



RetailVision



Thursday, August 28, 2008
Manchester Grand Hyatt Hotel
San Diego, Calif.

NEWS, VIEWS, AND REVIEWS FROM 2008 VISION EVENTS



RetailVision's Cream Of The Crop

Chosen by retailers, the honors go to the vendors and service providers that make their mark

By Andrew R. Hickey

The one-two punch by CPG and Woot was the runaway favorite for the Best of RetailVision 2008, taking home three statues, the most by any one company—or in this case two companies—during the awards ceremony Wednesday night.

The awards, voted on by attending retailers, recognize the vendors and service providers

whose products, programs and strategies lead the way toward retail excellence. The ceremony honored vendors in a host of categories, from best hardware product to best retail strategy.

The CPG and Woot double-team, a partnership between the two compa-

Grabbing two Best of RetailVision awards was Iogear, which showcased its line of KVM, KVMP, connectivity, networking, A/V, digital home, mobility and desktop solutions for home users, office workers and road warriors. Iogear was chosen by retailers as the best overall vendor and for having the best accessory product.

The best hardware product award went to Vuzix, the maker of video eyewear and personal display devices for mobile video, entertainment and other markets. At the show, Vuzix showed off its iWear AV920, iWear VR920 and AV310 Widescreen products, which are part of the vendor's video eyewear line.

The Neat Company snagged the best peripheral product award for its portfolio of scanning solutions that enable users to scan receipts, business cards and a host of other documents and make them digital.

And not to be outdone, the award for best digital home product was

continued on page 14



nies that enabled them to meet with retailers together to discuss Woot's stocking distribution and inventory clearance blowout sales strategy and CPG's rebate management and promotion programs, took home Best in RetailVision awards in three different categories: merchandising, retail strategy and presentation. Woot is also a CPG client.

Storming The Stage: *AppArt scores big in graphic arts production services; Iogear has double the fun with two awards; it's one big happy family as CPG and Woot share the stage three! times; SlingMedia (inset) takes home the digital home product award.*

Test Center Hands Out Best In Show Awards

By Edward F. Moltzen

In the end, as far as icon/Motion Systems was concerned, it was in the bag.

After three days of live demonstrations and reviews of some of the best products on display at RetailVision 2008 (and throughout the industry, for that matter), editors from the *CRN* Test Center gave icon/Motion Systems the Gold medal in the Best in Show program for its Stella computer tote laptop bag.

The tote won points in all areas that Test Center editors considered important: features, price, uniqueness of

the product, "buzz" and demonstration.

The New York-based company says its product is aimed at a woman who is a "business executive" or a "Mom on the go." With a retail price of \$89.99, Test Center editors found three reasons why it's a standout: It's price-competitive with business-gray and other standard laptop bags; the design is eye-catching and provides nifty travel functions like a pull-out organizer; and it's a product that lends itself to drag-through revenue for retailers who sell notebook PCs.

continued on page 13



Going Gold: *The Test Center's Ed Moltzen (l.) with icon/Motion Systems' Jeffrey Thompson.*



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A Hot Holiday CE Market

Steven Burke

Editor/News, Everything Channel

One of the most invigorating takeaways from RetailVision is the optimistic outlook for the critical fourth-quarter holiday selling season.

Tim Herbert, the Consumer Electronics Association's senior director of market research, set the stage for the show with hot-off-the-press research showing the majority of those polled in a recent CEA Advisory Panel survey believe holiday consumer electronics sales from retailers will meet or exceed expectations.



"We have seen it time and time again—even when times are tough consumers find it tough to cut back on gift giving," said Herbert. "People like to be generous and they like to give gifts."

Herbert expects strong fourth-quarter sales of GPS devices, laptop computers and, of course, flat-panel TVs. The average home has only 1.5 flat panel TVs, he said. "We're seeing some nice revenue boosts from consumers moving up to larger displays," he said.

Some of the country's best and brightest retailers echoed the upbeat CEA survey sentiment.

Albert Liniado, co-founder and president of DataVision, a New York retailer with a large showroom in Midtown, said he sees strong sales of GPSes, LCDs, memory and hard-drive sales, which he referred to as "out of control."

Liniado sees customers increasingly going to the Internet to do research and compare prices and then coming into the retail location to buy the product. "That gives the customer the best of both worlds," he said. "For us that's key because we are in the heart of New York and have tremendous presence on the Web. Even though the economy is not so great, we feel good presence on the Web driving retail."

Bernard Luthi, vice president of merchandising at e-tail giant Newegg.com, expects strong sales of LCDs, high-definition camcorders and notebook computers. He said buying among 18- to 35-year-old males, a big Newegg.com customer demographic, is still strong.

Michael Carioti, manager of marketing development for ProVantage, said he expects Web sales at the e-tail powerhouse to be strong in the fourth quarter. He said consumers are going to the Web to "save some money during the holidays."

Fred Lerner, CEO of Ritz Interactive, which sells exclusively online from 20 different Web sites, said he expects a boost from new digital cameras from Canon and Nikon. "We are very new-product-driven," he said. "That is going to drive business."

The message for retailers and e-tailers of all stripes is all systems are go to stock up for a big holiday selling season.

