Retail Observer

September, 2011

AN EYE ON THE INDUSTRY SINCE 1970

Vol. 22, Issue 9





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NOTE: Not all features are available on all models. Visit whirlpool.com for product details and specifications by model.

**Based on energystar.gov published annual energy usage of Whirlpool® resource-efficient models versus competitive dishwashers MSRP \$749 and below. †Compared to a conventional dishwasher manufactured before 2006. ††Compared to previous wash system. ®Registered trademark/™Trademark of Whirlpool, U.S.A. ©2011 Whirlpool Corporation. All rights reserved. WPD12230 | whirlpool.com

Lower Your Expectations... Really?

wice in the last week, this very topic has come across my desk and challenged my thinking. "Lower your expectations" is not a suggestion that I can take lightly. It challenges everything I believe in and strive for. I like to encourage others to raise the bar and shoot high. What you dream, you can achieve, etc. That said, you can understand my trepidation with this concept.

If you always strive to do your best and expect the same back from others, you may be struggling with disappointment from the actions of friends, family, or coworkers. I urge you to retain your own high expectations for yourself, but you may benefit from lowering your expectations of others, just a bit, to reduce your disappointment.

In Zeke Camusio's article "You want to be Happier? Lower Your Expectations", he said "Happiness is often determined by our achievements. Set goals that are reasonable in order to achieve a higher level of happiness. If you think you can run 20 miles and you run 10, you'll be disappointed—but, if you think you can run 5 miles and you run 10, you'll be extremely happy."

Zeke states, "You spend much more time on the journey than you do at the destination. It's hard to talk about lowering expectations in this goal-driven society, but the truth is, all you can do is do your best and work hard. If you do that for long enough, great things will happen. They might or might not match your expectations, but if you're enjoying every step of the journey instead of being obsessed with the destination, chances are you'll be very happy. Even if we don't hit our goal, he says, we'll have done something great for our company and clients along the way."

"Also, I stopped expecting my employees to do everything perfectly, (I screw up many times every day, why wouldn't they?), so I let go of all the small things and now focus on my main goal." He said, "Stop and think about what's the most important thing to you. Don't settle for less in that area, but try settling for less in other, less important areas of your life. Not only will you make more progress than you've ever done before, but you'll also be much happier."

And please—don't forget to reward those who choose to rise to meet the higher standard—as they are the backbone of any truly great company. Their loyalty and determination to the firm are to be commended and supported in the role they have chosen, and the level of responsibility they have taken on.

Here's to everyone's personal best,

Eliana Barriga letters@retailobserver.com

RetailObserver

SEPTEMBER 2011

VOLUME 22, ISSUE 9

CELEBRATING OUR 22ND YEAR
AS THE RETAIL OBSERVER

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"Knowledge Is King" But Sharing It Rules

ow many times have you heard "It's not what you know, it's who you know"? I personally have heard this hundreds of times. Let's take it a few steps further "Who knows you and where are they now?" Just knowing someone or something is just a small part of the equation. It's also realizing that the knowledge you have came from someone else.

I remember my Dad used to tell me not to give out my knowledge to anyone, because that person will become twice as smart as I am. He said, they would have their knowledge and my knowledge and it was better for me to listen and learn so that I would have the upper hand. Well Dad, I learned a lot but somehow I think I could have learned more.

Interaction and sharing knowledge leads to more knowledge that can bring out more ideas and lead you down different pathways. If we are open to these new discussions, we will find ourselves in more places and surrounded by people with the knowledge we need, so we can learn more and share what we have.

A friend of mine called it "Co-opertition", where two or more companies competing in a similar geographic location or trade come together to share ideas and knowledge. Very similar to the associations and buying groups we support today. Which groups do you belong to? What knowledge are you giving and what knowledge are you taking?

The most important thing I have found over the last 20+ years, once I finally started to spread the knowledge my Dad advised I should keep inside, was that I got four times the knowledge back in return. With that added knowledge, I have four times more to share, which will potentially give me that much more knowledge to receive. So don't just sit in a chair on the sidelines watching, get up and start sharing, otherwise you're just wasting your chances to learn.



Happy Sharing!

Moe Lastfogel moe@retailobserver.com

RetailObserver SEPTEMBER 2011

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CELEBRATING OUR 22ND YEAR AS THE RETAIL OBSERVER

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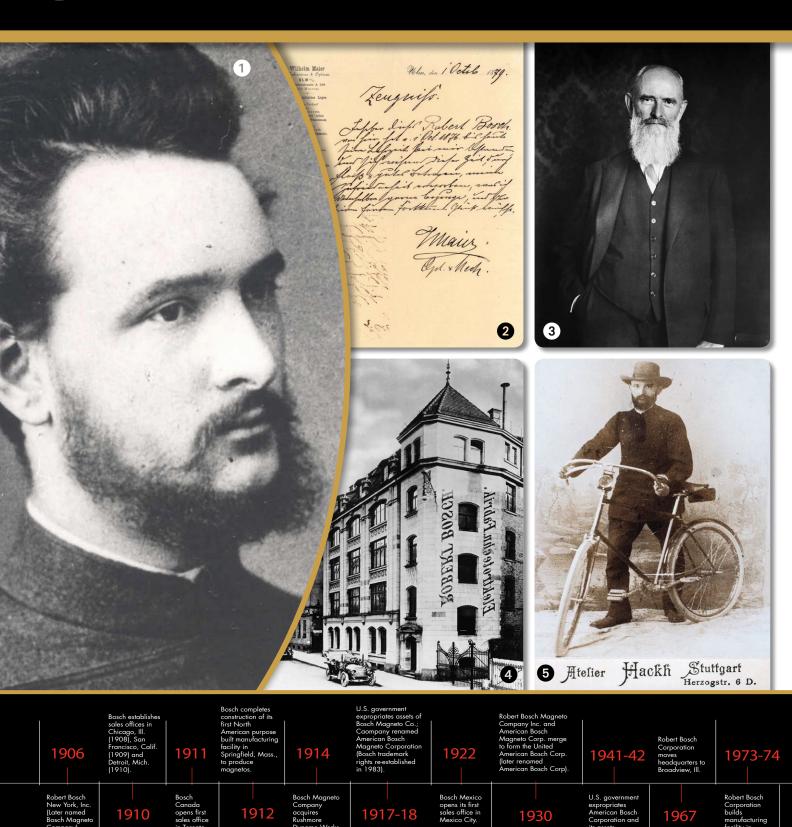


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INVENTED FOR LIFE INVENTED FOR LIFE



BOSCH-125 Years

he principles and social values of Robert Bosch, the company founder, continue to shape the corporate culture of the Bosch Group. "I would rather lose money than trust" was one of the principles that guided Robert Bosch in his business dealings. One hundred and twenty-five years later, many of his values, attitudes, and principles – such as credibility, reliability, and legality - continue to resonate, and form the basis of the Bosch Group's entrepreneurial and social responsibility. Technological innovations, high quality standards, an international presence, responsibility for associates' welfare, and support for charitable causes and civic initiatives reflect Robert Bosch's beliefs and offer a foundation for sustained business success that will safeguard the company's future. In 2011, Robert Bosch GmbH will be celebrating its 125th anniversary and the 150th anniversary of the birth of its founder.

A COMPANY IS BORN

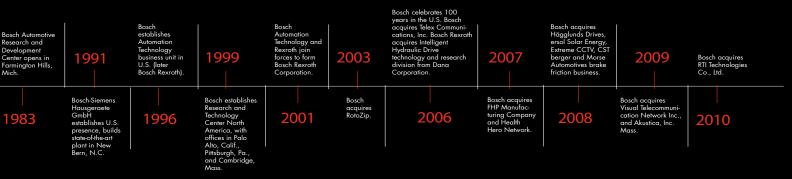
Robert Bosch was born in Albeck near Ulm in southern Germany on September 23, 1861. After working for various companies in Germany, completing a year of military service in Ulm, and attending a semester of lectures at Stuttgart Polytechnic as a nonregistered student, Bosch spent the year 1884 working in the United States, part of the time at Edison Machine Works. In 1885, he spent several months honing his skills at Siemens Brothers in the United Kingdom before finally founding his "Workshop for Precision

Mechanics and Electrical Engineering" in Stuttgart on November 15, 1886. Electrical engineering was still in its infancy at the time, and Robert Bosch was keen to unlock its potential. He eagerly embraced the latest technical innovations.

