Stearns will assume the role and responsibilities of chairman effective immediately. A complete listing of CEDIA's Board of Directors is available at [www.cedia.org/contact\\_us/bod.php](http://www.cedia.org/contact_us/bod.php). **RO**

# Seven Ways to Profit Despite Falling Prices and Eroding Margins

I hear the complaints all too often. “The way prices are dropping I have to sell 20% more units just to stay even,” or, “Big box stores have not only managed to convince consumers that price is paramount, but they’ve taken the margin out of the product as well.” It seems like the perfect storm for unprofitable retailing.

While some dealers have convinced themselves that it’s impossible to compete in today’s marketplace, others have found ways to make money despite lower prices and margins. Here are some of the things they’re doing to maximize every selling opportunity.

- **Show Customers that you are Competitive.** If you’re going to advertise price—either on your website or on other media—yours has to be as low as anyone else in the marketplace. Flaunt your price guarantee policy reassuring customers that you’ll refund the difference if they find the product they bought from you at a better price somewhere else. Few customers will take the trouble to check pricing after making their purchase but your offer will help them decide to buy from you.
- **Merchandise for Profitability.** It may be a bitter pill to swallow, but if you want to be in the game, your assortment must include low priced leaders similar to the products your competitors are using to draw customers to their stores. You need to stock the “better” and “best” products with features that will help customers buy more profitable products.
- **Sell Benefits.** Unlike the associates in the chain stores, the knowledgeable,

well-trained sales staff on your floors can demonstrate the clear benefit of step-up products. Train them to avoid features and focus on the differences better items offer their customers. Don’t tell them about Hz and refresh rates, tell them about crystal clear theater-like pictures. Don’t sell them steam or front loading laundry; tell them about energy saving and refreshing clothes without dry cleaning them. Don’t bore customers with BTUs but tell them how quickly they can heat a pot of water to boil pasta in.

- **Fill the Basket.** Make sure your customer has everything they need to enjoy or use their new purchases. Surely every customer buying a new TV needs an HDTV and a surge protector, but how about at least talking to them about completing their home theater with additional audio gear? Since chances are they’re the same vintage, suggest a new disposer to every customer buying a dishwasher. Similarly, remind customers buying a washer to at least consider buying a dryer since they tend to have the same life cycle and it may not be easy to match the washer if they wait.
- **Use Instant and Other Consumer Rebates and Extended Financing Programs.** Although manufacturer programs are often difficult to track and reimbursement can take a while, customers are responding positively to rebates. Extended financing opportunities help customers step up to more expensive products than they may have budgeted for. In addition, most

buying groups have negotiated for additional rebates and finance programs that can motivate consumers even further.

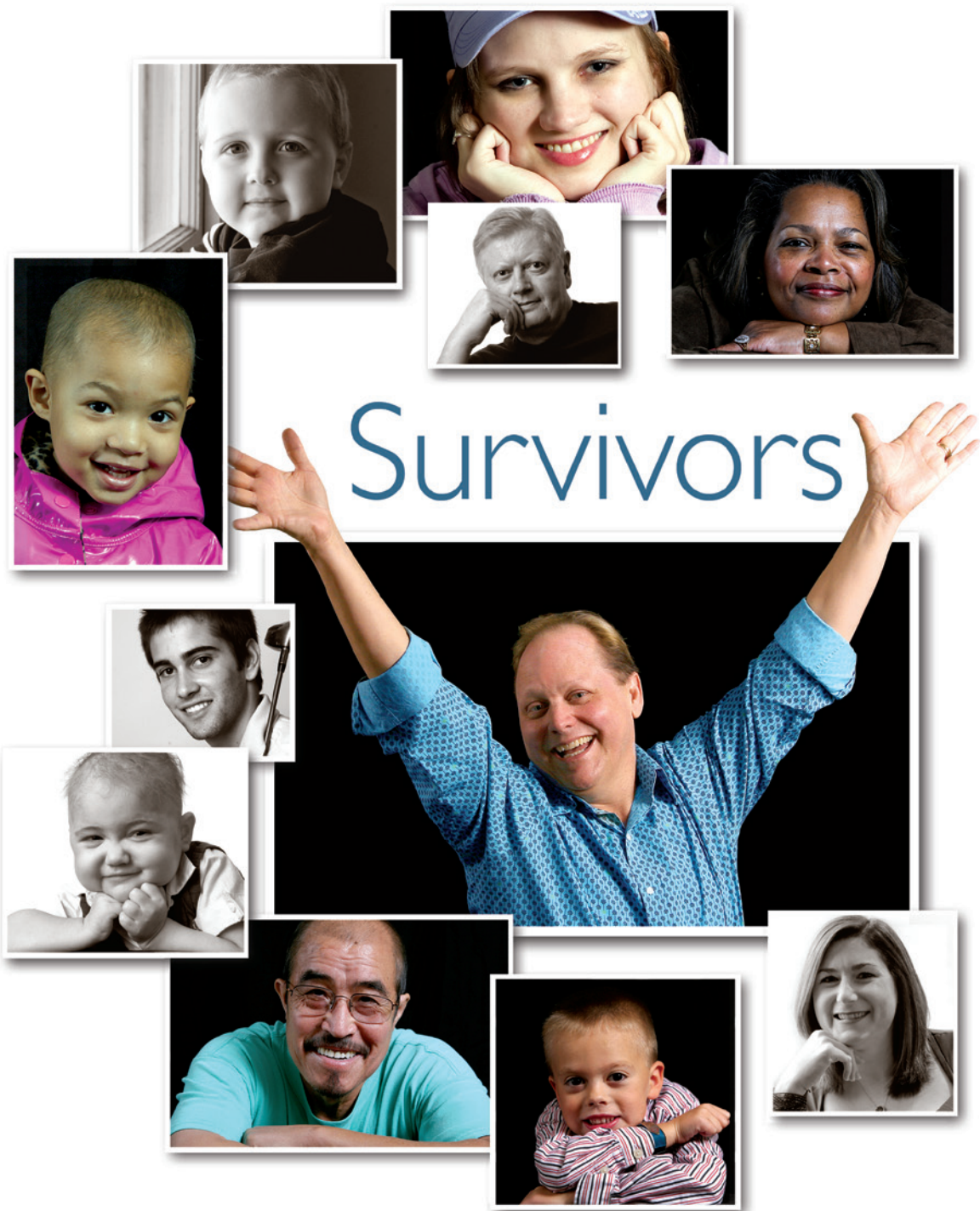
- **Sell Service Contracts.** Extended service policies provide those customers who buy them with peace of mind knowing that their new products will continue to work well for the next three or five years. Not all customers will want that added security, but they all deserve the opportunity to hear about your plan’s benefits. Too often, sales associates are afraid that talking about a service policy will make the customer question the quality of the product; or they decide that the customer has already committed to spending all they are willing to spend and that even mentioning the need for additional add-ons will kill the whole deal. Industry experts suggest that nearly a quarter of all consumers want extended warranties. The only way to find out who they are is to offer the program to all your prospects.