Reach Steve at sburke@everythingchannel.com

PHOTOS: GENE FEDELE

Nokia: We Connect People

Pignataro to retailers: There's a huge opportunity in converged devices

By Andrew R. Hickey

The convergence between mobility and the Internet is poised to alter the way that people communicate, and retailers are charged with bringing consumers on board for the ride.

That was a key message hammered home Wednesday by Robert Pignataro, Nokia's director of retail channel sales, as he addressed a packed house at RetailVision 2008. Nokia was awarded the Retail Vendor of the Year Award, while Pignataro also nabbed the award for Retail Vendor Executive of the Year.

As part of its drive to pack new features and functions into its line of mobile handsets, Nokia is bringing to market devices and services that Pignataro said take users beyond being connected and evolve into "connecting people."

Nokia's vision, he said, is to make the mobile device the "fourth screen;" with movies, television and computers representing the first three. And with converged devices expected to hit 180 million units shipped in coming years, and Nokia holding 52.9 percent of that market, Pignataro said the time is right for retailers to offer their customers more than just a cell phone.



Trophy Time: *Everything Channel's Steve Burke presents the RetailVision award to Nokia's Robert Pignataro.*

Nokia, which holds 40 percent global market share for mobile devices and has more than 350,000 points of sale, is working diligently to give users access to everything they expect from their PC, but in their pocket, and add services that connect people and places with context.

continued on page 13

Micro Center Touts Team Effort

One-to-one relationships, new store format will keep things rolling

By Craig Zarley

Kevin Jones took one for the team.

That's how Micro Center's vice president of merchandising summed up winning Everything Channel's Retail Executive of the Year award at RetailVision 2008 Wednesday. Jones said it's a team effort with an emphasis on one-to-one customer marketing that keeps the 21-store retail chain at the forefront of high-quality, value retailing.

"We have customer data on 90 percent of our customers and some of the data goes back as far as the early 1980s," Jones said during his keynote after accepting the award.

He said that data gleaned from customers helped the Columbus, Ohio-based technology retailer to come up with a complete store redesign. Micro Center's new format

shrinks the overall store square footage 20 percent down to 35,000 square feet but allows for 50 percent more inventory than the old store designs. What's more, the redesigned stores feature larger specialty areas, including ones dedicated to PCs, HDTVs, Apple, digital cameras and gaming.

"We carry over 36,000 unique SKUs and have sales experts dedicated to each department," Jones said.

Micro Center plans to have one of its stores refurbished in the new format this year and all other existing stores remodeled by the end of 2009. Jones said the company plans to build new locations in 2009 using the new store format.

Jones noted that Micro Center customers are technologically sophisticated and affluent. "They

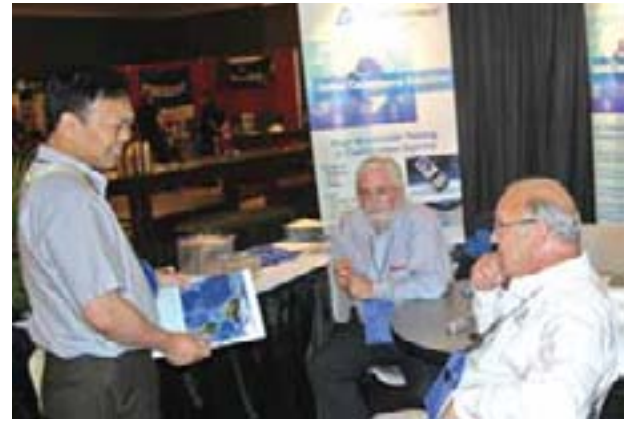


Keeping Up With Jones: *Over 36,000 unique SKUs.*

continued on page 13

RetailVision Live:

Views of yesterday's events at the RetailVision conference and sessions



Jay Jeung leads the Kotra Boardroom presentation; stopping by and getting the scoop at the TUV Rheinland booth; it's fun times three at the D&H late-night party Tuesday; more from the D&H bash—looks like it was time to trip the light fantastic; Emerging Technologies panelists impart some next-generation wisdom to show-goers; grabbing attendees' attention at the Hi Wired Boardroom; RetailVision Managing Director Liz Madden holds up an issue of the first-ever RetailVision Show Daily (we hope you liked it!); retailer attendee John Chin takes it all in; taking part in the panel discussion on the challenges of warranties are Aaron Schachter, director of new product placement and merchandise at Adorama, and Steve Abernethy, president and CEO of Square Trade.



Photography by Gene Fedele, Kim Kulish and Alex Rosenfeld



RetailVision SHOW DAILY

Editor Jane O'Brien
 VP/Design Director, Photography ... Gene Fedele
 Art & Production Adeline Cannone
 IT Manager Mike Wroobel

RetailVision Contacts:

VP/Everything Channel Events ... Nancy Hammervik
Managing Director Liz Madden
Sales ... Mark Bianco (National Sales Mgr.); Tanya Unsworth, David Karp, Lou Becker (Account Executives)
Marketing ... Diane Lehman (Sr. Marketing Mgr.)
Recruiting Tom Beedy, Jonathan Baron, Josh Auger (Account Executives)
Operations ... Rob Mear (Director of Operations); Karyn Bisson, Colleen Waters (Sr. Event Coordinators); Lisa Ferrante (Event Planner/Travel)

CEO/Everything Channel Robert Faletta

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PC Universe: E-tailing With A Twist

The road to growth began by taking its experience as a VAR and applying it to retail

By Andrew R. Hickey

Gary Stern is blunt when he talks about the success PC Universe has achieved in just a few short years. The chairman and co-CEO doesn't mix words. Instead, he lays it all on the table and tells other potential e-tailers that there's no secret sauce for success.

