

THINK RETAIL THINK VERDICT



UK Electricals Retailers 2008

Gaming drives growth in ailing market

Published: November 2008
Reference Code: DMVT0485
Report Price: £1,795/€2,595/\$3,450

About Verdict Research

Authorative analysis...

Verdict's analysts and consultants work closely with retailers, suppliers, consultancies, investment banks and property companies to identify the key issues, sector and company data and strategies driving the changing retail market.

Our research identifies how retailers can enhance product, store and brand performance as well as the factors that determine future retail success. Our specialist in-store auditing team continuously collects price and product data across locations, brands, fascias, ranges and retail sectors.

Rigorous research methodology...

Our in-house retail expertise and rigorous research methodology ensure our reports provide complete and accurate analysis of the major players, issues and trends together with a detailed examination of the strategic implications for the retail market.

For key players in the retail industry, our reports are the first source of information on sector forecasts, retailer performance, store and product portfolio developments and trading strategy.

Global, European and UK analysis across nine core sectors...

Verdict Research reports covers nine core sectors, five year forecasts, strategic issues, key locations, How Britain Shops consumer surveys and the main European retail markets. Also available are a daily news service, weekly newsletter and tailored consultancy portfolios to suit individual business information needs.


Over 20 years of experience...

Verdict Research is the UK's leading authority on retailing and publishes unrivalled independent analysis of the retail industry. With over 20 years' experience, Verdict has close relationships with major UK retailers and access, at the highest level, to key executives working in the top 300 retailers to hear their first hand views. Verdict reports provide clients with a complete picture of the retail sector and unique forecasts to help UK retailers, manufacturers, service suppliers, city analysts, consultants and the media with strategic planning.

A key source for independent analysis and comment...

Verdict Research is regarded as a key source by the BBC, ITV, Sky News and the UK's leading broadsheets including the FT, Times, The Independent and Daily Telegraph. Leading trade publications often refer to Verdict's opinion and research including Retail Week, Drapers, DIY Week, Cabinet Maker and The Grocer.

In addition Verdict regularly appears in the international media. News sources quoting Verdict analysts and data include CNN, the International Herald Tribune, The Australian, Los Angeles Times, and New York Times.



"Verdict are the company of choice for any research analysis and insight into retailing"

Sir Stuart Rose
Executive Chairman
Marks & Spencer

UK Electricals Retailers 2008

Gaming drives growth in ailing market...

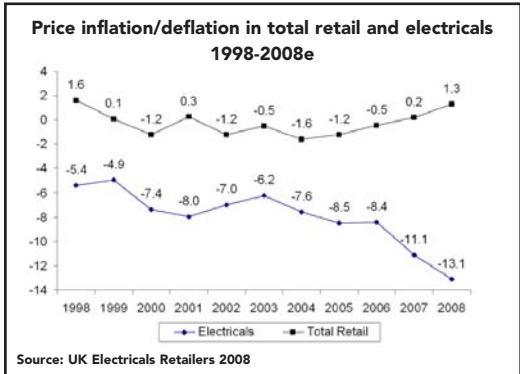
Over the last 10 years there has been an explosion in the volume of electricals goods owned by a typical UK household. They have enthusiastically bought each wave of new technology, rewarding specialist and non-specialist retailers alike. But after years of feast the new product pipeline is running dry and retailers are having to work much harder to achieve sales. The pressure on retailers is made all the more acute by the sudden downturn in UK consumer demand.

This new report published by Verdict Research analyses key UK electricals retailers in-depth, providing market shares, market sizes and forecasts for the full year in 2008. It also details important measures for benchmarking and forecasting including key operating statistics and distribution channels.

8 Key Retailers Profiled

Argos	Game
Asda	Jessops
Comet	John Lewis
DSGi	Tesco

Benchmark the performance of the UK electricals market and understand the key issues and drivers of the market and the strategies needed to succeed with this new report...



"High levels of price deflation are endemic in the electricals sector. The majority of new products are introduced at high price points to maximise the profitability from early adopters, who are willing to pay more to obtain these cutting edge technologies. As volume supply starts and manufacturers aim to penetrate the market, prices quickly fall..."