Not every customer will respond to every one of these tactics but most will consider some of them. It’s not easy to profit when prices and margins are lean but the extra effort will show up on the bottom line. **RO**

*Elly Valas is the Marketing Services Director for Nationwide Marketing Group. She can be reached at [elly@ellyvalas.com](mailto:elly@ellyvalas.com) or at 303-316-7569. Visit her website at [www.ellyvalas.com](http://www.ellyvalas.com).*







The Leukemia & Lymphoma Society -  
helping patients with blood cancers live  
better, longer lives.



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contact us today at 888.HELP.LLS or visit [www.lls.org](http://www.lls.org).

# Keep Those Complaints Coming

THEY'RE VALUABLE TO YOU—AND TO THE OFFENDING COMPANY

**M**ost of us hate complaints. We hate to get them, and we hate to give them, but on the other hand, I love to do both. I view complaints as a positive, not a negative.

When customers complain to a company about its products or services, they are giving that company an opportunity to improve. When you complain, you really are acting like a consultant to that particular company, letting it know where it has deficiencies. I complain all the time and, when someone complains to me, I thank them and do whatever is necessary to improve the product or service that was at the core of the problem.

I sometimes go as far as to recommend that companies encourage their employees to solicit complaints, to give customers the opportunity to tell them how they can improve. That might be something as simple as an employee saying to a customer, "Thank you for your business. Did you experience any problems as you were making your purchase?" Those statements do two things: They let customers know that you appreciate their business and that you are willing to accept—and act on—any complaints they might have.

Whether it's bad service or a faulty product, consumers have the right—and the responsibility—to complain. I offer up several suggestions on how to do so, whether you're an individual consumer or a company doing business with another company, and to have your problem resolved to your satisfaction.

**1. Arm Yourself.** Gather receipts, warranties, and anything else that documents your purchase and your problem. The more information you can provide the company, while registering your complaint, the greater the chance that the situation will be resolved to your satisfaction.

**2. Be Firm, But Courteous.** When you put people on the defensive by being angry and yelling, the chance of having your problem solved drops drastically. "Let me give you an example. When a friend discovered that her two \$50 vouchers for an airline had expired, she wrote to the airline. Her opening statement set the tone: 'I realize that this is my problem, not yours.' She went on to explain her situation and, within a matter of days, the airline sent her two new vouchers that were good for a year. By being polite and accepting responsibility for the situation, she was treated like a queen.

**3. Be Clear About What You Want.** Let's say that you purchased a new computer that isn't functioning properly. Instead of saying, "What are you going to do about this?", calmly state that you would like a refund or a replacement. When you bought that computer, you expected it to do everything the manufacturer and the retailer said it would do; when it didn't, you have a right to expect the company to make the situation right.

**4. Set a Reasonable Time Limit for Action.** Let's say that you had your carpets cleaned, but within two days stains started to reappear. Even if the carpet cleaning company says it will

clean them again, that's not good enough. Politely give them a time limit—10 working days is standard—to rectify the situation.

**5. Take It to the Top.** If your contacts with employees and managers do not result in a solution to your problem, contact the company's president. You can be sure that, when your complaint lands on the president's desk, he or she will hand it off to the appropriate person for resolution.

**6. Take It Over the Top.** If you have registered your complaint with a company's employees and its president and still have not had it resolved, that doesn't mean you're out of luck. You can contact a local consumer advocate organization, or the governmental agency that oversees the particular industry with which you are concerned. Most local TV stations and newspapers also have consumer reporters who address consumer complaints. The threat of bad publicity can be a great motivator for a company to resolve your problem.

The next time you have a complaint about a product or service, don't suffer in silence. Do yourself and the offending company a favor: complain. **RO**

*John Tschohl - described by Time and Entrepreneur magazines as a customer service guru, is also an International strategist and speaker. He can be contacted at [John@servicequality.com](mailto:John@servicequality.com)*



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# Make the Most of Expos

If you participate in home building and remodeling expos, you already know they are a great opportunity to demonstrate your product or service and interact with customers who are in a buying mode. You also know these expos are expensive, so it's important that you get the most out of them.

Just showing up, throwing out a few brochures and waiting for people to come doesn't work anymore (if it ever did). Here are the five elements you need in order to maximize your return on the expo investment:

## 1. People

Too often I've seen booth workers stand around, watch customers browse and wait for them to ask a question, or maybe the customer doesn't ask a question and walks away, never to return...opportunity lost.

Having good people manning your booth is probably the most important thing you can have. They should feel comfortable engaging customers, taking the initiative to ask questions and start conversations. This establishes a relationship and provides a far better opportunity to talk about your company's products and services.

## 2. Display Booth

Your display is what initially catches people's eye, so it's important that it's designed well. A common mistake is designing the booth display to tell the whole company story, with entire paragraphs of copy. You have only a second or two

to capture people's attention; they are not going to stand there and read your signs.

Copy should be very short a headline or two at most. More importantly, the display should contain graphics, images and colors that reflect your brand image and serve as a backdrop. Also, the display should be inviting, and not create a barrier between you and your customers.

## 3. Giveaways

Giveaways, favors, chotchkies—call them what you want—are a staple at shows and expos. Pens, refrigerator magnets, foam squishy things, you name it - almost everyone has them, but few really think about the job they need to do.