"There is no advice [for success]," he said. "It's a difficult game. I'm sorry to say it, but it's experience. It's kind of like saying to someone, 'If I don't know blinds, how do I open a blinds company?'"

But Sterns and PC Universe's president and co-CEO, Thomas Livia, must be doing something right. Between 2005 and 2007 they took PC Universe, a Boca Raton, Fla.-based online technology retailer, to the top of the heap, growing revenue more than 37 percent—jumping from \$25.2 million to \$30.5 million in that two-year period. That growth has earned PC Universe a *CRN* Fast Growth Retailer award.

Stern and Livia said they approached retail cautiously, but used their VAR background as a stepping stone.

"For us, the real thing that led to our growth during that time has been a shift to more of a retail

business, or at least expanding that side of our business," Livia said. "We were always a corporate VAR, in our history. ... But now the Internet has brought us back around to being a pretty substantial player in the retail side. Our secret to our success and that growth was we took the skills that made us a great corporate VAR and started to apply them to the retail environment."

Livia said PC Universe took its knowledge of the channel to build a retail model and an Internet site that taps into resources that other retailers might not be familiar with.

"One of the key things is the fact that we have so many authorizations and certifications from so many different manufacturers that we established by being a VAR to corporate clients," Livia said. "We're able to offer a very wide selection on the Web. I think we have somewhere over 250,000 product SKUs on our Web site. Your typical e-commerce retailer may only have 30,000 or 40,000 because those are strictly the retail/e-tail companies that were brought up that way and maybe haven't gone after the same Cisco authorizations or IBM X-series authorizations that we have. The fact that we have that much wider selection gives us a wider reach, and

our Web site actually produces some very good leads for our corporate team to go after. The Web site becomes a twofold engine for us. It produces revenue, but it also produces strong leads for our corporate division to follow up on."

That edge has helped PC Universe create a completely virtual warehouse model, which has helped the e-tailer slash overhead and focus on aggressive pricing and product breadth, while also making its Web site easier to navigate.

"In a general sense ... we became focused more than

anything on being as lean and mean as possible and being able to scale our business without significant investment in infrastructure," Livia said. "So the virtual model allows us to do that. The fact that we have so many products allows us to do that. Our focus can be on automation. Our focus can be on developing a Web site that's easy to use. Our focus can be on training our people. It doesn't have to be on managing tons of inventory the way a lot of e-tailers have to do."

Being able to take focus off managing inventory and boosting site functionality and keeping prices competitive is what's set PC Universe apart, Stern said.

"Functionality is number one. Ease of use is number two. Or maybe price is number one," Stern said. "I can tell you, a few years ago the functionality, ease of use and speed of our site was actually horrible. We weren't really caring about the Internet. But as soon as we made some of those changes we saw this could actually work. When you really look at certain sites, the functionality—when people go to the site—they want it to be easy to buy, boom!, they can get in and out and it gets shipped and it's a good, good service to them instead of a bad experience. If you really look at most of the e-tailers today, it's a virtual art."

And while in that two-year span between 2005 and 2007 PC Universe has found great success, the next trick, Stern said, is keeping the momentum going.

"We're trying to figure out how to get to that next level ourselves, or plateau," he said. "The big concern of the industry is the economy. I've never said this before and I've been in this industry 20-something years, the economy has really hurt our industry. But, it's one of those industries that people need. It's one of those industries that people can't survive without."



What Makes Ritz Interactive Successful

By Fred H. Lerner



During the early days of the Internet boom, it was easy to get caught up in the euphoria of cyberspace and ignore proven business practices. It wasn't uncommon to hear Internet visionaries denounce making a profit and suggest bottom-line losses were a good thing. It was about selling products below cost and making up losses with advertising.

In April 1999, when Ritz Interactive was founded as an e-commerce network, my goal was to create a company built on a strong foundation of proven business practices while utilizing the new technologies of the day. We focus on these core principles:

Customer-centric organization: At Ritz Interactive we are focused on our customers, so much so that "the customer" is at the top of our organization chart. Our goal is for our customers to have the best possible online shopping experience, so everything we do is with them in mind. We encourage customer feedback and act upon their suggestions.

Zero-based budgeting: We run our business on the simple premise that all initiatives must accomplish at least one of three goals—improve the customer experience, grow revenue or reduce expense. Ideally, the initiative will accomplish all three. Our managers are not restrained by budgets. We are always open to test new technologies, marketplaces and shopping trends.

Quality partnerships: Essential to our success are the partnerships we have established over the years with best-of-breed companies.

Ritz Interactive has had seven consecutive years of profitability and double-digit revenue growth. We are honored to be recognized as one of this year's Fast Growth companies.