TECHNICAL INNOVATIONS BEGIN TO PAY OFF

Robert Bosch's keen interest in modern technology was also the driving force behind his entrepreneurial activities. Referring to the early years of his workshop, he once said: "My business, which was originally very small, gradually began to develop more swiftly after long and painstaking efforts." The drive to innovate and the high quality standards which had been central to Robert Bosch's efforts from the very beginning eventually paid off. In 1897, he modified a low-voltage magneto ignition device so that it could be used in motor vehicles – a groundbreaking innovation. The incorporation of this innovative technology into a motor vehicle in 1897, and its subsequent modification to create a high-voltage magneto with a spark plug in 1902, was the commercial breakthrough that the fledgling company had been waiting for. Under the guidance of Robert Bosch, the company developed a whole series of technical and technological innovations that made people's everyday life and work considerably safer, more comfortable and more efficient. This business philosophy of providing effective solutions to enhance the quality of people's lives is reflected in the company's strategic imperative "Invented for life." | continued on page 10 |

1. 1886: Robert Bosch 2. 1879: Apprenticeship certificate awarded to Robert Bosch 3. 1931: Robert Bosch, age 70. By this stage of his life, Robert Bosch was a highly respected personality, known far beyond the confines of his native Germany. 4. 1910: The first company-owned factory building, on Hoppenlaustrasse in Stuttgart 5. 1890: Robert Bosch used a bicycle, something of a rarity at the time, as a swift and economical means of visiting his customers.





TURNING A WORKSHOP INTO AN INTERNATIONAL INDUSTRIAL **ENTERPRISE**

Robert Bosch quickly saw the business opportunities offered by international collaboration and the distribution of his products in markets outside Germany. He firmly believed in the quality and competitiveness of his innovative products: "In my experience, there is nothing worse for a company that wishes to prevail and remain at the cutting edge than to have no competition," he wrote in his memoirs in 1921. Bosch established his first sales office in the United Kingdom in 1898, and his first manufacturing site in France in 1905. The establishment of a manufacturing site in the United States in 1912 swiftly opened up new markets for Bosch products, and the company's worldwide expansion continued with the establishment of additional branch offices and production facilities. The decision to nurture the company's global presence and transform the business into a successful worldwide development, manufacturing, and sales network was one of the most important strategic initiatives undertaken by Robert Bosch.

RESPONSIBILITY AND SOCIAL COMMITMENT

Robert Bosch was a socially minded entrepreneur. "Employer and employee are equally dependent on the fate of their company," he wrote in an essay dating from 1920. Right from the start, he was determined to support his associates' welfare, as well as to tackle broader social issues. In addition, he improved on the working conditions that were typical of industrial production at that time, providing his factories with proper ventilation and lighting. In 1906, when he became one of the first employers to introduce an eighthour working day, he was once again well ahead of his time. By cutting working hours and easing the burden on his workforce, Bosch was then able to introduce two eight-hour shifts in order to increase productivity—a strategic decision that benefited both the company and its associates in equal measure.

OCCUPATIONAL AND FURTHER TRAINING STILL A PRIORITY

As a keen engineer, Robert Bosch placed great emphasis on the quality of his associates' work. "The future of our industry, and any progress in the technical field, depends on the training of capable mechanics and technicians," Robert Bosch said in an interview for the company's in-house newspaper in 1922. In the words of one of the mechanics who worked for him in the early days: "Mr. Bosch personally looked over the shoulder of each new recruit to assess the efficiency and the care with which he did his work. No botching or bungling was permitted in the Bosch workshop." In 1913, he established his own training department with a dedicated workshop for apprentices. Associate training and qualification still command an important position at Bosch to this day. In 2010, the company once more spent 200 million euros on training, 120 million euros of this in Germany alone. In 1929, the company founder also set up "Bosch-Hilfe," a retirement and surviving dependents' providence fund for his associates.

SOCIAL RESPONSIBILITY AS A GUIDING PRINCIPLE

A donation of one million German marks to Stuttgart Polytechnic in 1910 marked the beginning of Robert Bosch's civic initiatives. He subsequently donated the profits he made from armaments contracts in the first world war-some 20 million German mark—to charitable causes. The endowment of the Robert Bosch Hospital in Stuttgart in 1936 was a further example of his social commitment, and if Robert Bosch were alive today he would very likely be lauded as a social entrepreneur. His deeds and achievements are widely cited as a model of corporate social responsibility, and his legacy of social justice continues to be one of the company's most visible traits.

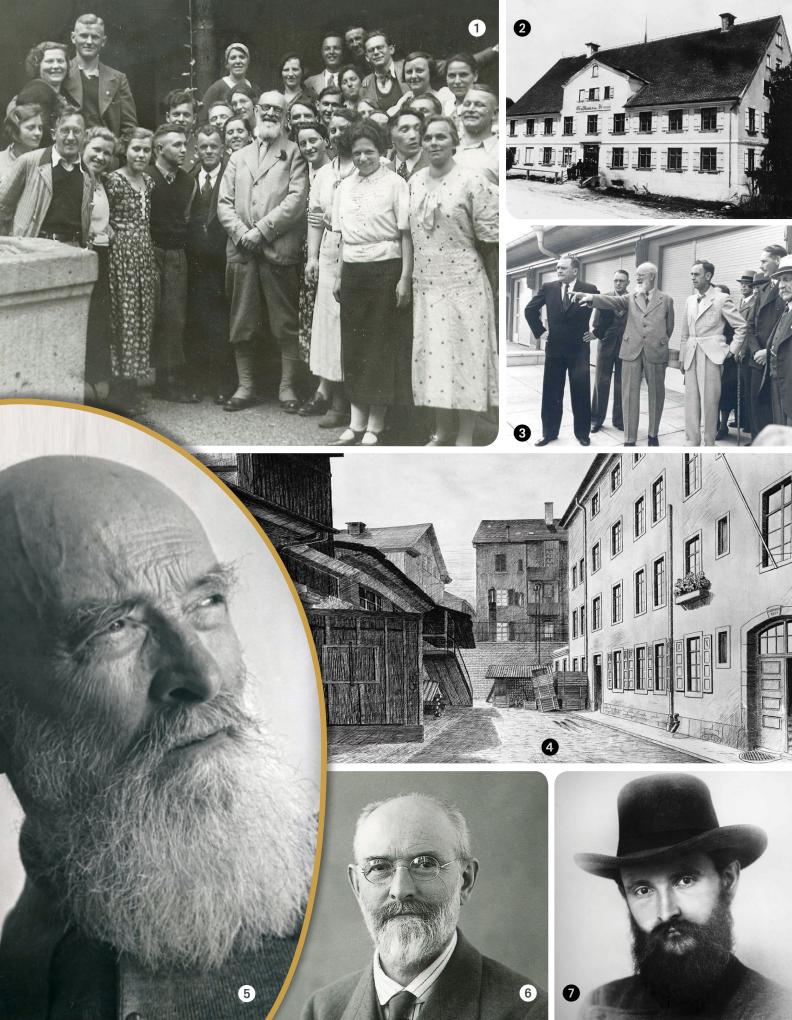
HIS FINAL WISHES

In 1938, Robert Bosch drew up his will, which included the main guidelines for his successors. The financial independence and autonomy of Robert Bosch GmbH were especially important for him, since they would secure the company's long-term success in the future as well. In his will, he put it like this: "As a matter of principle, the executors [of my estate] are expected to ensure that the business activities of Robert Bosch GmbH are carried out and carried on in a manner reflective of my wishes, i.e. of my spirit and will, i.e. to secure for these activities over a long period of time not only their bare existence, but also a strong and meaningful development to help them cope with the inevitable difficulties and crises of the future. To achieve this end, no sacrifice may be considered too great."

Robert Bosch was a skilled engineer and a far-sighted business leader whose values and entrepreneurial approach continue to influence the way the Bosch Group runs its global operations today.

