
Subject: Re: Best Buy and High End

Posted by [Bob Brines](#) on Wed, 27 Jul 2005 23:45:15 GMT

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Let's make an analogy to the auto market. There's the low end -- econoboxes, small trucks small SUV's. Then there is the high end stuff -- Stupidly extravagantly equipped pick-ups, big SUV's and the Mercedes/ Lexus/pick your mark cars with payments bigger than my mortgage. The stuff in the middle -- good quality/price -- is disappearing. Oldsmobile last year, Buick next? The deal is that you can make money on volume or mark-up, but you need one or the other. In the speaker market, the middle is disappearing. You can buy \$100 speakers, you can buy \$10,000 speakers. What is in the middle is going away. I can't see Best Buy making a go of the middle ground. At best, it will be a loss-leader, and the share holders won't stand for that. I think that this bodes well for guys like me. I can produce a few items of good quality at a good price because I don't need a large mark-up or large cash flow to keep going. Just because the market niche is too small for billion-dollar corporations to justify servicing does not mean that the niche does not exist. Small entrepreneurs will fill the gap. And, brick and mortar retailers in the middle are history. It's all going to be done on-line. If you want to hear my speakers, you are going to have to locate someone who owns a pair or go to a one of the very few shows I participate in. It is going to be a very different worked for the serious HiFi hobbyist. Bob