Fred H. Lerner is president of Ritz Interactive.



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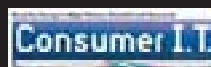
In the UK, contact:

Niamh Hanlon, +44 (0) 207 560 4364, nhanlon@everythingchannel.com
 Dexter Boyce, +44 (0) 207 560 4372, dboyce@everythingchannel.com

In the US, contact:

Lilian Coram, +1 603 471 4231, lcoram@everythingchannel.com

MEDIA PARTNERS



United Business Media



Photos: Gene Fedele

2008 RetailVision Events' mission: To be the premier retail events company providing vendors and prequalified retailers with the unique opportunity to meet face-to-face, establish new business partnerships and gain strategic insight through content delivered by *CRN*, *VARBusiness* and *IPED*.

Key Benefits of RetailVision Events:

- Partnering with the premier retail industry event.
- Growing your business with new and existing partners.
- Access to new technology and partner programs.
- Gaining market intelligence through educational seminars.
- Networking with key industry peers and editors.

Upcoming Everything Channel Events:

XChange Latin America
September 8-10, 2008
Doral Resort Hotel
Miami, FL

RetailVision Middle East
November 3-5, 2008
JW Marriott
Dubai, United Arab Emirates

VisionEvents MES West
September 14-17
Gaylord Texan Resort
Grapevine, TX
Featuring: *Midsize Enterprise Innovation Awards*

Healthcare Summit
November 16-19, 2008
San Diego Sheraton Hotel
San Diego, Calif.

CRN Fast Growth
October 15, 2008
Intercontinental Hotel
Chicago, IL

XChange Tech Innovators
November 17-19, 2008
The Fairmont Hotel
San Jose, Calif.
Featuring: *VARBusiness Tech Innovators Awards*

RetailVision Events Agenda

Day-to-Day Calendar of Events
August 25-27, 2008
The Manchester Grand Hyatt Hotel
San Diego, CA



Monday, August 25

10:00 a.m. - 8:00 p.m.	Vendor Registration
10:00 a.m. - 2:00 p.m.	The Meeting Place Vendor Setup
12:00 p.m. - 8:00 p.m.	Retailer Registration
2:00 p.m. - 3:00 p.m.	The State of CE Retail
3:15 p.m. - 4:00 p.m.	Grand Opening - The Meeting Place
3:15 p.m. - 4:00 p.m.	Everything Channel Test Center
4:00 p.m. - 6:30 p.m.	"INTRO" in The Meeting Place
6:30 p.m. - 8:00 p.m.	Industry Awards Ceremony
8:00 p.m. - 9:30 p.m.	Welcome Reception

Tuesday, August 26

7:30 a.m. - 8:30 a.m.	Retailer Breakfast & Orientation
7:30 a.m. - 8:30 a.m.	Vendor Breakfast in The Meeting Place
8:45 a.m. - 9:30 a.m.	Insight: Fast Growth Retailers/E-tailers
9:45 a.m. - 4:30 p.m.	Service Provider Central (Vendors)
9:45 a.m. - 11:10 a.m.	Private Boardroom Appointments
11:15 a.m. - 12:15 p.m.	"FRESH" (Retailers)
12:00 p.m. - 1:00 p.m.	Networking Luncheon
1:10 p.m. - 1:40 p.m.	Insight
1:45 p.m. - 2:40 p.m.	Private Boardroom Appointments
2:45 p.m. - 3:20 p.m.	Vendor Showcase (Retailers)
3:25 p.m. - 4:25 p.m.	Insight: Keynote
4:30 p.m. - 7:30 p.m.	The Meeting Place: One-on-Ones
7:30 p.m. - 10:00 p.m.	Free Night
10:00 p.m. - Midnight	D&H Late Night Party

Wednesday, August 27

7:30 a.m. - 8:30 a.m.	Retailer Breakfast & Announcements
7:30 a.m. - 8:30 a.m.	Vendor Breakfast in The Meeting Place
8:45 a.m. - 9:30 a.m.	Insight: Warranty Dos and Don'ts
9:40 a.m. - 4:30 p.m.	Service Provider Central (Vendors)
9:40 a.m. - 11:55 a.m.	Private Boardroom Appointments
12:00 p.m. - 12:30 p.m.	Keynote: "Vendor Of The Year"
12:30 p.m. - 1:15 p.m.	Networking Luncheon
1:30 p.m. - 2:00 p.m.	Keynote: "Retailer Of The Year"
2:10 p.m. - 3:40 p.m.	Private Boardroom Appointments
3:45 p.m. - 4:30 p.m.	Insight: Emerging Technologies
4:30 p.m. - 6:30 p.m.	The Meeting Place: One-on-Ones
6:30 p.m. - 7:00 p.m.	CRN Test Center Awards
7:30 p.m. - 8:00 p.m.	Pre-Awards Cocktail Reception
8:00 p.m. - 9:30 p.m.	"Best of Retailvision" Awards Gala
9:30 p.m. - Midnight	Ingram Micro After Awards Party