- **Quantify key retail trends and future opportunities** with this report's company profiles detailing retail proposition, marketing and operations analysis and market outlook and five year trends in market share, sales, profits, sales densities, space allocation, space growth and store portfolios.
- **Benchmark your competitive strategies against those of the leading UK electricals retailers** using the company profiles contained in this report for Argos, Asda, Comet, DSGi, Game, Jessops, John Lewis and Tesco.
- **Assess the growth potential and the challenges facing the key electricals retailers** with this reports in-depth analysis of market drivers, key issues and outlook.
- **Develop more effective strategic responses** using this report's actionable recommendations for how retailers must cope with the changing electricals retail market.

UK Electricals Retailers 2008

This report answers key questions including...

- What are the key drivers of growth in the UK electricals retailing market?
- How fast are online sales of electricals growing?
- Which sub-sectors have outperformed the UK electricals market in 2008 and which have struggled?
- How should UK electricals retailers respond to the downturn in consumer confidence?
- What are the prospects for non-specialist retailers in electricals?

Key Category Data 2003/08e

Audio-visual

Information processing equipment

Games consoles & software

Photographic goods

Large white goods

Small white goods

Telecoms

Key issues examined in this report...

Advantages and challenges facing Best Buy in the UK

Advantages	Challenges
<ul style="list-style-type: none"> • Exceptional levels of customer service • Significant levels of dissatisfaction with existing electricals retailers • Knowledge and research into UK electricals market • Strong own brand range • Timing – potential to grow into a recovering market 	<ul style="list-style-type: none"> • Limited site availability will make organic growth slow • High cost of land compared with North America • Weak market conditions • Key competitors raising their game

Source: UK Electricals Retailers 2008

"On 8 May 2008, Best Buy, a leading North American electricals specialist, bought a 50.0% share of the Carphone Warehouse's retail business.

Best Buy's move followed two years of collaboration. Carphone Warehouse has assisted Best Buy with its specialist in-store mobile phone offer in the US while Best Buy has returned the favour, introducing its after-sales support service, the Geek Squad to Carphone's European stores..."

- **New Competition.** Unlike many British retailers 'Best Buy' is respected for its high quality service, which it believes is becoming more important than price or convenience to customers. 'Best Buy' also uses a truly customer centric ethos to deliver on service with staff motivated through team rewards rather than individual commissions. Another 'Best Buy' asset is the strength of its private labels – its Insignia brand is the biggest selling TV brand in the world. As such it puts pressure on other retailers to improve their service credentials.
- **Multichannel Retailing.** The development of multichannel operations is a key tactic for physical electricals specialists to serve customer demands more effectively. The need to do this is given added urgency by the launch of direct multichannel non-food services by Tesco and Asda.
- **Specialists' margins.** Faced with a bleak outlook for demand and rising operating costs, cost reduction programmes have become an ever more important focus for electricals specialists. The issue for them is how to achieve cost savings while at the same time delivering an improved customer experience in an intensely competitive market.

UK Electricals Retailers 2008

Pages 213

Figures 26

Tables 90

Chapter 4: Outlook - Technology Pipeline Dries Up

- Over the last three years, the pipeline of new technologies has been very strong with many significant advances in the audio-visual, gaming and personal computer sector. These new products have been a main driver of robust growth rates in the electricals sector. These products can provide a stimulus to encourage customers to replace their older products. These new products may also serve a need such as capitalising on newly available services to obtain higher quality results and to generate time or energy savings.
- However, in 2008, this pipeline has substantially dried up with no significant advances in electricals. Instead, there have only been marginal upgrades of existing technologies such as larger screens on HD-TVs and larger capacity games consoles & MP3 players. This, combined with customers being more careful with their money, has left all of the non-gaming sectors of the electricals market struggling to achieve value growth.
- Currently, the main driver behind buying electricals is replacing products as the need arises. Even then, the focus is often squarely on price with consumers needing to be persuaded to trade up to premium products. Having spent heavily on consumer electronics in recent years, consumers are waiting for the next wave of technologies to come through and for economic conditions to improve before committing to further electricals purchases.
- Therefore a key question is when will the next wave of new technologies hit the market? Verdict believe that the electricals pipeline will regain its strength towards the end of 2009 and the start of 2010. While some new technologies will be released before then, they will not have the same 'must have' allure of the technology launches of recent years and in a tough market will have their price points eroded more quickly than previously.
- One of the most promising product launches will be Organic Light Emitting Diode (OLED) TVs, which will feature even flatter screens and lower energy consumption. Also, the launch of the new Microsoft Windows operating system due in early 2010 will stimulate demand for more powerful computers that can run the system.
- With economic conditions beginning to improve by 2010, price may not be the overriding consideration when buying electricals. Other aspects such as energy efficiency and aesthetics will play a bigger role in the purchasing decision. Environmentally friendly white goods may be a particular growth area as customers' concerns about the environment and rising utility bills could stimulate demand for such products.

