Subject: Best Buy and High End
Posted by guitarplayer on Wed, 27 Jul 2005 13:50:55 GMT
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Well, with BB swallowing up Magnolia HIFI a few years ago and the seeming imminent death of Ultimate Electronics and Tweeter (mid to upscale high end dealers...sort of), BB is rolling out it's new concept using Magnolia as a store within a store to sell high performance audio.They will be sporting such gear as Vienna Acoustics, Primare, Audioquest, and other well known "high-performance" brands.What are your thoughts? I will tell mine later as I have a somewhat different perspective having worked in a big box consumer electronics retailer in the past. Is this the "magic bullet" the high performance audio industry needs? Or, will it fail?Discuss...this is coffee talk.Regards, Lee

Subject: Re: Best Buy and High End
Posted by Manualblock on Wed, 27 Jul 2005 14:22:07 GMT
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My question will be where are the stores located/what sales training will be offered/what kinds of pricing structure will be in effect/will there be warranty service/will there be a return policy. If there is a return policy then how will it be administrated?These questions need to be answered before you can tell anything really.

Subject: Re: Best Buy and High End
Posted by guitarplayer on Wed, 27 Jul 2005 14:43:47 GMT
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My understanding is that the salespeople are going through 2 weeks of training before hitting the floor. What type of training (sales, merchandise, or both) is unknown to me.The Magnolia's are apparently only being put in BB stores with certain demographics conducive to selling the higher priced gear. I've also heard that they are going to put a few freestanding stores here and there.I'm sure there will be warranty service, I don't know what the warranty policy will be.Regards, Lee

Subject: Re: Best Buy and High End
Posted by colinhester on Wed, 27 Jul 2005 15:43:22 GMT
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I wonder how this will affect the relationship between Bose and BB. Bose has always been considered their top-o'-the-line system (please, no Bose bashing.) The store-within-a-store concept is a great idea; however, BB would not be responsible for warranty service. I wonder what brought this move. Is there a consumer trend towards higher-end (i.e., better sound) or are they simply riding the way of up-scale home furnishings? I strongly suspect the later.No, this is not the "magic bullet" that hi-fi needs. It might, however, be one more nail in the coffin.....Colin

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Subject: Re: Best Buy and High End
Posted by Manualblock on Wed, 27 Jul 2005 18:28:27 GMT
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Then there is the issue of component choices and who will make them. Whether there will be a specific set-aside area with ambient noise control to demo this expensive equipment or if in fact the stores will merely be recieving points for buyers looking for a discount and grab and run on these speakers. If that becomes the reality then whats to stop internet retailers from price qougeing. If the point of high end is that you get the best combination of equipment for your needs through careful auditioning and matching of components then where does a place like BB come in to the picture?So I think they will have to become a place where this equipment is discounted somewhat. Therefor the companies will need to ratchet up the savings on parts to make up the difference; or those companies that participate in these retail outlet type stores will gradually decline in quality until they are selling on the name only.

Subject: Re: Best Buy and High End
Posted by guitarplayer on Wed, 27 Jul 2005 19:05:13 GMT
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I haven't seen any of the demo areas as they are not open here in DFW yet, it looks as if they are going to have a seperate area in the back for showcasing Magnolia. I can't tell (remodeling is hidden behind plywood) if it's totally shut off from the din of BB, but I doubt it as a divider of some type would "impede traffic flow" into this area. All big box retailers are run with the concept of a "fast floor", how this environment translates into selling of high performance audio is yet to be seen.

Subject: Re: Best Buy and High End
Posted by guitarplayer on Wed, 27 Jul 2005 19:16:40 GMT
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Hi Colin!Bose prefers to service their own gear if it's under warranty. I would imagine that

Primare, Vienna, and Martin Logan would be the same...The consumer trend towards purchasing so called "luxury items" is still going strong, so I would bet that played strongly into the decision. Also, Wal Mart is now the second largest retailer of CE goods (in very short time), so BB is wise to position themselves as a higher price/better performance alternative as Wal Mart will surely soon be number one.My question really is, does BB carrying higher performance goods help the high performance audio industry by exposing it to more people, or hurt it by not allowing these goods to be displayed in the best manner?BTW--All of this is not new, Ultimate Electronics, Tweeter, Sound Advice, and many other smaller chains have for years carried some well recognized and respected high performance brands. Some manufacturers worked well, some did not. I just found all of this interesting, is all. I knew once BB purchased Magnolia a few yers back, they had something up their sleeves.Regards, Lee

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Subject: Re: Best Buy and High End
Posted by Wayne Parham on Wed, 27 Jul 2005 21:12:00 GMT
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I think its the road less traveled thing. There will always be more traffic on the cheap and easy road, but the discerning customer will go the extra mile. Some people don't care about the view and just want to get there fast and easy. Others want to do it in style, but they have to go through more to do it.I also think that big volume low margin types probably make more cash. If that's the goal, that's the place to go. But the coolest stuff is always more rare than that. An example is the one-off race car. It's not going to make much in the way of profits, in fact, it will probably lose money. Twenty or thirty economy cars may have the same value, but will probably generate much more profit through direct sales.It's just cooler to say you have a race car than a bunch of Yugos I guess. Cooler to drive too.