EVENTS CALENDAR 2008-2009



CHANNEL EVENTS

IT CHANNELVISION: GOVERNMENT EDITION

December 7 – 9, 2008

Westin Diplomat Resort, Hollywood, Florida
itchannelvision.com/gov

RETAILVISION

North America and Latin America

August 25 – 28, 2008

The Manchester Grand Hyatt, San Diego, California
retailvision.com

April 27– 30, 2009

Boca Raton Resort, Boca Raton, Florida

Middle East

November 3 – 5, 2008

JW Marriott® Hotel Dubai, Dubai, United Arab Emirates
retailvision.com/europe

Europe

May 18 – 20, 2009

Le Palais des Congrès de Paris, Paris, France

CRN FAST GROWTH

October 16, 2008

Chicago, Illinois
cmpxchange.com/crnfg

XCHANGE LATIN

September 8 – 10, 2008

Doral Golf Resort & Spa, Miami, Florida
cmpxchange.com/xla08

XCHANGE SOLUTION PROVIDER

March 8 – 11, 2009

Sheraton New Orleans, New Orleans, Louisiana
cmpxchange.com/xsp09

XCHANGE TECH INNOVATOR

November 17 – 19, 2008

Fairmont Hotel, San Jose, California
cmpxchange.com/xti08

END-USER EVENTS

HEALTHCARE SUMMIT

November 16 – 19, 2008

San Diego Sheraton Hotel and Marina
San Diego, California
healthcaresummit.com

MIDSIZE ENTERPRISE SUMMIT

midsizeenterprise.com

North America

WEST: September 14 – 17, 2008

Gaylord Texan Resort & Conference Center
Grapevine, Texas

EAST: May 3 – 6, 2009

Doral Golf Resort & Spa
Miami, Florida

WEST: September 13 – 16, 2009

Hyatt Century Plaza Hotel
Los Angeles, CA

Europe

Oct. 20 – 22, 2009

Citywest Hotel
Dublin, Ireland

PRINT & IMAGING SUMMIT

December 3 – 5, 2008

Hyatt Regency Coconut Point, Bonita Springs, Florida
print-imagingsummit.com

December 6 – 8, 2009

Hyatt Regency Century Plaza Hotel
Los Angeles, California

PROJECT & PORTFOLIO MANAGEMENT SUMMIT

Europe

December 3 – 5, 2008

Austria Trend Event Hotel Pyramide
Vienna, Austria
ppmsummit.com

June 14 – 17, 2009

Location TBD

Q&A With Vendor Executive Of The Year, Nokia Director Of Retail Channel Sales Robert Pignataro

Everything Channel spoke with Nokia North America Director of Retail Channel Sales Robert Pignataro about the mobile device behemoth's aggressive retail strategy and domination of the handset market. The company's breadth of product and technology leadership captured Nokia the Vendor of the Year honor at the RetailVision show, which is owned by CRN parent Everything Channel. Pignataro, who has 20 years of retail experience in North America, is being honored as Vendor Executive of the Year.

EVERYTHING CHANNEL: Talk about Nokia's success in the retail channel. What's the secret?

PIGNATARO: Our success in the retail channel is focused on the fact that we have a billion Nokia users worldwide right now. We have more consumer insight than any other company in the world. We studied more than 64,000 consumers in 20 markets, and that goes from emerging markets to developed countries. As a result of that data, we're bringing products and services to market that appeal to a wide variety of consumers. And our retailers see value in that.

EVERYTHING CHANNEL: Who are some of Nokia's biggest retailers?

PIGNATARO: You're going to see Nokia's products in thousands of points of sale as we move into the holiday season, a variety of big-box customers in the U.S. We have more than 350,000 points of sale globally. We're trying to bring the success that we've experienced and a retail/merchandising marketing expertise to the U.S. consumer. The U.S. is a very challenging market. It's unique in a lot of ways, not only in terms of points of sale, but in terms of U.S. consumers' use of their devices. We know that's changing; we're helping to drive that change. As such, we're going to have a full, large deployment of Nokia devices coming in the fourth quarter at major retailers—regional, independent and national.

EVERYTHING CHANNEL: How does Nokia's strategy of broad, deep coverage in the U.S. retail market differentiate you from some of your competitors?

PIGNATARO: The market is evolving. You've got the convergence of the Internet, mobility, context awareness; this is changing the way people communicate. We know from N-series research at the high end that voice is only 12 percent of the total use of the device. People are Web browsing, they're e-mailing, they're using GPS and their music. Nokia is looking beyond the device portfolio, which in itself is very broad; we launch dozens of devices every year, from unlocked devices to carrier devices. But we're looking behind the device and saying, "How do we evolve the usage of your handset into these areas to connect people with their passions and their interests anywhere?"

EVERYTHING CHANNEL: Talk about the innovation that is part of the Nokia brand.

PIGNATARO: What you're going to see emerging as we approach the end of the year and into 2009 is really the further development in the U.S. of the Ovi brand, and Ovi.com is really your personal dashboard to life. It's not only a brand for Nokia services, it's an umbrella for a collection of Nokia as well as third-party Internet services. We're not a closed system. If you want to use Share on Ovi, or if you want to use Nokia N-Gage or Nokia Navigation Services, you can do that. But if you want to do third-party applications, for example Flickr instead of Ovi Share, we enable you to do that. If you want to use a different service than Nokia offerings, you can do that as well. So we're not limiting the consumer or the retailer to our brand, although we feel like we have a very strong services suite. So the development further of Ovi beyond what we have today, which is essentially Share on Ovi that went live a few months ago, enables you to upload your content or images so you can interact and collaborate around your personal media. You have the Ngage platform, which is new and improved for all of your gaming. And then, of course, you have our navigation services that have been very popular here in the U.S.