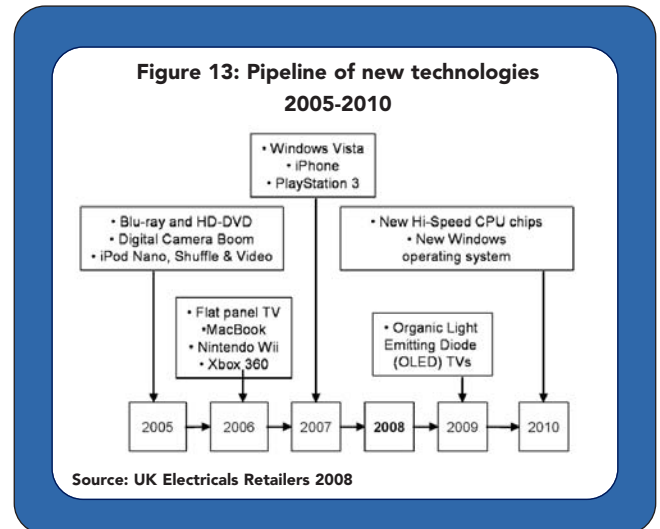


Table of contents

UK Electricals Retailers 2008: Gaming drives growth in ailing market...

CHAPTER 1: EXECUTIVE SUMMARY

- Key Findings
- Main Conclusions

CHAPTER 2: MARKET ANALYSIS

- Definitions
- Key Drivers
- Overview
- Expenditure Analysis by Sub-sector
- Brown Goods
 - Audio-visual Equipment
 - Games Consoles & Software
 - Photographic & Optical Equipment
- White Goods
 - Major Household Appliances
 - Minor Household Appliances
- Grey Goods
 - Telephone & Fax Equipment
- Electricals Specialists
- Channels of Distribution

CHAPTER 3: COMPANY DATA ANALYSIS

- Market Shares
- Operating Statistics
- Space Allocation
- Advertising Spend

CHAPTER 4: OUTLOOK

- Prospects for Best Buy in the UK
- Spectacular Rise of Gaming
- Technology Pipeline Dries Up
- Importance of Multichannel
- Margins Still Under Pressure

CHAPTER 5: ARGOS

- Company Overview & Market Shares
- Trading Record
- Store Portfolio
- Retail Proposition
- Outlook

CHAPTER 6: ASDA

- Company Overview & Market Share
- Trading Record
- Store Portfolio
- Retail Proposition
- Outlook

CHAPTER 7: COMET

- Company Overview & Market Share
- Recent Trading
- Store Portfolio
- Retail Proposition
- Outlook

CHAPTER 8: DSG INTERNATIONAL

- Company Overview & Market Shares
- Trading Record
- Store Portfolio
- Retail Propositions
- Outlook

CHAPTER 9: GAME GROUP

- Company Overview & Market Share
- Recent Trading
- Store Portfolio
- Retail Proposition
- Outlook

CHAPTER 10: JESSOPS

- Company Overview & Market Share
- Recent Trading
- Store Portfolio
- Retail Proposition
- Outlook

CHAPTER 11: JOHN LEWIS

- Company Overview & Market Share
- Recent Trading
- Store Portfolio
- Retail Proposition
- Outlook

CHAPTER 12: TESCO

- Company Overview & Market Share
- Recent Trading
- Store Portfolio
- Retail Proposition
- Outlook

CHAPTER 13: MAIL ORDER RETAILERS

- Overview
- Littlewoods Shop Direct Group

Table of contents

UK Electricals Retailers 2008: Gaming drives growth in ailing market...