Subject: Re: Best Buy and High End
Posted by guitarplayer on Wed, 27 Jul 2005 21:38:16 GMT
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I'm with you. I agree that high performance audio will never be a huge business due to a variety of factors; price, exclusivity, market positioning, size of the companies, passion of the owners of companies and not growing very large due to having to compromise their vision, etc., but is it a good thing, in your opinion, that retailers such as BB are starting to carry high performance products?My belief is that the needs of high performance audio can never be satisfied by the big box retailer, but, the added exposure of certain products in an environment such as this can only help the industry in general. S'phile and others are always be-moaning the fact that the word never gets out about all of our cool toys and the industry has been stagnant for some time. I read an article the other day asking where all of the yhoung audiophiles are. Well...they are buying computers and car audio at BB, perhaps, with the sun and moon in alignment, these future audiophiles will make their way back to the Magnolia room! There will be a certain number of

people that will buy there and never look for alternatives that perhaps BB doesn't carry. But...there will also be a certain group, once they are exposed to high performance audio will have a paradigm shift (and their interest piqued) and actively seek out the smaller comapnies who really produce the innovative, great sounding products. I, for one, am hoping that this is the case with this situation.Only time will tell. It will be interesting to watch.Regards, Lee

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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 by $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

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Subject: Re: Best Buy and High End
Posted by Manualblock on Thu, 28 Jul 2005 00:57:12 GMT
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Back in the early seventies sandwiched between the tube era of Fisher and Marantz and the birth of the high end in the late 70's guys were coming back from Vietnam with stereo's they bought in Japan and Korea. Those guys fueled the high end boom. As they got older they dropped the flashy big chrome equipment as a result of kids and home decor; but the real change came about because the sound got irritating. Maybe not on a conscious level but it was enough to cause people to write off stereo as a entertainment purchase.A percentage of these guys went on to seek better stuff and as they approached their 40's they had the cash to indulge and so we saw the 20k$ stereo systems in homes. Look how the magazines increased in numbers and circulation for all hobbies; cars/boats on and on. A direct result of spare cash and free time. Those luxuries are dissolving as jobs and spare money gets scarcer. That is part of what fuels the DIY boom, just like in the 50's when the guys came home from WW2 and built their Eico and Heathkit stuff.Thee

will always be a small group of hardcore audiophiles but the people coming up behind us are not going to reproduce what happened in the late 70's-the 90's. They are of a different time concerned with PC's and TV's and music that is not even capable of sounding good on the best equipment. Notice how the DIY'ers play all of about 30 or 40 CD's? Mostly acoustic pop and lite jazz. We are a dying breed, the kids will not follow the high end audio as we know it. That is why the guys are trying Box store sales; out of desperation. Little guys like Brines will play to a small cadre' of dedicated listeners that like his stuff and that goes for all the small and esoteric builders. The big companies will morph into B&W and Polk etc. All having a similar sound designed to play to a certain type of listener brought up in the new age that they find through product testing and survey.

Subject: Re: Best Buy and High End
Posted by lon on Thu, 28 Jul 2005 01:57:24 GMT
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This is a good analysis-- in particular about how the audiomarket has changed from listening to phonograph recordsto ipods and whatnots.This may sound strange but I got seriously interested in the hobby after building a few kits over the years because I wantedto improve my sound setup at the PC. That led me to lookfor high efficiecy things and low wattage doo-dahs that wouldtweak the ol' 'puter to listen to sound files. Now I'm moving into Linux by way of Simply Mepis and acouple other 'for grins' type operating system experiments.And in there I have to learn about ALSA and the whole audioenvironment of the open source world. I've read thatthere's even a special distribution called DeMudi forDebian Music Distribution that is specifically for the audio engineering and enthusiasts migrating to theopen source world.I never have listened to anything in a Best Buy. Where arethey going to put the auto sound room playing the 15inchers that can be heard throughout the store and _felt_close by the listening area? (BTW, manual, I did send that review of Backbeat to your whatchacallit address on here... supreme commander I think)

Subject: Re: Best Buy and High End
Posted by Wayne Parham on Thu, 28 Jul 2005 03:06:07 GMT
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I don't mind having retailers in the mid-fi/hi-fi markets, nor do I applaud them. I tend to know what I want before I purchase, so I'm not much for shopping. Audio retailers would be good for the fact they have showrooms though. At least then you have a chance to audition, even if not maybe in the very best conditions.My biggest problem with both the audio and the automotive industries is the BS factor. There are so many involved in these fields that are completely and totally full of shit. I try to stay away from the BS'ers when I find them, because I can get irritated if I don't tune them out. So I'm generally happier when I stay out of retail showrooms.