EVERYTHING CHANNEL: What are some of the key differences Nokia brings to its retail strategy?

PIGNATARO: It's the combination of the compelling device and then the service that goes along with it. Two devices that come to mind are the upcoming launch of the N96, which gives the consumer the opportunity for the best video experience, up to 24 Gigs of memory in the device, along with a 5-megapixel camera, music player, e-mail and GPS. We just launched the E71, which is the world's thinnest QWERTY device. It supports e-mail for more than

1,000 ISPs including Gmail, Yahoo and Hotmail, as well as corporate e-mail solutions. And the list goes on. We have these multiple devices that appeal to specific consumer segments that also represent non-compromised convergence. If you want it to be a camera, it's the best camera you have in your pocket. If you want to navigate, it's your best navigation solution. Then you can do all these other things including communicate via e-mail, browse the Web and upload content to our Ovi site.

If you take the combination of these devices and then you add in the services suite, I think that's really what differentiates us at the point of sale. We have a compelling field force that stands behind the product and is continually doing training and call coverage, so we have the best-in-class training and call coverage to support the devices and services.

EVERYTHING CHANNEL: Talk about the strategy to provide openness, which is a Nokia hallmark.

PIGNATARO: We want to leverage our brands to the extent that we can. We feel we have a very strong brand presence globally, and that's

why we're rolling out the suite of Nokia services. But we understand that the Internet is a very open place and as we evolve into this Internet company you have to give consumers the ability to do what they want, when they want to do it. In order to do that, you need to be open and that openness translates into allowing third-party applications. The Series 60 or Symbian platform is completely open to our development community, and there are tens of thousands of applications that you can go out as a consumer and load onto your open or unlocked device as you see fit. We also know that our operators are very important to us and we provide them a suite of solutions that they can incorporate or leverage as part of their total Nokia offering.



New Communication: *Internet, mobility, context awareness converge.*

One-On-One With Retail Executive Of The Year, Micro Center Vice President Kevin Jones

Everything Channel spoke with Micro Center Vice President Kevin Jones about the retail chain's razor-sharp customer focus and stunning 148 percent growth rate over the past two years, putting it at the top of the *CRN* Fast Growth Retailer list. Micro Center is being honored at this week's RetailVision show, which is owned by *CRN* parent Everything Channel, as Retailer of the Year. Jones himself is being honored as Retail Executive of the Year. Those honors come upon many others, including a recent *Boston Magazine* award for Best Electronics Retailer. Below are excerpts from the interview with Jones.

EVERYTHING CHANNEL: You've had an incredible run over the last several years. You've grown at 148 percent. What has allowed Micro Center to grow so fast in what is an intensely competitive industry?

JONES: I think what we found is that about four or five years ago we did a deep dive understanding of our customers' buying behavior and we called it "autopsy without blame." Our goal was to really survey and take a look at the sales history and sit one one-on-one with customers and really understand where they were shopping. What were they shopping for? What were their interests? How had their interests changed over time? And that process took us a good part of a year. The advantage that we had was at the time my president and CEO was able to really take charge of that without running the day-to-day operations as we had another gentleman in place. So there was someone else running the day-to-day operation while [Micro Center Chairman, President and CEO] Rick [Mershad] did this really huge, intense deep dive into understanding our customer.

What we found was good information and not-so-good information. Fact be known we had kind of lost sight, we believe, of some of the market and the need to be competitively priced even though we offer a very robust service environment. The feedback we got was, "Your prices are higher than what we thought was reasonable." That was one of the feedback

pieces. On the other side, the feedback was, "We love your service. We love your people." So the deep dive showed they liked the shopping environment, but they felt that our pricing was not as competitive as some of the other folks out there. So we had lost some of our big-purchase sales.

To us, one of our economic engine-driving sources is owning the box—and the box could be the PC, the box could be the TV, or the box could be the game console. The box is a number of items and once you own that you now have a customer you can cultivate and show accessories and optional items to and build a relationship with. That is probably our biggest difference with most retailers is that we have a very unique relationship with the customer, almost one-to-one. We have all their purchase history for 20 some years. We have e-mail addresses on about 90 percent of them. We have the home addresses on over 90 percent of them and we have that one-to-one relationship. Whereas other retailers six years ago were spending a lot of money acquiring new customers, we spent a lot of money nurturing the customers we had.

EVERYTHING CHANNEL: So what were some of the take-aways you guys quickly put into place?

JONES: One was we all sat in a room and talked about the data together—the people responsible for it, myself included, that were responsible for the not-so-great results and those people that were

new to it. So it was a combination of new and past [executives]. At first the natural tendency is to try to explain yourself—"Well, I did this because of this and I did that because of that."