Instead of just giving away an item that will be thrown away, think about them more strategically. Expo giveaways should always represent your brand well and do one or both of the following:

*Have a useful life beyond the show—*

Something that your customers will use and see long after the show is over.

*Increase your visibility at the show—*

Giving out balloons, hats or other items that will cause people to ask, "Where'd you get that?"

## 4. Booth Drawings

The number-one goal at any show or expo is to "get butts in the seats." If you can attract a lot of people to your booth, that not only gives you greater sales opportunities, but it creates a buzz around the show about your company.

There are thousands of ways to do this, from having a magician or some other entertainer, to games or contests customers can play, to drawings for big prizes like iPads or TVs. Whatever you do, make sure it is consistent with your brand image and doesn't overshadow your booth.

## 5. Outside/After The Show

Having a successful show is great, but if you can extend the show to people who couldn't make it, or to continue the excitement long after the show is over, that's even better. This is another area where you can be creative.

Show videos of your booth experience on your Web site and on YouTube. Hold a contest through Twitter. Have a special prize for show attendees who "Like" your Facebook page. Give out coupons or special offers to get people to come to your store.

Expos are fun, exciting opportunities to meet a lot of customers at once. If you participate in expos, you're spending a lot of money to be there. I hope these ideas will help you get the most out of that investment.

Happy exhibiting! **RO**

## BUILD

Christopher Thiede owns BUILD Communications, a branding and PR firm. Read Chris' blog at [www.buildcommunications.com](http://www.buildcommunications.com).



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# Signs Sell

Signs are the most misunderstood and underutilized tool in retailing today. I believe that the fastest way to sales increases is through effective interior advertising, *aka* signage. I have been preaching signage for the past 4 years. I wrote *The Retail Store Sign Manifesto*, the book *Signs Sell*, a book specifically written for the tanning industry that will be released for all retailers as soon as my staff can catch up with the multiple projects we all have on our plates.

I am so passionate about signage because I have seen firsthand how effective signs can be. The problem is that when most retailers think about signs, they either think of the sign above their door or sales signs. It is so much more than that.

There were four incidences that made me a believer in the power of signage. The first was when I was asked to evaluate main street merchants. I would make suggestions about putting a specific type of sign in a specific spot and another type in a different location. I didn't think much of it until I made the suggestions and a few hours later or the next day or the next week, I would receive a call or an email from the store telling me about the positive effects those signs made.

I was still not aware that I was onto anything significant, and then I recalled a report that I was privileged to see from a major home goods chain where the managers

were complaining about all the signs they had to put up. At Christmas time, it became a bigger chore when they were busy. So management did a test of the 12 stores across the country and took down all of their signage. In a ten-day period, sales from the test stores dropped on an average of 34% while the rest of the chain was experiencing 2% increases. The only difference was the signage.

Then, I worked with a business that had a carved wooden sign made for their restaurant business. The sign was magnificent with one small exception. The person who carved the sign didn't have enough room to write down the full word "restaurant". So he abbreviated restaurant and just wrote "rest." Everyone thought it was a rest stop and his business plummeted. He was reluctant to change it because he had spent so much money on the sign, which obviously was a bad reason. When it was finally changed, his business started experiencing a 40% increase (he did add a couple of other signs as well, but it was still all about signage).

Lastly, the one form of advertising that has fared well during this economic slowdown is billboard advertising. The reason why is because it is considered to be word of mouth advertising.

Let me share my formula to use signage—I call it the I.S.E.E. Method for Effective Signage.

- The "I" stands for informative signs, such as department identifiers, where to check out and where the bathrooms are. It can also include store policies as well.
- The "S" stands for selling signs which range in variety from new, different, interesting and fun to signs such as 20% off, 2 for 1, buy one/second one free, 25% off, etc., etc.
- The first "E" is for Educational Signs, which are signs that teach our customers about the product or any kind of need they may have pertaining to the product. Become the source of education; it goes a long way.
- The second "E" is for entertainment to put the customer in a good mood. How many times have you heard a customer say "I am not in the mood"? Let's put up fun signs that will put them in a happy mood. We are in the entertainment business today. Anything anyone wants to buy, they can buy online and generally for less money. When we entertain our customers, it separates and differentiates us from the rest of the crowd. **RO**

Rick Segel, author of *The Retail Kit for Dummies*, helps retailers and vendors partner so everyone sells more! Visit Rick's website at [www.ricksegel.com](http://www.ricksegel.com)



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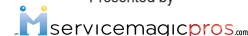
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# The Wonder of It All... CES 2011

The 2011 Consumer Electronic Show (CES) has closed to record breaking attendance with more than 140,000 tech-professionals clamoring and straining to be the first to see the leading edge of consumer technology. Most had come to see the new contenders that would challenge the iPad as well as wireless 4G smart phones, connected TV technologies, electric vehicles... but me...I came to see refrigerators... not just any refrigerators...smart refrigerators, as well as other smart appliances.

For the first time, CES launched the Smart Appliance Zone featuring products like GE, Samsung and LG as well as others all showcasing products that all seemed to include smart features like smart grid connectivity, self diagnosis, internet access and food management systems, all designed with the intent to allow homeowners the ability to manage refrigerators, washing machines, ovens and robotic vacuum cleaners via a smart network and their smart phone.

I have written about this day for years, the birth of the Connected Kitchen, and there it was, the future as it should have been, lined up before me to a level of sensory overload. Wi-fi enabled refrigerators that can inventory their contents and reorder food and condiments as needed, ovens have the ability to

upgrade their programs as well as recipes and at the right time will call you when dinner is ready or you can call it if you are running late, dishwashers that can call a plumber if it should spring a leak as well as call you with the appointment time. As I staggered about in a future of my making, a world of accessible



smart technology, I felt like a nine year-old school boy in a toy store with a fist-full of birthday money.

Walking from aisle to aisle, the glow of technology found began to fade into to a fog of generic similarity. The pounding in my head began to subside and feeling started to come back to my hands and fingers, when I came upon “El Dorado”, the hidden

treasure of CES...Fulton Industries and the “enabled counter-top”.