Subject: Re: Best Buy and High End
Posted by Manualblock on Thu, 28 Jul 2005 12:30:59 GMT
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Thanks Lon; I didn't recieve it and truthfully I am not sure about the supreme commander thing. Is that maybe why some of my e-mails don't arrive? Let me mail you back.I find the PC music thing of great interest but I fear there are constant changes to the programs that I can't keep up with. I used to copy streaming radio but it is time consuming. I am like a dinosaur; still using Ripcast.We can debate the progression of the High End but I for one believe it's a dead issue along with DIY once all of us old farts kick the bucket. I don't know of any group of twenty yr olds doing this. Box stores are not going to succeed at high end merchandising as you point out concerning the 15" woofs.

Subject: Re: Best Buy and High End
Posted by guitarplayer on Thu, 28 Jul 2005 13:22:06 GMT
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How's Linux treating you? I have been kicking around the idea of switching for quite some time as I have been so happy with some of the other open source programs I use such as Firefox, Open Office, etc...

Subject: Re: Best Buy and High End
Posted by guitarplayer on Thu, 28 Jul 2005 13:28:17 GMT
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I'm with you. I agree that brick and mortar retailers stuck in the middle are going to be a thing of the past, they will have to focus on home theater or very high priced 2 channel items. The market has already changed so much the past 4 years, and it's jsut the beginning.There will always be a market for manufacturers who provide an exceptional product at an attractive price, but the vast majority of our sales will be direct. Shows like the GPAF and RMAF will become even more important in years to come for us to get the word out about our wares.Regards, Lee

Subject: Re: Best Buy and High End
Posted by guitarplayer on Thu, 28 Jul 2005 13:30:59 GMT
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DIY and customizing PC's is huge right now. The hard part is getting those guys to come play

with audio with us old farts!Regards, Lee

Subject: Re: Best Buy and High End
Posted by guitarplayer on Thu, 28 Jul 2005 13:41:22 GMT
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BS in our industry? Since when? Regards, Lee

Subject: Re: Best Buy and High End
Posted by lon on Thu, 28 Jul 2005 16:57:28 GMT
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Hello and glad you joined us here,Linux isn't at the point and click stage even as they mighttell you or have you believe.It's like I picked up where I left off with Unix in 1996.More code than I could deal with then and there's still a lotof it. I just don't want to be on the Microsoft boat anymore.It's a big help to have broadband since Linux is being updatedall the time.I made the switch to bb when the price dropped close to where dialupis for me.I believe the true advantages are still in the future for Linux. For that future I've started to learn it now.

Subject: Re: Best Buy and High End
Posted by lon on Thu, 28 Jul 2005 17:18:25 GMT
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Ok,Just mail me then:lon@athenet.netWhat I get from the mail back system here is the only addressI have for you. If you are not webmaster or whatever,then I don't have good address to send you things.Far as the thread goes I don't have much if any contact withhigh end audiophines and supply shops. The local one that's left here is pretty much full of the snooty types I'm used to encountering inthem.Far as DIY goes for younger people, you prob'ly right. But Ithink that's a form versus content thing. What's more important:the form or the content? Content comes from cable tv which can bebroadcast in stereo, free air and satellite radio and audio streamsbring radio. and then there's 'home theatre.' Home theatre withvhs and dvd, cds etc provide for time shifting and on-demand viewing.But it has also meant the balkanization of what was once a theatricalexperience. But it's kids who fill up the multiplexes so who's to say what age group is out of sync? lon

Subject: Re: Best Buy and High End
Posted by lon on Fri, 29 Jul 2005 04:47:37 GMT
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There's two things we don't have around here: Frye's anda discount good quality hifi place.Did I mention snooty hifi stores with the likes of Bang and Olafson and other 'good taste' stuff?If Best Buy can put something on the shelf besidesthe usual Yamaha and Sony and Pioneer and go to Denon and Nakamichi at good rates, I'm willing but not necessarily ready to pick up a box and go.I like local stores that sell computer building partstoo but their margins on sales are just too high.Online sites have links to match the right right partsand there are numerous construction tips. So I'd like a Fryes' around here to fill that middle ground.

Subject: Re: Best Buy and High End
Posted by GrantMarshall on Fri, 05 Aug 2005 20:46:05 GMT
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If they use a small area where people can go to drool and then sell them a lower priced system the high end draw will attract a new group of customers. If they have people talking about "the system at BB" the free advertising is good. They lose the image of just selling out of date boxes at clearing house prices. Image, presence, and increased mid range sales could all be goals of a high end presence. It could also add that "unique quality" that seperates BB from the competitors. I would say this is a marketing ploy as much as an income generator. It will be interesting to how much high end is actually in the store, and how much is something they are willing to order if you request it.Time for the coffee now.Grant.