Additional information can be accessed at www.bosch.com and www.125bosch.com. RO

^{1. 1936:} Robert Bosch (center) with associates from the Feuerbach plant, pictured in front of a restaurant in Ulm 2. The house where Robert Bosch was born in 1861 (photographed in 1931): the "Krone" inn in Albeck near Ulm 3. 1940: Robert Bosch at the official opening of the Robert Bosch Hospital. From left: the mayor of Stuttgart Karl Strölin, Ludwig Schweizer, Robert Bosch, the architect Paul Hahn, and members of Stuttgart's municipal council 4.1886: Robert Bosch's first workshop in the courtyard-entrance building at 75 B Rotebühlstrasse in Stuttgart (photographic reproduction of a pen-and-ink sketch) 5. 1925: Robert Bosch 6. 1925: Robert Bosch, age 64 7. 1888: Robert Bosch, two years after he founded his "Workshop for Precision Mechanics and Electrical Engineering" in Stuttgart



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

FEATURED THIS MONTH: LAS VEGAS MARKET/DIFFA DESIGN





B Book Review

Chasing Youth Culture and Getting It Right

outh marketing expert and author Tina Wells offers insights into youth culture and its direct impact on how Americans live and work, now and tomorrow. Whether you're a business professional trying to decode the \$43 billion youth market, a marketer looking for a message that connects your product to a target audience, or an entrepreneur trying to develop youth-oriented products, Chasing Youth Culture and Getting It Right gives readers an unparalleled field guide to the newest wave of Millennials and their mindsets.

Millennials no longer have to choose between value and style. In fact, they expect both from the brands they love. Within the Millennial generation there are three subsets: tweens, teens, and young adults. In this unique book, you'll also meet four major tribes of this generation: the Wired Techie, The Conformist but Somewhat Paradoxical Preppy, The Always-Mellow Alternative, and The Cutting-Edge Independent, and understand their key traits, likes and dislikes, and what kind of adult they will likely become. Interestingly, today's Millennials are more wired than any generation before them.

This book includes examples of companies, brands, and organizations that chased the youth demographic and got it right, or who failed to nail their audience. It also explains and advises:

- Tweenabees, • Concepts such as Warholism, Hand-me-ups, Massclusivity, The Facebook Effect, and Instantity
- How Marketers should create a brand with global values
- Focus on a logo that will appeal to Millennials globally
- Remember that instantity is the key, but quality still matters
- A traditional retail store is not always the answer
- · Look for global youth trends What Millennials are doing and buying today in London could be in New York tomorrow

Chasing Youth Culture and Getting It Right will also introduce the emergence of the "global mobile" and advises marketers to acknowledge that today's Millennials are living and thinking globally, even if they seem local. RO

Author: Tina Wells, CEO of Buzz Marketing Group. B.A., Communication Arts with honors from Hood College. Tina creates innovative marketing strategies for numerous clients within the beauty, entertainment, fashion, financial, and lifestyle sectors, including Swarovski, SonyBMG, PBS, P+G, Sesame Workshop, and Time Inc.)

Publisher: Wiley, ISBN 978-1118004050







Kitchen Event!

September 1st - November 15th, 2011

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Purchase an AGA Legacy Range Hood and receive an INSTANT SAVINGS of \$250* Purchase an AGA Legacy Dishwasher and receive an INSTANT SAVINGS of \$250*

*For full details on this promotion, please see Sales Associate or visit us online at www.aga-ranges.com Offer is valid between September 1st, 2011 and November 15th, 2011 at participating AGA dealers. This offer cannot be combined with any other offer.

|Industry [News]



U-LINE'S 3000 SERIES DELIVERS THE **NEXT GENERATION OF MODULAR** REFRIGERATION

O U-LINE

Though undercounter refrigeration products

have been available for years, U-Line has taken modular refrigeration to the next level with new designs that accommodate several cabinet configurations, provide versatile temperature controls based on food types, and combine dual functions into one unit. U-Line's Modular 3000 Series puts refrigeration where it is needed most for a kitchen that is truly customized and functional. Modular refrigeration allows a kitchen to be custom designed to fit all the needs of the homeowner. Essentially, modular refrigeration places "the right product in the right place at the right temperature."

Modular refrigeration units can be placed anywhere in the home which means they will suit storage and design needs while providing greater convenience. A kitchen design that is intuitive to the end-user's behavior just makes sense. That is why U-Line has focused on versatility as a means of achieving design solutions. An example of this is placing a refrigerator pre-programmed for fruits and vegetables next to the prep sink in the kitchen island. That can be achieved throughout the kitchen with modular units of varying designs that can be installed in areas that previously seemed impossible.

Beyond kitchen design and layout, the new modular refrigeration units feature the latest in sophisticated temperature controls and specialized food zones. Imagine a refrigerator unit that can be set to create the perfect temperature for select food types like deli items, produce, pantry items, or a virtual root cellar. The same customized temperature setting also allows for perfect storage of beverages from cold beer and soda to cellaring your

prized wine collection. Modular refrigeration also lends itself to advancing universal design.

> Undercounter placement as well as versatile door and drawer configurations can be used to suit the specific needs of a wide range of consumers.

INTRODUCING U-LINE'S **MODULAR 3000 SERIES**

Summer 2011 marked the introduction of the new Modular 3000 Series—U-Line's newest

evolution in modular refrigeration. The products will be available to the public in October. The Modular 3000 Series incorporates 18" and 36" wide appliances that integrate into various cabinetry styles while providing design flexibility and immediate access to food and beverages. The new Modular 3000 Series models make it possible to build a custom undercounter configuration that meets the homeowner's lifestyle and specific refrigeration needs—be it multiple cooks in the kitchen, entertaining, children in the household, or just additional quick and easy access to the most commonly used items.

The 36" Modular 3000 Series models feature U-Line's first dual-zone/dual-capability units. This is exemplified by the 36" Glass Door Refrigerator/Wine Captain® that puts a refrigerator and a wine preservation unit side-byside. All of the Modular 3000 Series models integrate easily into existing cabinetry with a clean, modern, and minimalist aesthetic. These appliances fully integrate with overly/face frame cabinets, inset cabinets, and European/ frameless cabinet styles, and they install seamlessly into standard 24" depth cabinet bases. All Modular 3000 Series products are available in a stainless steel finish or an overlay option that provides the simplest method of adding custom wood panels or frames for a truly integrated installation. Design features such as an adjustable and overlay-ready toe-kick, black interior with LED theater lighting, full extension storage bins and wine racks, glass shelves, and ergonomic touch controls add to the versatility and universal design capabilities of these appliances.

The 3000 Series is exemplified by the U-Select[™] Control system that allows users to choose settings that correspond to the types of food and beverages they store—keeping food fresher longer and tasting better by providing the perfect preservation environments. Each mode comes with a pre-set temperature range and optimal set point that can be adjusted to suit the user's preferences. The U-Select[™] Control Quick Chill feature rapidly chills food and beverages at the lowest temperature setting in each mode for a designated period of time. This feature is available in all modes except Red Wine. Complete service diagnostics are also available via the U-Select™ controls and USB port. The Modular 3000 Series includes these new appliances:

- 36" Wine Captain®/Wine Captain® (3036WCWC) Two door, dual-zone Wine Captain wine preservation (holds up to 62 wine bottles* and designed to accommodate wide base bottles)
- 36" Glass Door Refrigerator/Wine Captain (3036BVWC) Two door, dual-zone Beverage Center and Wine Captain combination (holds up to 31 wine bottles and 60 beverage bottles* or 127 cans**)
- 36" Glass Door Refrigerator/Refrigerator (3036RRGL) Two door, dual-zone Glass Door Refrigerator
- 36" Solid Door Refrigerator/Refrigerator Two door, dual-zone Refrigerator
- 18" Wine Captain® (3018WC) Holds up to 31* wine bottles)
- 18" Glass Door Refrigerator (3018RGL)
- 18" Solid Door Refrigerator (3018RF)
- * Based on .75L wine bottles ** Based on 12 oz. cans and 12 oz. bottles

For more information on U-Line and its products, visit www.u-line.com.

FRANKE CREATES NEW IMAGES THAT SPEAK VOLUMES ABOUT ITS CONSUMERS AND THEIR ARCHITECTS AND DESIGNERS



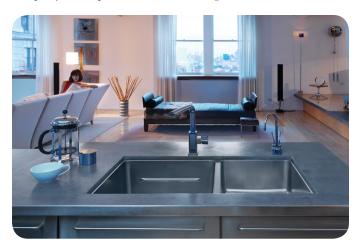
If one picture is worth a thousand words, the global Franke Kitchen Systems is about to launch into its

second century with a new approach to creating images of its products that speak volumes about the people who select them and their homes and aspirations. According to US-based Franke Luxury Products Group's Marketing Director, Cathy Gutkowski, the new portfolio of lifestyle photography captures what brand leaders have observed about their customers: they, and the kitchen systems they select, demonstrate a high standard of luxury and distinctive style.