Imagine a kitchen where you will no longer have to wander about like a desert nomad with your blender or toaster in hand searching for an oasis of power or at least a clear space near a free outlet.

The idea requires embedding a line-connected power transmitter into a counter-top, table top or wall, which then transmits power to an adapted appliance placed near or on the transmitter without the need for a cord between the transmitting or receiving elements.

Once developed to its full potential, you would be able to place any future portable household appliance, such as a toaster, blender, coffee maker or can opener, as well as pre-packaged food containers with induction coils, anywhere in the kitchen you would like to work without the need of a power-cord, plug or socket.

I arrived at CES with great expectation and left with hope for a future yet to come...now I sit and wait for CES 2012...Oh, the wonder of it all. **RO**

*Kevin M. Henry is an international speaker on market trends and sustainable kitchen design in the kitchen industry for more than 30 years. Contact: [Kmhenry@group42.net](mailto:Kmhenry@group42.net)*





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# The Wisdom of Mom & Pop— Doing What the Chains Can't Do

In midtown Manhattan, where national chain drug stores seem to be on every corner, how can an independent mom & pop pharmacy survive?

Abby Fazio, the pharmacist-owner of New London Pharmacy on West 23rd Street in the Chelsea neighborhood has figured it out. Fazio started working as a cashier at New London (founded in 1960) when she was sixteen, eventually becoming a partner.

Ten years ago, New London was a typical, independent drugstore. As chain drugstores moved into Chelsea, Fazio's two older partners retired because, "They thought the competition would be the end of us. They didn't see the upside," said Fazio. "We competed. We had good wholesalers. We used sales to bring in the customers, and then we showed them our service."

Fazio has made her 3,800 square-foot store an integral part of the neighborhood by responding to the concerns of the local residents.

"When the AIDS epidemic hit, we started taking courses about medication for AIDS, so we could talk to doctors and patients. We affiliated with different clinics," she said. Through word of mouth, people learned that New London's staff was knowledgeable about the disease.

In 2003, Fazio and her co-owner husband, John Fazio, changed New London into a European-like pharmacy, "where you can get service on every end." They gutted the store and renovated it with hardwood floors and a

sleeker look—during the night so that they wouldn't have to close the store and possibly lose customers.

The staff is comprised of twenty-six full- and part-time employees, including a nutritionist, makeup artist, and perfumer. Customers find their best course of treatment with consultations with the nutritionist and herbalist in a private room off the selling floor.

Fazio regularly travels the world to find narrowly-distributed organic tinctures and creams, homeopathic remedies, herbs, supplements, and natural skin-care products from small vendors.

"My competition is not the chains," said Fazio. "They've tried and failed to bring in European products and natural products. They don't have the counseling to be able to speak to the patient. Very few people just pick up an item that they don't know. But with the help of our nutritionist and homeopath, our customers will pick up not one thing but five things. Once they see success and they can go off their prescription medicine, they come back for more, and they spread the word."

Fazio and her staff work to educate their customers on their nontraditional products. "In the beginning, we had to convince people not to take Contac or Co-Tylenol, but to take something that I brought in from Germany or London. It became more of a buyer, counselor, and manager."

With its location near the famed Chelsea Hotel, New London gets its share of prominent artists and performers.

One day, the actor Ethan Hawke came into the store "and he looked horrible," Fazio recalled. "He was performing in town and he was losing his voice. I gave him VocalZones throat lozenge, which helped him regain his voice. I didn't know who he was until after he left, when the girls in the store told me."

As its fame has spread, New London has been getting more business from its Website ([www.newlondonpharmacy.com](http://www.newlondonpharmacy.com)), sending packages all over the world. The store and Fazio have been featured in many publications, including the New York Times, Elle, New York magazine, and Oprah magazine.

Despite her store's international renown, Fazio knows that the most important customers are her loyal regulars from the neighborhood. Fazio—whose daughter, Eleni Argyros, has joined her in the business—still works the sales floor to stay connected to her neighborhood because it's important for the customers to see her in the store.

"Sometimes, I ask people why they purchased a product here, when I know they work uptown and could buy it there," she said. They tell me, "Because I can come in my sweats and you don't give me an attitude." **RO**

*Robert Spector is the author of The Nordstrom Way to Customer Service Excellence and The Mom & Pop Store. Robert can be contacted at [robert@robertspecter.com](mailto:robert@robertspecter.com).*



# NKBA KITCHEN & BATH PLANNERS TURN LEADS INTO CLIENTS



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**“Smart grid outshines green tech at CES”**

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**“Executives predict more people to plug into ‘connected home’ appliances”**

—Las Vegas SUN

**“Haier Reveals the Future of Home Appliances at CES Las Vegas 2011”**

—PR Newswire

**“LG to Unveil New “Total Smart Solution” Home Appliances at CES 2011”**

—Connected Home World

**“RF-linked ‘Connected Kitchen’ appliances debut”**

—iApplianceWeb

**“Smart Products / CES to Showcase Smart Appliances at the 2011 TechZone”**

—M2M

**“Home appliances get ‘smart’ at CES”**

—spacetravel.com

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GE at CES 2011" —Forbes

ors tweet and washing machines text..."  
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Control4" —Electronichouse

"Home Appliances TechZone at 2011 CES"  
—ApplianceMagazine.com

"The trend for  
intelligent appliances  
continues at CES"

—The Independent

"LG Crams  
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TechZone at 2011  
International CES"

—Business Wire

"Smart Grid, Smarter Home:  
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—MIT

"Maytag is making your washing  
and drying cooler with computers"  
—butterscotch.com

"LG lets  
Smartphones  
and tablets  
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—Macworld

# Narda Set to Launch New Cost of Doing Business Survey

NARDA, once again, is assembling the most accurate and comprehensive Cost of Doing Business Survey in years. NARDA has traditionally published this valuable tool once every two to four years, with the last one covering the 2008 business year. Given the rapidly changing business environment these days, it has been decided to complete another survey that will focus on the recent 2010 operational and financial results. This year's survey will focus primarily on independent retail in the traditional categories of home appliances, consumer electronics, furniture, bedding and product protection sales. Retailers with in-house service departments will also be invited to supply their results for this survey.