Now I realize that his only goal from that whole transformation to understand the customer was to better the organization and to make us stronger. If we didn't understand our strengths and our weaknesses, we wouldn't be able to move forward.

The things we found out are: One, we didn't have product at the appropriate price. Two, we didn't spend as much time trying to find product that provided unique solutions to our customer as we did product that we could get vendors to help support with marketing and back-end funds and other things. So we were probably more concerned with the economic part of the buy and not the actual philosophic buy as to why a customer buys what they buy. So we worked a lot on the economics and a lot on making the right buy and less on presenting the right mix of product. We call it "wide relevant assortment." Anybody can have a wide assortment. You can have 16 items that do almost the exact same thing at various price points or you can have a variety of price points that provide relevant offerings from the low end all the way up to the most advanced product. So we spent a lot of time looking at our mix and asking, "Is this really a customer-centric mix or is this an economic mix that looks good for the books?"



Relationship Building: 'Owning the box' is key for Micro Center, says Jones.

EVERYTHING CHANNEL: Talk about some examples of the services that Micro Center provides.

JONES: I would start by pointing to a TV investigative news piece [that rated Micro Center technical support as the only company in a field that included Best Buy and Circuit City that fixed a computer appropriately]. We have performance measurements on every area of our company. If you look at the Geek Squad and Firedog performance criteria, and I am just guessing from the outside looking in, it is about how much did you sell at that front end when you "helped the customer;" it is about how much did you get out of the customer; how much profit was in it; and what was the profitability for that transaction. I'll bet you that is how they are measured. My measurement criteria for that same front-end experience has nothing to do with profitability. Not at all. It is: Did the customer get a good service experience and did they leave as happy as they could and as satisfied as they could? And all of those criteria around that are about the customer experience. None of which points to, "Did you sell them an add-on service contract?" Those things happen, but they happen for all the right reasons, not the wrong reasons.

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Nokia's Pignataro Makes The Connection

continued from page 3

Paraphrasing a line from "The Economist," Pignataro said: "The mobile phone is most likely going to carry the dream of personal computing to its conclusion."

Along with its broad portfolio of devices, Nokia is looking at key services to move beyond being just a phone manufacturer. Through its Ovi Internet services platform—Ovi is Finnish for "door"—Nokia is creating a portal that gives users access to services such as maps, music, games, video and a dashboard to share photos and other media. "Everything you can do on your laptop on the Web, you can do on your device," he said.

And with the Internet services

market poised to hit \$140 billion by 2010, Pignataro said Ovi opens the door for retailers to get in on this massive market.



Open Ovi: Nokia has eye on key services, says Pignataro.

Retailers will not only be able to offer the Nokia devices as "transaction-based," but also add in subscription services and a host of other features to offer their customers a complete experience and context to Internet services. That creates an opportunity for retailers to offer products that merge what consumers use into one platform that combines what they use the Web and mobile devices for.

"There's a projected and continuous evolution of technology as a part of your life instead of just having the latest and greatest," he said.

Micro Center: Team Effort

continued from page 3

want access to information and support, but they don't want to pay for it," he said.

As such, the new stores feature a Knowledge Bar that resembles a coffeehouse where customers can sit down and get unlimited free technical support face-to-face from Micro Center technical experts. "It's social networking in the store," he said.

Jones pointed out that Micro Cen-

ter's emphasis on brick-and-mortar and direct contact with the customer is part of what he calls a "Y" in the road separating those retailers focused on long-term value vs. those betting on low quality and low price.

He said Micro Center is betting that current customer optimization, laser-focused marketing and salesperson-assisted sales will keep it a step ahead of competitors.

He noted that there is a place in the market for the low-cost, low-touch retailers as well as high-end, high-touch ones. But he predicted that retailers caught in the middle between the two extremes would face difficulties.

"I see a challenge for the tweens, those that fall in the middle," he said. "The consumer is confused. They don't know what to do. It's hard to produce any brand loyalty from that consumer if you're not sending a definitive message about who you are."



Star Turn: Kevin Jones happily accepts his award from Everything Channel's Steve Burke.

CA Making A Difference For Kids



Safety First: CA is raising awareness for the security of children, teaming with well-known missing-child advocate John Walsh. With every purchase of CA's Internet Security Suite Plus, \$1 will be donated to a cause to protect our kids. Pictured (front) is CA VP of Channel Sales Richard Benigno.

Test Center's Best In Show

continued from page 1

Test Center editors awarded the Silver medal to Vuzix, Rochester, N.Y., for its iWare VR920 video eyewear gaming device. The VR920 is worn like sunglasses and provides brilliant 3-D and headtracking video in addition to audio. The product, which is retail-priced at \$399.95, provided a snappy live demonstration during the Best in Show program; editors also believe it provides a revenue opportunity for retailers that position it near gaming PCs or consoles.

Winning the Bronze medal was Battery-Biz, Camarillo, Calif., for its Duracell Instant Power Charger—a battery charger for devices including MP3 players, cell phones or BlackBerries. The Power Charger, retail-priced at \$29.99, is built with Li-Ion technology, and the company says it can be recharged as many as 600 times from a laptop or USB power source. It can both power and, simultaneously, charge many of the devices with which it integrates. Test Center editors like the device for its utility, functionality and price—and consid-

ered its potential attraction for almost anyone who needs power on the go.