In an era when many manufacturers are cutting back, privately held Franke is making a very significant investment in what could be described as giving its brand loyalists a gift on the occasion of the company's hundredth birthday.

The new images will debut in late summer for distribution to the media; on a newly conceived website; in new catalogs focusing separately on technical and luxury approaches; and in re-imagined and designed product literature. The photographs to be used in this country were done at U.S. locations selected for their ability to capture the actual lifestyles of Franke consumers. "They let the products speak for themselves," says Gutkowski, "as they convey the emotional connection Franke consumers, their architects and designers have with the systems they put at the heart of the home."

In 2011, Franke, the world's largest manufacturer of kitchen sinks, begins its second century as a privately held company that specializes in the design | continued on page 16 |





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With sales of some \$2+ billion, the Switzerland-based Franke Group is also the global market leader in Foodservice Systems; manufactures Washroom and Beverage systems; and conducts industrial engineering operations at 66 companies in 40 countries. Franke's Kitchen System product lines are marketed in North America by The Luxury Products Group, Franke Kitchen Systems. For more information visit: www.frankeksd.com or 1-800-626-5771.



LG ELECTRONICS UNVEILS LARGEST-IN-CLASS FRENCH-DOOR REFRIGERATOR

ENORMOUS 31 CUBIC FEET OF CAPACITY ALONG WITH THE MOST SHELF SPACE AVAILABLE KEEPS MORE FOOD FRESHER LONGER





LG Electronics USA announced the launch of the LG Super-capacity Frenchdoor refrigerator, offering the largest capacity of any 36-inch refrigerator available today. A long-time leader in French-door refrigeration, LG continues to innovate and provide added convenience for consumers with this new ENERGY STAR® model, including the most shelf space available and a host of top-of-the-line features that ensure food freshness.

"Not only is this the largest capacity refrigerator we've introduced for the standard 36-inch footprint, but it also includes a variety of freshness features to improve the overall experience," said John Weinstock, vice president of marketing, LG Electronics USA. "Now, consumers have more space to store their groceries and a way to help keep them fresher longer, saving them time with fewer trips to the store and offering greater convenience from the most important appliance in the kitchen." | continued on page 18 |

STUDIO SERIES

SEAMLESS STYLE FOR THE ULTIMATE BUILT-IN KITCHEN

INTRODUCING THE STUDIO SERIES FROM LG

For the ultimate in luxury, look no further than the LG Studio Series. With premium features and impressive new styling, the LG Studio Series provides sophisticated design for a beautiful statement in any home. With seamless counter depth refrigerators, sleek built-in cooktops, ventilation hoods and warming drawers, the Studio Series offers the very finest appliances from LG.











CONTACT YOUR LOCAL DISTRIBUTOR FOR MORE INFORMATION ON THE LG STUDIO SERIES



UNMATCHED CAPACITY PLUS THE MOST SHELF SPACE AVAILABLE

Most standard 36-inch-width refrigerators offer about 25 cubic feet of capacity; however, LG's new refrigerator offers a spacious 31 cubic feet - the largest capacity in its class and approximately six more cubic feet of space than standard models for this footprint. This means more room for delicious snacks, favorite drinks and fresh produce. This refrigerator even offers enough space to accommodate up to 51 gallons of milk in the fresh foods compartment alone.

In addition to its super large capacity, LG's new Frenchdoor model also offers consumers the most shelf space available in a 36-inch refrigerator footprint. To accomplish this, the refrigerator includes LG's innovative Slim Space PlusTM feature that helps cut clutter. Unlike bulky icemakers that sacrifice shelf space, Slim Space Plus relocates the ice system inside the door, making way for usable door bins and a top shelf entirely free of obstructions. With the slimmest and most effective insulation LG has ever made (23 percent thinner than previous LG models), users can enjoy expanded refrigerator capacity without sacrificing energy efficiency. It fits in the same space of any 36-inch model but holds a great deal more.

FRESHER IS BETTER

The average U.S. household wastes \$500 annually as a result of spoiled food, but innovations like LG's Smart Cooling Plus system work to keep food fresh.* To help achieve this freshness, Smart Cooling Plus technology combines the powerful LG Linear Compressor with the Dual Compressor and digital sensors to help provide the most optimal humidity and temperature inside the refrigerator. While digital sensors constantly monitor for the right temperature and humidity to help ensure freshness, the Dual Evaporator quickly reacts to any changes to rebalance the internal atmosphere. These two systems work in tandem with LG's unique Fresh Air Filter with Multi-Air Flow, a set of strategically placed vents that surround food with cool, fresh air regardless of location. The Fresh Air Filter features a dedicated fan that circulates clean, filtered air continuously throughout the refrigerator, to help keep the air crisp and food fresh.

LG's patented Linear Compressor lies at the heart of Smart Cooling Plus technology, developed to drive the system efficiently from its core. With fewer moving parts and thereby less friction, the Linear Compressor regulates temperature with less noise and far less energy use, overachieving ENERGY STAR standards by 20 percent. LG confidently backs this feature with a 10-year warranty.

MORE CONVENIENCE

Convenience is key for an appliance that is such an integral part of any kitchen. That's why LG built in a multitude of features that allow for greater convenience, easier access and excellent organization and storage options. The refrigerator's versatile Four Compartment Crisper System provides easy access and more ways to organize and store fruits, vegetables and beverages in one of two humidity-controlled crisper drawers designed to help keep produce at optimal temperature levels, helping to extend shelf life. A full-width Glide-N-Serve™ drawer that fully extends and a bonus drawer make party preparations easy.

Also included is LG's nearly 13-inch Extra-Tall Ice & Water Dispensing System, a super-accommodating dispenser built to handle anything from pitchers to pints. Tall or wide, short or oddly-shaped, the extra space allows easy filling of nearly any glass.

LG adds convenience to the freezer with the Smart Pull Handle, a simple, intuitive feature that makes accessing the bottom freezer easier: a quick lift of the handle gives effortless access to the freezer. Once inside, the 3-Tier Shelf Organization system keeps food organized and accessible. Food can be prioritized so that it can be found easily and quickly.

Going beyond convenience for everyday use, this model incorporates a smart "self-diagnosing" technology to help save consumers time and money in the unlikely event of a problem. Called SmartDiagnosis[™], this LG-developed innovation helps customer service representatives quickly and efficiently troubleshoot mechanical issues over the phone, limiting costly, inconvenient service calls and in-home visits.

All the convenient space and smart features are housed in a sophisticated, stylish design. LG has hidden the hinges and added contoured doors, providing a refrigerator that isn't only functional but sleek and modern inside and out. LG's enhanced styling package, including interior LED lighting along the sides and ceiling, provides the added sense of style LG appliances are known for.

This new refrigerator (Model: LFX31925) is available now at a manufacturer's suggested retail price of \$2,999.** For more information: www.lg.com/us/kitchen/refrigerators.jsp.

- Author: United States Department of Agriculture & United States Department of Environmental Protection Article: "Waste Not, Want Not: Feeding the Hungry and Reducing Solid Waste Through Food Recovery."
- ** Designs, features and specifications are subject to change without notice. | continued on page 20 |









ZEPHYR'S® NEXT GENERATION EUROPA COLLECTION TRUMPS THE COMPETITION

INNOVATION AND PERFORMANCE

New range hoods are quieter, powerful & more energy efficient with DC energy technology, HD LED bulbs and an integrated PC board.

Zephyr® has modernized their collection of range hoods with a proprietary DCBL Suppression System™ that includes: direct current brushless motors, Bloom™ HD LED bulbs and a sophisticated, onboard computer system. The DCBL™ technology package has been engineered into Zephyr's original Europa line, resulting in the Next Generation Europa Collection, which delivers a more energy efficient, ultra-quiet and high-performing range hood.

"Next Generation Europa raises the bar that we ourselves set more than a decade ago," said Arcadio Lainez, director of marketing at Zephyr. "While the market is rushing to produce lower-priced range hoods with even fewer features, Zephyr engineers have been moving forward pioneering new technology that dramatically increases performance and saves energy, all without ceding ground to price. With DCBL, we're rising above industry pressures by bringing to market technology and innovation that is truly relevant."

Unlike traditional range hoods that operate on alternating current (AC) motors, Zephyr's Next Generation Europa Collection utilizes direct current (DC) electricity. DC brushless motors generate more torque yet operate at lower RPMs — allowing greater air movement and virtually eliminating noise. With DCBL technology, homeowners can now enjoy an ultra-quiet range hood that moves air at working speed levels; a speed that best matches their typical, everyday cooking style.