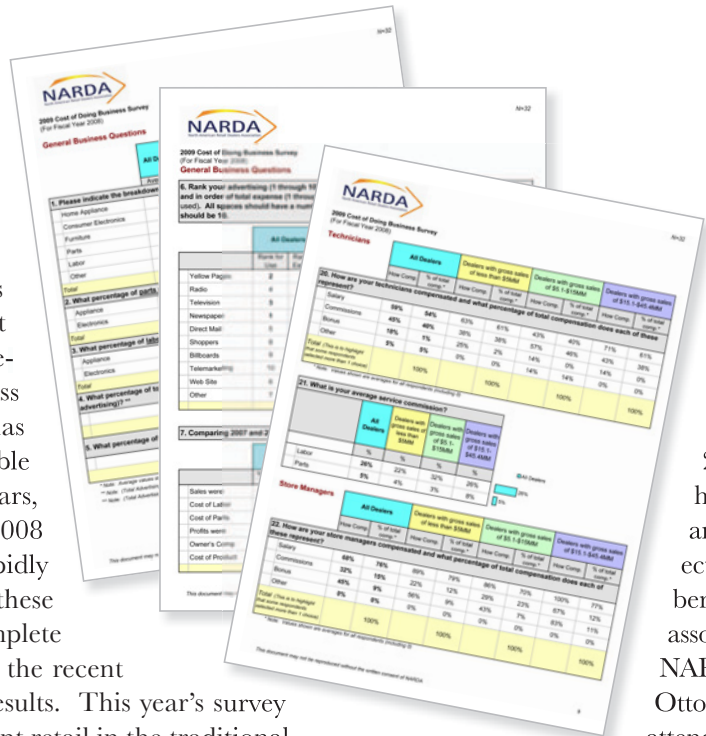
The NARDA Cost of Doing Business Report has proven to be the most valuable benchmarking tool for independent retailers over the course of the last several decades. Not only does this report offer retailers the ability to compare and improve their own businesses, but it also is an outstanding tool to be used to obtain favorable business financing options. This latest report will be extremely detailed, especially when the results will include several varied business profiles including; volume, number and size of retail stores and warehouses, product categories, number

of sales associates, etc. NARDA will have a presence at the buying group shows being held during the first quarter of 2011. The buying groups have agreed to support and help promote this project to their respective members. Long time NARDA associate, Sandy Cloud, and NARDA Executive Director, Otto Papisadero, will be in attendance at the buying group

meetings to further explain the details of this project. Each retailer that contributes information to this confidential survey will be given a finished survey report valued at \$200. Survey input forms will be available at the upcoming buying group conventions, as well as, online at [www.narda.com/Resources/Documents/2010%20Narda%20Survey.pdf](http://www.narda.com/Resources/Documents/2010%20Narda%20Survey.pdf)

We at NARDA look forward to another successful Cost of Doing Business Report with the assistance of you, the independent retailer. (Being a NARDA member is not a requirement to participate in this important project).

Otto Papisadero is Executive Director of NARDA and has worked in all aspects of the independent retailing industry, including retail management, store ownership, and buying group CEO. **RO**



2011 •

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• 2011

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**19-23****BRANDSOURCE SUMMIT**

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ORLANDO, FL  
[www.brandsourceconvention.com](http://www.brandsourceconvention.com)

**20-23****NATIONWIDE PRIMETIME! CONVENTION**

Venetian Hotel  
LAS VEGAS, NV  
[www.nationwideprimetime.com](http://www.nationwideprimetime.com)

**MARCH****6-8****INTERNATIONAL HOME AND HOUSEWARES SHOW**

McCormick Place  
CHICAGO, IL  
[www.housewares.org](http://www.housewares.org)

**9-13****MEGA 2011 SPRING NATIONAL CONVENTION**

Grand Hyatt  
SAN ANTONIO, TX  
[www.megagroupusa.com](http://www.megagroupusa.com)

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Newport Hotel  
JERSEY CITY, NJ  
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**APRIL****2-7****HIGHPOINT MARKET**

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[www.highpointmarket.org](http://www.highpointmarket.org)

**25-28****KBIS – KITCHEN & BATH INDUSTRY SHOW**

Las Vegas Convention Center  
LAS VEGAS, NV  
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**APRIL 30 - MAY 2****HOME FURNISHINGS INDUSTRY CONFERENCE**

Westin Riverwalk  
SAN ANTONIO, TX  
[www.homefurnishingsconference.com](http://www.homefurnishingsconference.com)

**MAY****10-14****AIA 2011 NATIONAL CONVENTION AND DESIGN EXPOSITION**

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# Controlling Your Parts Investment

**Y**ou could be considered one of my best customers. You frequently place orders and often visit our stores to spend even more money buying parts. The problem is, I know you are buying parts that you don't have to, and I want to help.

A successful appliance repair company needs very few things to operate. All you need are customers, good staff and parts. I would be prepared to bet that you spend a fair bit of time managing how and where you find customers, as well as caring for their needs. It would be a safe bet that you also spend some time acquiring and fine tuning your technical skills as well. As for the third component in this equation – it is very often the most ignored, yet potentially the most expensive or lucrative consideration – your parts inventory.

When visiting with a customer, it becomes immediately apparent whether they have ever taken the time to understand the costs and the benefits of an accurate and controlled inventory. This includes shop stock, and of course the all important truck stock. When asked, the average tech I speak with will say they have from \$6,000 to \$10,000 on the truck, but they are not sure.

Other important information that is often not known includes:

- Turnover on their stocked parts.
- First call complete ratio.

- Cost of a service call.
- Time spent driving to and from parts stores, and being in the store.

It is true that some numbers are harder to calculate than others, but the importance of completing that service call in one trip is universally agreed to as a key factor in profitability. Controlling your parts investment, because that is what it really is, will not guarantee every call will be completed the first trip out - but it will make a significant difference.

The \$10,000 question is: How can I control it? I am not trained in inventory management. The answer is: Ask your parts supplier to help you.