CHAPTER 14: MANUFACTURER RETAILERS

- Overview
- Apple Stores
- Bang & Olufsen
- Panasonic
- Sony

CHAPTER 15: MOBILE PHONE RETAILERS

- Overview
- Carphone Warehouse
- Phones4U
- Network Operator Stores
- Outlook

CHAPTER 16: ONLINE ELECTRICALS RETAILERS

- Overview
- Pureplay Retailer Comparison
- Amazon (www.amazon.co.uk)
- Dabs (www.dabs.com)
- Empire Direct (www.empiredirect.co.uk)
- Outlook

CHAPTER 17: SMALLER ELECTRICALS SPECIALISTS

- Overview
- Maplin Electronics
- Richer Sounds

CHAPTER 18: GLOSSARY

- Financial Statistics - VAT
- Trading Profile
- Physical Development
- Abbreviations

TABLES

- Electricals market definition 2008
- Electricals market – key drivers 2008/09
- Total consumer expenditure on electrical goods 1998-2008e
- Expenditure 2003-08e
 - Audio-visual goods
 - Games consoles & software
 - Photographic & optical equipment
 - Major household appliances
 - Minor household appliances
 - Information processing equipment
 - Telephone & fax

- Electricals specialists sales, stores & space 2003-08e
- Electricals channels of distribution 2003 & 08e
- Electricals retailers market shares 2003-08e
- Electricals specialists space allocation to brown, grey & white goods (Comet, Currys, PC World, Game, Jessops, John Lewis, Tesco & Asda) 2008
- DSGi & Comet advertising spend 2004-07
- DSGi & Comet advertising spend by media 2007
- SWOT analysis of manufacturer branded stores 2008
- Online electricals sales 2003-08e
- Who do online electricals shoppers buy from? Oct 2007
- Comparison of pureplay electricals specialists 2008

FIGURES

- Price inflation/deflation in total retail & electricals 1998-2008e
- Electricals market composition 2008e
- Electricals sub sector shares 2003/08e
- Share of electricals market 2003/08
 - Audio-visual goods
 - Games consoles & software
 - Photographic & optical equipment
 - Major household appliances
 - Minor household appliances
 - Information processing equipment
 - Telephone & fax
- Advantages & challenges facing Best Buy in the UK
- Total growth in the electricals market with & without gaming 2005-10
- Pipeline of new technologies 2005-10
- Consequences of a click & collect offer 2008
- Factors affecting profit margins 2008
- Argos market share performance 2003-08e
- Asda electricals market share performance 2003-08e
- Comet market share 2003-08e
- DSGi UK market share performance 2003-08e
- DSGi UK market shares by retail brand 2003-08e
- Game Group market share performance 2003-08e
- Jessops electricals market share performance 2003-08e
- John Lewis electricals market share performance 2003-08e
- Tesco electricals market share performance 2003-08e
- Apple Retail UK market shares 2003-08e
- Smaller electricals specialists market shares 2003-08e

*Please refer to our website www.verdict.co.uk for up-to-date prices

I would like to order the following report(s):

Please enter the title of the report(s) below*

Please circle your currency

_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____
_____	(£/€//\$) _____

Complete your contact details:

Title: Mr/Mrs/Ms _____ First Name _____

Last Name _____

Job Title _____

Company _____

Address _____

City _____ State/Province _____

Country _____ Post Code/ZIP _____

Email Address _____

Telephone Number _____

Fax Number _____

ALL FORMS MUST HAVE A SIGNATURE TO CONFIRM YOUR ORDER:

Signature _____

Complete your payment details:

Please indicate your preferred currency option: UK£ EUR€ US\$

Total value of my order is _____

I will forward a check payable to Verdict Research Limited

Please invoice my company (please complete invoice address below)

I would like to pay by bank transfer (email address required)

Please debit my credit/charge card: Amex VISA Mastercard

Cardholder/invoice address _____

Cardholder Name _____

Card No _____

Expiry Date _____ / _____

Cardholder/invoicee Signature _____

EU companies (except UK) must supply VAT / BTW / MOMS / MWST / IVA / FPA number : _____

Purchase Order Number (if required) _____

How to contact us:

Verdict Research Limited, 119 Farringdon Road, London, EC1R 3DA, United Kingdom.

marketing@verdict.co.uk

+44 (0) 20 7551 9750

Web Order

By completing this form you agree that the data in the form will be used for the purpose of processing your order. We may also use your data to keep you informed of Verdict's products and services. As an international organization, Verdict may need to process your data internationally, including in countries which do not have data protection laws, or which have standards lower than the European Union. Verdict, however, seeks to protect your personal data. You have a right to see and correct your data by writing to us. Sometimes a fee is payable. For queries about this contact retail@verdict.co.uk. Please tick the relevant box(es) if you would not like Verdict to contact you by:

Post Email Fax Phone

Occasionally, our client list is made available to other companies for carefully selected correspondence. Please check here if you do not wish to receive such correspondence by:

Post Email

This order is subject to our standard terms and conditions, a copy of which is available on request.