"Our patented DCBL Suppression System not only increases the hood's performance, but actually allows the appliance to be up to 80 percent more energy efficient," continued Lainez. "And the energy efficiency is augmented by our 25,000-hourlifetime, dimmable LED bulbs. In partnership with professional camera lens designers, we've created cool to the touch, halogen-like diodes that evenly distribute | continued on page 22 |



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Designing Excellence



light onto the cooking surface below."

Zephyr's Next Generation Europa Collection with patented DCBL Suppression System will be available on three island-mount models and four wall-mount models.

To learn more, visit www.zephyronline.com

GE BECOMES FIRST FULL-LINE APPLIANCE MANUFACTURER IN THE U.S. TO ADOPT NEW TECHNOLOGY, DRASTICALLY REDUCING CARBON FOOTPRINT



GE Appliances & Lighting is leading the way as the first full-line appliance manufacturer in the U.S. to adopt a foam-blowing agent, known as cyclopentane, that significantly reduces the

greenhouse gas (GHG) emissions of the insulating process in the manufacturing of its top-freezer refrigerators in Decatur, AL. Using cyclopentane — a foam-blowing agent used to propel insulation into the doors and cases of refrigerators — will reduce the facility's GHG emissions from the foam-blowing process by 99 percent compared to the foam-blowing agent it replaces.1

"GE Appliances & Lighting is looking at every aspect of environmental stewardship for our appliances — from manufacturing processes to more responsible product endof-life management," said Paul Surowiec, general manager, refrigeration, GE Appliances & Lighting. "We also offer hundreds of ENERGY STAR®-qualified models to ensure our appliances deliver efficiency and cost savings to consumers throughout the appliance's life."

BENEFIT EQUIVALENT TO CO2 OF 78,000 CARS

By transitioning to cyclopentane as the foam-insulating agent for GE's 16-, 17- and 18-cubic-foot top-freezer refrigerators this April, GE's Decatur, AL, plant will reduce GHG emissions from the foam-insulating process by more than 400,000 metric tons of CO2-equivalent annually. This is equal to:

- The annual emissions of 78,000 cars on U.S. roads.²
- The annual CO2 absorbed by more than 100,000 acres of southeastern U.S. forest³ — an area equivalent to nearly seven Manhattan islands.4

This reduction from replacing the previous foaminsulating agent⁵ with cyclopentane is so significant that GE will actually reduce the GHG emissions of the entire Decatur manufacturing facility by more than 80 percent.

And, compared to the insulator it replaces,6 initial tests indicate cyclopentane also increases the efficiency of the insulating foam, yielding energy efficiency improvements and cost savings for consumers.

"GE's commitment to develop and deploy solutions for today's environmental challenges is a top priority," Surowiec said. "GE's transition to cyclopentane as a foamblowing agent for top-freezer refrigerators is another great step forward in the spirit of our company's ecomaginationSM initiative."

GE CREATES JOBS

GE's investments in more sustainable manufacturing are helping to create U.S. jobs, and the transition to cyclopentane and other product developments are expected to create 25 new jobs in Decatur. GE announced last October plans to invest a total of \$59 million in the Decatur manufacturing facility to create a Center of Excellence for top-freezer refrigerators and more sustainable manufacturing. This total investment will help retain more than 1,000 jobs.

Applauding the efforts of Decatur's employees, plant manager Tom Rossi added, "This could not have happened without the complete dedication of our manufacturing employees and engineers here in Decatur. Making the transition happen has been a full-time job for many of us since last July, and I certainly appreciate the dedication that has enabled GE to become the first fullline appliance manufacturer in the U.S. to use cyclopentane in refrigerators."

By 2014, GE will offer the highest percentage of U.S.made refrigerators among full-line appliance makers, thanks to investments at GE's U.S. refrigeration plants.

MAKING ECOMAGINATION A BIGGER PART OF GE

GE expects a significant reduction of the GHG emissions it produces by converting other U.S. refrigeration manufacturing facilities to cyclopentane within the next few years. GE plans to convert the refrigeration insulating manufacturing process at its side-by-side Center of Excellence in Bloomington, IN, and its bottom-freezer refrigerator Center of Excellence in Louisville, KY, to cyclopentane by 2014.

Additionally, GE was recently awarded the ENERGY STAR "Sustained Excellence" Award for the sixth straight year, recognizing GE's commitment to delivering highefficiency products to consumers. | continued on page 24 |



GE also announced in February that it is the first appliance manufacturer to partner with the Environmental Protection Agency on its Responsible Appliance Disposal (RAD) program, with a focus on refrigeration recycling best practices.

- 1. Cyclopentane replaces HFC 134a.
- 2. Assuming the average rate of CO2 emissions per U.S. passenger car is 5.11 MT CO2 per year. Source: U.S. Environmental Protection Agency (EPA) Emission Facts: Greenhouse Gas Emissions from a Typical Passenger Vehicle.
- 3. Average rate of CO2 sequestration by U.S. forest equals 3.7 MT of CO2 per acre per year. Source: U.S. EPA Climate Protection Partnerships Division - Unit Conversions, Emissions Factors, and Other Reference Data (2004).
- 4. According to the U.S. Census, Manhattan is approximately 23 square miles (land only): quickfacts.census.gov/qfd/states/ 36/3651003.html. One square mile is equal to 640 acres, meaning Manhattan island is approximately 14,720 acres: www.metric-conversions.org/area/square-miles-to-acres.htm. Calculation: 100,000/14,720 is equal to 6.8.
- 5. HFC-134a
- 6. HFC-134a

FULGOR MILANO UNVEILS NEW WEBSITE

FULGOR

MILANO

its masterful, award-winning In cooktops, wall ovens, and other kitchen products, Fulgor Milano has captured

the passion of Italy. Now, Fulgor Milano has translated this extraordinary culinary experience to its new website, www.fulgormilano.us. More than a mere showcase for its products, the entirely re-envisioned site features a beautiful design, outstanding performance, thoughtful tools and intuitive navigation—the perfect complement to the company and products it showcases.

The new website reflects the sophisticated look that is Fulgor Milano. Pages are clean and uncluttered; form never trumps function. Yet there is so much available, so easily accessed, that its wealth of information belies its minimalist design. There's easy access to all products, including ovens, cooktops and accessories. Sumptuous photography abounds, lovingly capturing the features and functions that make these products unique (such as cooltouch oven doors and ingenious induction controls). Supporting materials are ready for easy download, including user manuals, educational sheets, installation manuals and cutout dimensions. The company's entire 124-page catalogue is also available at the

site, full-screen and beautifully animated.

"We wanted people to get a taste of what Fulgor Milano is all about, before they even have the opportunity to experience one of our products in person," comments Enrico Sasso, director of sales and marketing for Fulgor Milano. "So we made it easy to read about the company and its rich history. We even made it possible for owners of our products to register online, and enjoy the benefits of our industry-leading two-year parts-and-labor warranty."

In addition, visitors can read the latest news about the company, and register to receive important updates on their particular product. For more: 1-800-926-2032, or info@fulgor-milano.us.