Parts distributors today run very sophisticated operations. We are experts in inventory management and need you to succeed. We are not looking to load you up on stock and then hope you can manage it. Always willing to share information, as well as time to help you maintain an effective inventory, we want to be partners. Yes, we want to stock your trucks and shop. Yes, we will take parts back. Yes, we will offer specials on truck stock orders including special payment terms, as well as guaranteed stock rotation, in a reasonable timeframe. Yes we can, and want to help you.

Ideally you are operating a computerized business. If not, there are many off the shelf solutions as well as industry specific options

available to you. Basic inventory control programs can be used to generate usage reports, list items a variety of ways (brand, vendor, pricing), split shop and truck stock and even place automatic re-orders when your stock is used. When linked, or integrated with your billing and accounting software, you can maintain accurate pricing and maximize profits. Your parts supplier can provide similar inventory information. Distributors commonly offer inventory reports and fast mover lists by brand, your particular company's purchase history, geography, warranty use and more. Inventory management might just open your eyes to a world of potential savings and profit. How many times have you ordered that same part, and did not have one in your stock? Or worse yet, you did have one but did not know or could not find it.

Learn more about inventory management and other service management topics by attending the Appliance Service Training Institute, February 9-12, 2011, in sunny San Diego, CA. To see all the details and register for the event go to [www.asti.us](http://www.asti.us). **RO**

*Dennis Fraser  
District Manager  
Reliable Parts Ltd*



*Service News features alternating writers discussing topics of the service industry.*





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# Independents Get Connected to the New Marketplace in Vegas

ONLINE REGISTRATION OPEN FOR  
PRIMETIME! BUYING SHOW AND CONFERENCE

Registration is still open for PrimeTime! by Nationwide Marketing Group (NMG) being held on February 20-23, 2011 in Las Vegas, Nevada at The Venetian.

PrimeTime! is North America's largest buying show and conference for appliance, electronics and furniture independent dealers. According to NMG, hundreds of guests have already visited the registration website at [www.nationwideprimetime.com](http://www.nationwideprimetime.com). The theme for the upcoming show is, Get Connected: Save, Network & Educate.

"Our independent dealers are succeeding in the new marketplace because they have learned how to adapt to the ever-changing industry. At PrimeTime!, we support their goals by providing the resources they need to stay aligned with what's going on in business today," said Robert Weisner, executive vice president of Nationwide Marketing Group.

According to NMG, at PrimeTime! in Vegas, dealers will be able to get connected to industry leaders, the most innovative products and educational opportunities available. The show offers big savings on merchandise purchased at the show through a unique CashBack Now program. Attendees can also take advantage of deep discounts on limited quantities of inventory in fast paced

auctions hosted by NMG's furniture division, Furniture Smart, and their rental division, RentDirect.

Those who registered by January 24, 2011 were entered into a drawing for a free 3 night hotel stay, dinner for two and tickets to see the Blue Man Group, Phantom of the Opera or Jersey Boys at The Venetian in Las Vegas.

The show is also a valuable educational resource for many dealers.

PrimeTime! University business courses are specifically tailored for the independent. Topics being offered at the next show include a smart grid panel discussion, profitable recycling opportunities, website development, email marketing, succession planning and financial management.

"For decades, PrimeTime! has been known for being the premier marketplace for independent dealers across the country. That's because NMG has proven the services and programs we provide our

members at the show cannot be found anywhere else," said Weisner.

To register or for more information on PrimeTime! by Nationwide, please visit [www.nationwideprimetime.com](http://www.nationwideprimetime.com). To learn more about the many benefits of membership with Nationwide Marketing Group, visit [www.nationwidemarketinggroup.org](http://www.nationwidemarketinggroup.org). **RO**



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# Pro Group and HES Merge to Form ProSource, Largest Specialty Segment and CE Merchandising Group In U.S.

PROSOURCE ELEVATES POWER, RELEVANCE OF INDEPENDENTS

**P**RO Group and HES, the A/V Specialty divisions of BrandSource, have formally merged into one entity, ProSource, creating the largest specialty segment and CE merchandising group in the U.S. ProSource represents 950 storefronts and approximately \$3.6 billion dollars in revenue for CE products.

“The goal of ProSource is to bring members from both organizations together to create the best and most influential merchandising group in the industry for the independent retailer,” said David Workman, executive director and COO of PRO Group. “ProSource members will have unparalleled support as we enter new categories, expand product lines and offer cutting-edge solutions and programs optimized for a retailer’s size and needs.”

ProSource members will now benefit from the expanded voice that this entity now represents. PRO Group and HES will each continue to operate under the ProSource umbrella organization to maintain service levels to smaller or larger retailers which make up the combined organization.

“This merger allows us to compete in compelling new ways by offering customers expert knowledge, the best vendors and the latest advances in CE solutions and technology,” said Jim Ristow, executive vice president of HES.

Volumes will be combined to create greater opportunities for key vendor partners and members. Combined, ProSource will expand “best practice” idea sharing, business solutions, advertising and e-commerce initiatives to benefit all members.

“Key manufacturers will have a tremendous opportunity to optimize their positions in our storefronts as our members offer

customized recommendations and hands-on demonstrations to the consumer,” said Ristow.

## ABOUT PROSOURCE

ProSource is the newly formed A/V Specialty division of BrandSource. The group represents the largest block of upscale Consumer Electronics retail business in the industry.

## ABOUT PRO GROUP

PRO Group is the CE industry’s leading up-market buying group. In addition to coordinating purchasing, the Group facilitates idea exchange of best advertising, merchandising and training practices between its members. PRO Group’s membership includes: The Big Screen Store, Bill Smith Electronics and Appliances, Bjorn’s Audio/Video, Car Toys, Crutchfield Corporation, Electronics Expo, Huppins’/OneCall, Jetson TV & Appliance Centers, Inc., ListenUp, MODIA, Ovation Audio/Video, Paul’s TV, 6th Avenue Electronics, Stereo Advantage, Vann’s and World Wide

Stereo. For more information, please visit [www.progroup.net](http://www.progroup.net)

## ABOUT HOME ENTERTAINMENT SOURCE

Home Entertainment Source (HES), the A/V specialty division of BrandSource, is a not-for-profit organization with approximately 550 members. HES provides specialized pricing, merchandising allowances and rebate programs to the CE independent specialist, while using the size and power of BrandSource to provide a multitude of general business services. For more information, please visit [www.homeentertainmentsource.com](http://www.homeentertainmentsource.com) **RO**



David Workman, executive director, COO of PRO Group (left) and Jim Ristow, executive vice president of HES.