The Best in Show live demonstrations, conducted by Test Center editors, took place each day during RetailVision 2008 and included a look at products from Headplay, with its Headplay Personal Cinema System; Nokia, with its N78 smartphone; Lifeworks Technolo-



The Silver Goes To: Vuzix's Mike Hallett, who proudly shows off his RetailVision award.

gy Group, with its Computer Keyboard with iPod Dock; Antec, with its Veris Multimedia Station; DMTechnology with its DMtechnology Starry 7 Internet radio; and Virtual Land, with its MP5 player. Companies that took part agreed to have their products demoed live and reviewed by Test Center editors.

How To Overcome Warranty Obstacles

Panelists say that in the end, it's all about living up to the promises that are made

By Stefanie Hoffman

For many customers, a product warranty means extra money, lots of headaches and service that doesn't live up to what's promised. In the panel discussion "Warranty Dos and Don'ts," moderated by Everything Channel's Craig Zarley, three panelists outlined ways to overcome some of these challenges.

"[Warranties] tend to be overpriced. The service isn't great. That fundamentally has to change," said Steve Abernethy, president and CEO of Square Trade.

As consumer electronics have come down in price, customers are hesitant to buy a warranty that equals a large percentage of the product's value, panelists said. "The pricing has been out of hand," said Ahron Schachter, director of new product placement and merchandise at Adorama. "It's hard to imagine spending \$200 for a \$500 purchase."

Schachter also cited the lack of training for sales associates. "You have replacement warranties, repair warranties, extended warranties. The customer does not know the difference between these three sometimes," he said. "If there is training for the sales associates, these issues would definitely be gone, and not only that, they'd make money selling the product."

In addition, panelists said as more customers shop online, warranties get overlooked. "The online retailer is facing a very different dilemma. Traditionally warranties are sold



A Panel Of Mr. Fix-Its: *The discussion, moderated by Craig Zarley, touched upon challenges such as warranties' high price, the lack of sales associate training and the fact that warranties often get overlooked in e-commerce.*

by salespeople," said Abernethy. "Online you do not have a salesperson, and warranties don't sell because of that."

However, there are a few simple solutions, panelists said.

Mike Kelly, vice president of sales at AMT Warranty, said incentives have to be implemented to make the warranty purchase worthwhile. "You want to make it very simple," he said. "You want to give them high levels of features and benefits. I don't think it is an accessory. It's a very real product."

Finally, customers need to be able to trust that both the warranty company and the retailer will adhere to the guarantees made. "At the end of the day, fix the product," said Kelly. "If we can't fix it, we're going to replace it."

RetailVision Best

continued from page 1

scooped up by SlingMedia, which stormed in with its line of products designed to connect users to video content anytime, anywhere.

Of the seven vendors that showed off the latest and greatest technologies that are ready for retail during the "Fresh" event, retailers picked DMTech as the best Fresh vendor. The best new technology award was presented to DMTech for its golf-ball-size wireless camera that can be linked to a computer via USB for playback.

Kotra took home the award for best new technology for its line of privacy screen filters for laptops and smartphones and its portable presentation tablet PCs with dual vision screens.

When it came to service providers, retailers voted AppArt the top of the heap for its graphic arts production services and digital asset management solutions.

And from the Latin American arm of RetailVision, Western Digital Technology took home the awards for best Latin American vendor and the best Latin American retail strategy for its data storage offerings.

Best Of RetailVision Awards

Honoring the best and brightest from RetailVision



Winners At RetailVision North American Spring 2008

CATEGORY	NOMINEES	WINNER
Best Hardware Product:	Nokia, OOO, Western Digital, Zoombak	Nokia
Best Peripheral Product:	IOGEAR, Maverick Systems, NeatReceipts, Western Digital, WOW Technology	IOGEAR
Best Accessory Product:	Built NY, Dr. Bott, IOGEAR, NeatReceipts, WildCharge	IOGEAR
Best Digital Home Product:	Monsoon Multimedia, Sling Media, Vudu, Western Digital	Vudu
Best New Technology:	Heavy Digital, Mojo Mobility, Vuzix, WildCharge, Zoombak	WildCharge
Best Merchandising:	CPG, Dr. Bott, NeatReceipts, IOGEAR, Western Digital	IOGEAR
Best Retail Strategy:	CPG, IOGEAR, WebCollage, Western Digital, Woot	CPG
Best Presentation:	CPG, IOGEAR, Marware, Mio Technology, Defender	CPG
Best Service Provider:	GET Marketing, SPA, EchoData Group, Ingram Micro	GET Marketing
Best Vendor:	IOGEAR, NeatReceipts, Nokia, Western Digital, Woot	Western Digital
Best Latin American Retail Strategy:	Lowepro, Western Digital, Visual Land	Western Digital
Best Latin American Vendor:	Wacom, Western Digital, Visual Land	Visual Land

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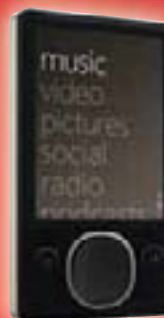
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