INTERNATIONAL MARKET CENTERS COMPLETES ACQUISITION OF FIVE ADDITIONAL PROPERTIES

IMC NOW COMPRISES 18 BUILDINGS AND MORE THAN 11.5 MILLION SQUARE FEET

INTERNATIONAL MARKET CENTERS

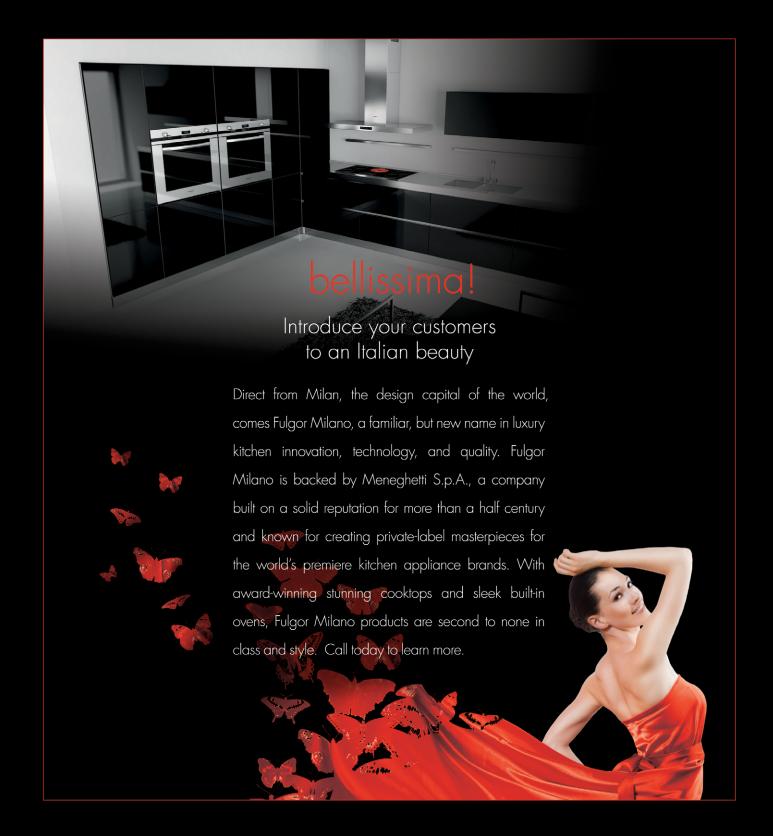
International Market Centers, L.P. (IMC), the world's largest operator of premier showroom space for the furnishings, home

décor and gift industries, announced it has completed the acquisition of five additional buildings in High Point, NC.

Purchase of Showplace, Showplace West and three North Hamilton Street showroom facilities marks the culmination of \$1 billion investment that unites Las Vegas and many of the High Point home furnishings showrooms under one ownership group and management team. IMC's portfolio now comprises 18 buildings spanning more than 11.5 million gross square feet, including key showroom assets such as the International Home Furnishings Center, the Market Square Complex (consisting of eight properties), Showplace, Showplace West and three North Hamilton Street showroom venues in High Point as well as all of the World Market Center buildings in Las Vegas.

"We are pleased that this unprecedented combination of properties is complete, and that these attractive assets have come together under one structure and management team," said Robert Maricich, chief executive officer of International Market Centers. "With the addition of these five premier facilities to our portfolio, we can now devote our focus to our primary mission—creating the most effective, efficient and compelling platform for our industry. We look forward to working with our wide range of business partners to develop a world-class business-to-business platform for both buyers and sellers in the furnishings, home décor and gift industries."

For more info: www.imcenters.com. | continued on page 26 |



FULGOR MILANO



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posture

ERGONOMIC AND STYLISH FURNITURE LINE FOR CHILDREN

NOW AVAILABLE FROM POSTURE IN STYLE

Scholastic home furnishings change color on-the-fly and grow with a child's needs - all while providing ergonomic health benefits. Posture in Style, a distributor of ergonomic furniture designed specifically for children and their educational needs, announced that it will carry the innovative furniture line from moll Funktions-möbel GmbH, a German craftsman company. The high-end line provides a revolutionary approach to scholastic home furniture by offering desks, chairs and storage pieces that promote proper posture and embody unparalleled features. Designed to expand and grow with children as their needs (both physical and educational) change, the furniture system also accommodates their changing tastes with color accents that adapt on-the-fly.

ERGONOMICS & ISOMETRICS

Recognizing that one in five primary school students suffer from back pain and only one in three children demonstrate proper posture, the new furniture line from Posture in Style will help children during their formative years through proper ergonomics and isometrics. All the desks and chairs are 100-percent adjustable. The patented "Comfort" feet allow the desks to always be at the right height to ensure good posture. The tiltable desktops accommodate the natural slant of the head, resulting in relaxed neck muscles and less tendency to assume a "hunchback position". The recessed computer monitor mounts provide the optimal viewing angle and distance to reduce eye strain. The swing up keyboard tray reduces wrist strain and mitigates carpal tunnel syndrome. Even the chairs have been engineered with children's health in mind, featuring adjustable depth and height as well as oscillating backrest for proper spinal alignment.

FLEXIBLE DESIGN & VALUE

Rather than replacing a child's furniture every few years, Posture in Style's line is fully adjustable to accompany children from preschool to high school and beyond; this approach costs far less and offers families stronger value. Components, colors, motifs, and fabrics can be added or removed as needs change, ensuring the furniture to always be the right fit for the child. For more info: www.postureinstyle.com or 1-877-609-5688.

BRANDSOURCE TEAMS WITH INGRAM MICRO TO BRING GREATER OPERATIONAL EFFICIENCIES AND LOGISTICS EXPERTISE TO EXPERT WAREHOUSE MEMBERS



BrandSource announced plans to outsource its Expert Warehouse operations and inventory to a new location that will increase efficiencies and allow for greater expansion in new and existing

categories. This alliance allows for increased warehouse inventory levels, line expansion and competitive pricing options.

To make this all possible, BrandSource has forged a strategic alliance with Ingram Micro Inc., one of the largest logistics companies in the world. As part of the new U.S. relationship, Ingram Micro will manage all operational aspects of business generated by Expert Warehouse. Aligning its operations and moving its inventory to Ingram Micro offers Expert Warehouse greater space, efficiency, and the flexibility to grow into new lines.

"This new alliance with Ingram Micro allows us to greatly improve the business value, buying | continued on page 28 |

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Bob Griese, Hall of Fame Quarterback and Ice Purist



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Distibutor of Distinctive Consumer Products

power and services we provide to our members and increase their ability to compete in the marketplace," said Bob Lawrence, BrandSource CEO. "Together with Ingram Micro we will pioneer a new era of efficiency and value for the appliance and CE industries and bring to market a broader portfolio of brand names."

AHAM AND EFFICIENCY ORGANIZATIONS CALL ON EPA AND DOE TO RECOGNIZE SMART APPLIANCES

DOE/FERC REPORT CALLS FOR NATIONAL PROGRAMS AND POLICIES TO IMPLEMENT DEMAND-RESPONSE CAPABILITIES



Following the release of a joint DOE/FERC National Action Plan calling for a national forum to jump start the development of demand-response programs that could significantly reduce

electricity usage during periods of high demand, the Association of Home Appliance Manufacturers (AHAM) is urging the U.S. Department of Energy (DOE) and the Environmental Protection Agency (EPA) to adopt a petition submitted to the ENERGY STAR® program in December 2010 by AHAM, NRDC, and several efficiency and consumer organizations, coordinated by the American Council for an Energy-Efficient Economy (ACEEE), to recognize the benefits of smart appliances and hasten development of the smart grid.

The AHAM petition supports the Administration's smart grid goals, is widely supported, and is a no-cost measure that DOE and EPA can take on a national scale to recognize the benefits of demand response capable and smart home appliances.

The petition urges the ENERGY STAR program to incorporate a five percent allowance to the energy performance level required to meet ENERGY STAR eligibility criteria for smart-grid enabled appliances as soon as possible. The incorporation of this incentive for smart grid enabled appliances will increase the deployment of these energy saving products across the country.

"This petition recognizes the opportunity for smart appliances to contribute to energy efficiency and the smart grid. An allowance of five percent is an important incentive for manufacturers to produce smart appliances and the data show that smart grid enabled appliances can deliver a greater benefit to the American consumer than the five percent request," said Joseph M. McGuire, president of AHAM.

The Electric Power Research Institute (EPRI) estimates that the implementation of smart grid technologies could reduce electricity use by more than four percent annually by 2030.

A cost/benefit analysis by Pacific Northwest National Laboratory (PNNL) for the DOE accompanied the petition, and determined that the annual benefits from having smart grid capabilities in an appliance are greater than the costs of an equivalent five percent increase in operational machine efficiencies.

Specifically, if a consumer chooses, a smart grid enabled appliance will be able to receive a signal from a utility and automatically adjust its operation to move its electricity use to a better and less expensive time of day. PNNL's analysis found that smart appliances can be a significant and cleaner alternative to today's "spinning reserves," which are power plants that are a required to be "idling" and are a wasteful, but a necessary, part of today's electrical grid. | continued on page 30 |



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LIEBHER With Your Life

Visit www.aham.org/smartgrid to download the petition to the ENERGY STAR program, and for a link to the US DOE cost/benefit analysis on smart grid enabled appliances.