**Research shows children heal better and faster with their family nearby.** So, while Ronald McDonald House Charities® (RMHC®) can't make medicine taste better or take away painful treatments, we can help ensure children have the most important weapon close by during their fight—their family. Without steadfast supporters, like BrandSource® who donate thousands of home appliances to our U.S. Ronald McDonald House® programs every year, and people like you, RMHC and our network of local Chapters couldn't serve over four million families and children a year.

This holiday season consider giving the gift of RMHC. **Go to [rmhc.org](http://rmhc.org) to donate.**

# Seven Tips for Landing an SBA Loan

BY RACHEL

IT'S GETTING HARDER TO  
FIND A LOAN THESE DAYS.  
IT'S NOT THAT THE MONEY  
ISN'T OUT THERE, IT'S THAT  
SMALL BUSINESS OWNERS  
WILL HAVE TO WORK  
HARDER TO GET ONE.

**S**mall businesses seeking financing are in for a bit of good luck these days. While SBA loans are available, it may take a bit more work to obtain one and banks are requiring more information than they have in the past. Rachel Zippwald, vice president of California Bank & Trust, a major SBA lender, recommends following a few tips to facilitate getting your SBA loan approved.

- 1. Provide details on exactly how much financing you need and how you will use it.** Banks like specifics, so be prepared to provide a precise dollar amount and give details of how you will use the funds. For example, if you're seeking \$125,000 to expand your business, explain to your lender how you will use the funds, such as you need \$75,000 for working capital to support three months of expenses, and another \$50,000 for seven networked computers and a server. Banks are impressed with research, so provide a written quote for the equipment. If you're planning to consolidate debts and refinance for a longer term, provide copies of your promissory notes and state how much you think you can save with the refinance. Detailed loan amounts with copies of bids, promissory notes or proposals can help strengthen your loan package because your lender can understand the facts backing up the request.
- 2. Provide information about company management.** When banks lend money, they like to understand who runs the company and to be familiar with their backgrounds. This is a key factor in presenting your loan for approval. Help your lender by providing a resume for each owner or key employee and describe their functions and responsibilities. If certain key positions have not yet been filled, include a thorough job description of the type of person you are seeking. This will confirm for the lender that you have analyzed your needs and have determined the requirements of the position.
- 3. Be prepared to offer collateral.** The SBA requires collateral to fully secure your loan, to the extent that it is available. If you own a home, you will likely be asked to pledge it. The SBA may also request a lien on your business assets and may require life insurance on sole owners of a business. Most loans made by banks are secured loans,

# Tips for SBA Loan

ZIPPWALD

and therefore approval may be contingent on a guarantor who is willing to offer collateral.

**4. Detail your credit history and credit score.** Your credit score is an integral part of the loan process because it illustrates the ways in which you handle your other obligations. Your bank will eventually run its own credit report, but if you can provide information prior to them doing so, you can discuss any issues ahead of time. If you don't know your credit score, take the time to research it on the Internet, where low-cost reports are available. If you've had problems such as identity theft, bankruptcy, or divorce, you'll want to discuss it with your lender up front and provide proof that issues have been resolved or discharged.

**5. Provide complete copies of tax returns, financial statements and bank statements.** While it can be time consuming to gather these documents, your bank will want to know everything about you and your business if they are to become, in essence, your financial partner. One way to streamline the process is to scan your financial documents and provide them to your lender in the form of a disk or a flash drive. Your lender may even be willing to accept your documents via email.

**6. Explain how you'll achieve your projections.** Now is the time to brag about you and your business and to sell your lender on your vision and forecasted success. If customers have expressed a desire to do business with you, give your lender a copy of their correspondence. Prove to the lender that a market for your product or service exists and demonstrate

the validity of your sales and expense figures. If your Cost of Goods Sold (COGS) has historically been 65% and you can lower them to 55%, provide details of your calculations. If the loan for which you are applying is intended for a new piece of equipment that will allow you to reduce your staff needs, describe how this will occur and show the math.

**7. Expect questions and be patient.** Your lender needs to connect with your story and business and will appreciate your assistance in doing so. Take the time to thoroughly explain the nature of your business, your vision and your background. Your banker will likely be presenting your loan approval to other parties, so he or she will need your help in making your case. The process may be time consuming, so it helps to be patient. Feel free to request an estimated time frame for approval and respect that the projected date may slip a bit. It's best not to call or email your lender frequently—remember that in lending, no news is often good news. **RO**

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*Rachel Zippwald is a Vice President and SBA Business Development Officer for California Bank & Trust. Rachel has been involved in SBA Lending for 23 years, and has spent nine of those years managing SBA departments for various banks in California, including Landmark Bank, Pacific National Bank, and Southern California Bank. Her responsibilities have included loan origination, processing, underwriting, documentation, closing and servicing.*

*Rachel's tips offer exclusive insight into the mind of an SBA lender. Rachel has been involved in SBA Lending for more than 23 years, and has spent nine of those years managing SBA departments for different banks throughout California. Her advice can benefit all small business owners and help open up ideas for everyone else.*



# In Memorium

Liston Durden, long-time senior vice president – marketing at Viking Range Corporation who had recently assumed the additional responsibilities of Senior Vice President – Corporate Strategy, passed away suddenly as a result of a massive heart attack Saturday, January 22.

A native of Sebring, Florida, Mr. Durden grew up in Madison, Georgia, where he graduated from high school as valedictorian of his senior class. He attended Georgia State University, where he received a BBA degree in Marketing and was Battalion Commander of the Georgia State University Army ROTC his senior year.

Earning high honors, he went into the Army as a First Lieutenant during the height of the Viet Nam war. He was sent to Germany where he served as Adjutant at Coleman Barracks. After serving in Germany as a First Lieutenant during the Viet Nam war, he returned to Georgia State and received an MBA in International Business.

He and Brenda married in 1969 and they lived in Germany together and traveled. Liston developed a love and admiration for Germany - the beauty, the cleanliness, the hard work of the people. As God would have it, the week before his death, he and Brenda were in Germany for a Viking business trip.

He started working as a salesman at the age of 13 at a rural country store in Georgia and then to Atlanta in college selling shoes and furniture. Mr. Durden began his career in the appliance industry when he joined General

Electric's major appliance division in the management development program. In 1975 he joined KitchenAid where he became Director of Product Management. In 1989 he joined Viking Range Corporation as the company's first Vice President-Marketing and spent the remainder of his career helping build the company into one of the industry's most highly regarded brands.

Over the years Mr. Durden served the Association of Home Appliance Manufacturers (AHAM) in many roles, including Chairman of its Board of Directors. In 2007, AHAM bestowed Mr. Durden with the industry's top honor, the prestigious Home Appliance Industry Leadership (HAIL) Award.

Liston had many accomplishments in his career, but what most people remember of him is that he treated all life with respect and care. All people to him were intrinsically valuable, all animals needed to be protected. Liston's daughters were taught to keep extra dog or cat food on hand. Their dad would say: "No animal should ever go hungry. Ever." Elizabeth and Sarah will always know that they had a daddy who had a "fix-it table" If something was broken, just put it on the fix-it table. Our hearts need to be there now. He ended every conversation with his daughters, "If you need anything just call me."

More than anything, he was loving, kind, considerate, a true gentleman in every sense of the word. He is a mixture of St. Francis - who cared for all life - and St. Joseph who cared for his little family. He did not preach with his mouth, he preached by the way he lived.

# Liston Durden



1946-2011

“THE MAJOR APPLIANCE INDUSTRY HAS LOST A TRUE ICON IN LISTON DURDEN, WHO WAS WIDELY KNOWN AND RESPECTED AS AN APPLIANCE INDUSTRY GURU. WE HAD ONLY BEEN SHIPPING PRODUCT FOR TWO AND A HALF YEARS AND WERE STILL A START-UP WHEN LISTON JOINED VIKING IN 1989, AND HE HELPED ME BUILD THIS COMPANY OVER THE ENSUING YEARS. LISTON WAS A GREAT TEACHER, AND I LEARNED A TREMENDOUS AMOUNT FROM HIM, FOR WHICH I WILL BE FOREVER GRATEFUL. HE WAS ONE OF THE FINEST, MOST CARING AND CONSIDERATE PEOPLE I HAVE EVER KNOWN. THE PLANET WILL BE DIFFERENT NOW THAT LISTON IS GONE. THIS WORLD DESPERATELY NEEDS MORE PEOPLE LIKE LISTON DURDEN.”

*Fred Carl  
Founder, Chairman and CEO  
Viking Range Corporation*

## KitchenAid Introduces Pro Line® Kitchen Appliances

In the market for kitchen appliances that echo the look and feel of professional equipment without the hard-edged, industrial appearance and high energy demands of restaurant grade gear? If so, consider the new Pro Line® Series from KitchenAid, designed to provide both premium performance and professional styling that feels right at home in residential kitchens.

“More and more home cooks are drawing inspiration from professional chefs, cooking shows and great restaurant experiences,” notes Debbie O’Connor, senior manager of brand experience for KitchenAid. “This new line gives home cooks a way to cook and feel more like a professional without going overboard on power consumption or compromising on the aesthetics that make for a warm, inviting kitchen.”

Aside from premium performance and features, a key element of the line’s professional style appeal is a newly designed handle featured across all appliances that reflects the heft and sturdiness of professional kitchen equipment, notes O’Connor.

Available this fall, the new stainless steel line includes three range models, a refrigerator, dishwasher and microwave hood combination. Prices have not been announced. Range options include 30-inch slide-in gas, electric and duel fuel models. All models feature ovens with the Even-Heat™ True Convection System. This true convection system has a hidden oven element and an innovative bowtie shaped design that promotes better circulation and more even air flow from the convection element throughout the oven cavity for consistent temperature management and even cooking on all racks. An EasyConvect™ Time and Temperature Conversion System converts conventional times and temperatures to their convection equivalents.

All the ranges have warming drawers to help keep cooked food and plates warm for serving. A temperature probe is included to measure the internal temperature of dishes such as meat and poultry. Gas and duel fuel models have a powerful TripleTier® burner with output ranges from 600 to 15,000 BTUs while electric models feature a two double-ring round elements and a double-ring oval element to accommodate a variety of cookware sizes.

The counter depth configuration of the new line’s French Door bottom mount refrigerator combines the professional look of a built-in with the ease of installation of a freestanding model. It features 22 cubic feet of easily accessible space and a single-hand interior water dispenser that is hidden from view yet provides quick, easy access to filtered water.

Rounding out the line are a 30-inch, 1,000-watt microwave hood combination and 4-cycle dishwasher with a fully integrated console that hides all controls from view for a clean, professional look. Since the introduction of its legendary stand mixer in 1919 and first dishwasher in

1949, KitchenAid has built on the legacy of these icons to create a complete line of products designed for cooks. Over 90 years later, the KitchenAid brand now offers virtually every essential for the well equipped kitchen with a collection that includes everything from countertop appliances to cookware, ranges to refrigerators, and whisks to wine cellars. To learn why chefs choose KitchenAid for their homes more than any other brand\*, visit [www.KitchenAid.com](http://www.KitchenAid.com).

*\*Based on a September 2010 survey, KitchenAid was found to be the home kitchen appliance brand chosen most often by members of the International Association of Culinary Professionals and the American Culinary Federation when asked about refrigerators, ovens, cooktops, ranges, dishwashers, microwave ovens, electric mixers, blenders, food processors, kitchen gadgets and toasters. **RO***



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\*Combined wash and dry results of leading premium brands' highest MSRP models; dry testing conducted without rinse aid.



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