FULGOR MILANO LINE NOW SHOWCASED IN BASCO KITCHEN SHOWROOM

Fulgor Milano is proud to announce that the company's brand-new lines of genuine Italian kitchen appliances are now displayed at the Builder's Appliance Supply Company (BASCO) showroom in Portland, Oregon. As Fulgor Milano continues to expand into the U.S. market, the company chose to partner with BASCO because of the experienced sales team, professionalism and knowledge of the builder and designer industry. The BASCO showroom allows builders, architects and designers to experience first-hand the supreme European beauty and performance of Fulgor Milano products.

Fulgor Milano offers genuine Italian kitchen appliances that bring highdesign, fashion and cooking performance to distinctive U.S. kitchens, and the company is backed by the staying power of Meneghetti S.P.A. As one of BASCO's 17 kitchen displays at the showroom, the Fulgor Milano showroom features the 300 Series gas and electric cooktops, 500 Series and 300 Series wall ovens, and the all-new Largo 400 Series cooktops

"After touring the Fulgor Milano factory in Italy, we saw for ourselves that the Fulgor Milano product line is a premier product built by a company with many years of history and experience serving the global market," said Tom Dinsdale, president of BASCO. "BASCO is proud to now display this new, stylish European line in our showroom." "We are thrilled to showcase the Fulgor Milano line at BASCO appliances because of the BASCO team's expertise and enthusiasm for the products," says Enrico Sasso, Fulgor Milano Director of Sales & Marketing USA. "We are confident our customers will enjoy the exceptional service and personalized experience that BASCO offers."

The BASCO showroom was designed by notable Northwest designer, Sandy Hayes of Hayes Designs, and is located in Portland's popular Pearl District. To book an appointment to experience the Fulgor Milano difference at the BASCO showroom, please contact BASCO at (503) 226-9235 or jackiep@bascoappliances.com. The showroom is open Monday through Friday from 8 a.m. to 5 p.m.

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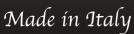
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CEA Study Cites Environmental Benefits of Smaller, Lighter Flat-Screen TVs and Monitors

FLAT-PANEL TVS WEIGH 82 PERCENT LESS THAN BULKY PREDECESSORS

he Consumer Electronics Association (CEA)® issued a report detailing the dramatic reduction of TV and computer monitor sizes and weights since the advent of flat-panel monitors and TVs.

The report, Materials Footprint Reduction of Televisions and Computer Monitors: 2004-2010, found flat-panel TVs are 82 percent lighter and 75 percent smaller than their cathode ray tube (CRT) TV predecessors of a similar screen size. The report also found today's 40- to 70-inch flat-panel TVs weigh 34 percent less than 13- to 36-inch CRT TVs.

"The staggering reductions in materials in TVs and computer monitors have real and lasting environmental benefits, from the supply chain through recycling and disposal," said Walter Alcorn, CEA vice president of environmental affairs and industry sustainability. "Dramatically lighter and smaller TVs and monitors reduce the amount of resources needed to manufacture the product, and slash the amount of required packaging and fuel used to transport these products. Furthermore, the sunsetting of CRT TVs is vastly reducing the amount of electronics to be recycled."

The study, which was conducted by Pike Research on behalf of CEA, underscores that while there are still millions of CRT displays in use worldwide, manufacturing capacity has plummeted sharply and will eventually fall to zero. Those CRT TVs and monitors represent the bulk of electronics needed to be recycled in the coming years, and once most of those hefty TVs and monitors reach end-of-life, the overall amount of electronic waste will decline.

The eCycling Leadership Initiative, an industry led effort to recycle one billion pounds of electronics annually by 2016, coordinated by CEA, set measurement and transparency as one of its key principles along with

bolstering consumer education of eCycling and increasing the number of recycling locations and infrastructure needed to reach the one billion-pound annual target. This report is the first of many technical reports on issues relating to end-of-life electronics.

Additionally, while consumer ownership of smartphones and tablets is on the rise, CEA's 13th Annual Household CE Ownership and Market Potential Study, released in May found that the number of discrete CE products per household declined to 24 this year from 25 in 2010, in part because device functions are consolidating. Smartphones and tablets represent a small fraction of the total weight and volume of the electronics waste stream, including old CRT televisions and monitors. The Materials Footprint report found that while an old 36-inch CRT TV generated about the same amount of electronics waste as 5,080 cell phones, today's 70-inch flat-screen TV generates the equivalent of just 953 cell phones, and a 30-inch flatpanel computer monitor's weight is equivalent to 211 mobile phones.

"The report illustrates a measurable, positive environmental impact new technologies have made in reducing the materials footprint of consumer electronics products," Alcorn concluded. "We expect the trend of ever-shrinking electronics to continue, whether it's a 70-inch TV or a handheld device."

The Materials Footprint report follows another study released by CEA in February that illustrated the increased efficiency of TVs since 2003. Pike Research is an independent market research firm whose goal is to present objective and unbiased information.

For more information, find CEA online at CE.org and Innovation-Movement.com. RO

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In Review

LAS VEGAS M

MARKET BOASTS STRONGEST SUMMER MAR THREE YEARS—HUNDREDS OF NEW SHOWRO





LAS VEGAS MARKET*

ARKET

KET ATTENDANCE IN OMS AND EXHIBITORS

ens of thousands of home furnishings industry professionals around the world turned to Las Vegas Market to plug into the latest products, trends and business insights in an effort to boost their bottom line for the second half of the year. According to scores of market exhibitors—with nearly 200 companies showing at Las Vegas Market for the first time—an aggressive approach to new product introductions and show specials drove better-than-expected orders throughout the five-day show.

A surge in buyer attendance at the recent Las Vegas Market delivered the strongest Summer Market in three consecutive years—up seven percent in total retail stores and up three percent in individual buyers and designers when compared to a year ago. The number of buying groups in attendance doubled with a significant number of buyers attending Las Vegas Market for the first time.

"Despite continued economic challenges, we are pleased to hold our strongest, best-attended Summer Market in three years," said Robert Maricich, chief executive officer of International Market Center, parent company of World Market Center Las Vegas. "Las Vegas Market continues to establish itself as a must-attend event for our industry, year after year, drawing new-to-market suppliers and buyers from around the globe." [continued on page 36]











aricich added, "Our growth in new resources at the recent market, coupled with compelling events, plus the number of new products and specials we're seeing throughout the showrooms has enhanced the value proposition for buyers to attend. Summer Market is a terrific vehicle for smart retailers to impact their fourth quarters with new product and exciting merchandising strategies."

Delivering this uptick in buyers is a result of recent success in leasing efforts and the combined outreach of the showrooms. In total, World Market Center signed 440,000 square feet of new and renewed space in the first half of the year. These new showrooms joined the 1,300-plus exhibitors at Summer 2011 Las Vegas Market comprised of leading suppliers in home furnishings and accessories, outdoor and juvenile furnishings as well as top gift and décor lines.

In particular, there were 40 new and extended leases among the furniture and mattress category alone, totaling 280,000 square feet of space. These furniture showrooms include Ashley Furniture, Fashion Bed Group, Man Wah USA/Cheers, Boyd Specialty Sleep, Ekornes and dozens more. In addition, August Market was a first for upperend Las Vegas Design Center showrooms, Veneman Collections, Plume, Kalco Lighting, Studio A, Karastan Rugs and Ergo Bedroom. In the temporaries, Las Vegas Market featured 156 new-to-market exhibitors spread across floors B2, C4 and C5.

"These new signings, expansions and renewals signal the value of World Market Center's platform across all of the sectors we serve. These companies see the benefit of building their brand, reaching new buyers, and achieving success in the marketplace with International Market Centers as their long term partner," Maricich added.

Manufacturers were pleased with the amount of traffic they were seeing on Market's opening day and used the August Market to showcase many new introductions.

"Retailers are cautiously optimistic that sales will continue to rise," said Kerry Lebensburger, president of sales for Ashley Furniture. "Our opening day traffic has been very strong. Two huge categories for us this Market include our Youth Program and Furnish 123. All of our 425 home stores are in attendance. It's a big year for us."

Chris Miller, national sales manager for Four Hands had one word to describe this summer's Market, "Fantastic." He continued, "We've seen a lot of major customers and a lot of new customers who have never shopped with us before.





The majority of showroom visitors are buying. Market seems to be more serious than in the past which is extremely encouraging."

"The Market is exceeding our expectations," said Phil Haney, president and CEO of Lexington Home Brands. "We were busy since 8:00 a.m. when we opened our doors, and traffic is up more than eight percent. As expected, our new collection - Mirage - designed for and unveiled at the Las Vegas Market, is getting rave reviews."

"The first day of Market has been fantastic; really strong traffic and orders," said David Gebhart, president and CEO of Global Views. "If it's an indication, we were serving cocktails by 10 a.m. Compared to January Market, the feel is very similar. I haven't slowed down long enough to look at our numbers, but we've had buyers from all over the country and internationally."

"It's been a good day for us," said Hao Dang, a first time exhibitor and owner of Vietnam-based grass co., a manufacturer of eco-friendly bamboo outdoor furnishings. "People are coming here and are really looking for new things. [The home furnishings industry] is rebounding. Our order book is very good and we're very happy with our first time at this show."

Inga Folta-Mnich, a sales representative for FiveTimesOne, which sells unique high-end pillows designed to look like rocks, echoed Dang saying, "We have a few orders already so we're pretty happy."

She added that while some buyers are still being cautious, others are coming to market to spend.

"There are two groups of buyers," she said. "There are ones looking for less expensive [product] and then the others who are looking for high-end products like we sell and are willing to spend. There is no middle ground. That is what I noticed today."

Buyers were equally enthusiastic as they sought out what's new across Las Vegas Market.

"Most of our suppliers are here and I found some new resources in upholstery and accent. Las Vegas is easy to shop and we saw loads of new products especially in mattress," said Steve Riley, GMM of Nebraska Furniture Mart.

"We attend almost every Vegas Market, and like we always do, found (and bought) a lot of new, exciting furniture and accessories. Combine that with luxurious hotel rooms at motel prices, and sumptuous cuisine, I'd say it was a successful market week," said Jeff Selik, president of Hillside Furniture.

For more information on Las Vegas Market, visit www. lasvegasmarket.com. RO

Manufacturer (NOTES)

Futura: Bringing the World a New Dimension of Clean

n today's post-recession economy, consumers are continuing to make thoughtful and conscious decisions about how they spend their money. That includes when buying a dishwasher. Today's consumers define value as not just the lowest purchase price of a product, instead, a product's performance, features and longevity are key factors. When it comes to buying a new dishwasher, it's not just about buying a new appliance for the kitchen; it's about making an investment in the home.

That's why Miele is proud to introduce the new Futura Series dishwasher. From delicate cleaning to high-volume entertaining, Miele balances outstanding performance with revolutionary features in a dishwasher that is designed to maintain stellar performance for at

least 20 years. J.D Power and Associates agrees. For the second year in a row, they've ranked Miele dishwashers highest in customer satisfaction. Miele dishwashers performed particularly well in two key areas: performance and reliability and warranty. Every Futura dishwasher is backed by Miele's exclusive 90 day money back Quiet and Clean Guarantee, which is unprecedented in the industry.

The Futura is inspired by the lives and needs of today's homeowners bringing easy adaptability and intuitive technology to today's modern homemaker. "Our company's pursuit of excellence and commitment to uncompromising quality has never been simply about crafting better home appliances. Instead, it has always been about identifying ways to help our customers 'live better,"" explained Nick Ord, president of Miele.

EASILY ADAPTABLE. SIMPLY SMARTER.

Designed with Miele's exclusive FlexiCare Basket System, the Futura gives customers the convenience and customization they need to fit today's lifestyle. Throughout the dishwasher's interior lies a myriad of components that fold, slide or move into various positions allowing for just about any size and shape of kitchen tool to find a home and be properly cleaned.

"One of the most unique elements of the Futura is Miele's patented 3D Cutlery Tray," stated Paul McCormack, director of public relations for Miele. "Imagine the top tray in three sections. On either side of the tray, cutlery is individually positioned securely in the rows of tines. The middle section of the tray can then be raised or lowered to accommodate large ladles or whisks."

INNER BRILLIANCE. INSIDE AND OUT.

Seeing is believing. That's why Miele has designed the Futura with four interior LED lights, a first of its kind for the dish washing industry. Not only do these brilliant lights aid in the loading and unloading process, but they allow customers to instantly see that their dishes and glasses are not only exceptionally clean, but also spot-free. Easy to use controls make selecting the right program and optional modes

incredibly easy. With 16 different wash programs there is a cycle designed for washing virtually anything, Miele's AutoSensor technology makes the necessary adjustments to ensure gentle cleaning of crystal and china while IntensiveMode cleans even the dirtiest pots and pans every time.



Miele's patented 3D Cutlery Tray is designed in sections so it can easily slide, side to side, allowing the middle basket to accommodate larger utensils.

DESIGNED FOR LIFE. A LIFE WELL LIVED.

Not only is the Futura Series designed for the way we live - it's designed with quality parts and backed by Miele's unprecedented customer service and support. "Miele is dedicated not just to the lives of our customers, but also to the future of our planet," said Ord. "When designing the Futura, our goal was not just to create a product that was significantly more energy efficient but also

remaining conscientious to the life cycle of the machine." With that in mind, thanks to extensive research and development, the Futura doesn't just meet ENERGY STAR standards for water usage; it exceeds standards set for 2012 by 25%.

Designed to be innovative without being complicated, Miele's Futura Series Dishwasher can without a doubt be called, 'The World's Most intelligent Dishwasher'. The Futura Series dishwashers range from \$1,249 to \$2,849, retail price, depending on the model selected and are available nationwide through authorized Miele dealers and direct sellers only.

Visit MieleUSA.com to learn more. RO



© 2011 Miele Inc. Miele received the highest numerical score for dishwashers in the proprietary J.D. Power and Associates 2011 Kitchen Appliance Study 3, Study based on 11,701 total responses measuring 18 brands and measures opinions of consumers who purchased refrigerators from a retail store or their new-home builder during the previous 24 months. Proprietary study results are based on experiences and perceptions of consumers surveyed in March-April 2011. Your experiences may vary. Visit jdpower.com

Elly Valas

Frugal Freddie & Joe

nowing that I was familiar with the industry, my buddy Frugal Freddie asked me for some help buying new appliances. Eager to help and to ensure he got a great experience, I agreed and offered to take him into a great, local independent retailer.

I was a bit concerned about taking Frugal there because even through the recent recession, this dealer has continued to focus on selling luxury product to higher-end customers. The front of his store is displayed with a whole host of beautiful pro-kitchen and European style vignettes featuring the best the industry has to offer. Get through them, though, and he has a complete display of lower-priced replacement products.

Freddie is not the cheapest guy on the planet, but he does appreciate a good value. He tends toward mid-line goods when buying anything from clothes to cars. I hoped he wouldn't panic walking through all the beautiful kitchen displays in the store I was taking him to.

As we neared a big home improvement store on the way to the dealer I wanted him to buy from, Frugal said, "I saw their ad this morning. They seem to have a lot of appliances. Why don't we stop there first?" I thought it might be a waste of time, that we certainly weren't going to get a lot of information and help, but it was his gig, so in we went.

Walking from the parking lot, I reminded Freddie that I shopped these stores all the time. I told him that in my experience I found that their prices were usually OK, but they didn't stock a lot of product and delivery could sometimes be delayed. I told him that there weren't any well-trained associates to help him choose the best products and that he might be disappointed with the experience. He was undaunted.

We were greeted as we walked into the store and directed to the appliance department. It was a lot better merchandised and a lot cleaner than I seemed to remember. Of course they stocked all the major brands and had a wide range of price points on display in every category Freddie was looking for. And then there was Joe.

Everything I'd believed about the skills, talent and quality of associates in these box stores was instantly proven wrong. Joe was one of the finest sales associates I'd ever met.

Joe queried Frugal to be sure he matched his recommendations to the products that best suited him. He asked all the right questions and found out that Freddie cleans his plates before loading them into the dishwasher and isn't about to stop doing that; he found out that Freddie does about four loads of laundry a week and is concerned about saving energy, money and water. He explained that the side by side refrigeration he currently had was a technology developed in the 1960's to accommodate America's rush to TV dinners and that new French door refrigeration offered similar freezer storage space and much better access to foods that Freddie was likely to reach for frequently.

OMG! He stepped my friend up to a high efficiency laundry pair, a full-feature dishwasher and a feature-rich French door refrigerator. Most importantly, after a few minutes, Joe moved the conversation from price to benefits and value. Joe took the day.

WHAT ARE THE LESSONS?

• Don't Underestimate Competitors. Don't assume that their associates aren't trained, knowledgeable and motivated.

- Don't Just Shop the Competition to Determine their Product, Model Line-Up and their Current Pricing. See what tools their associates have to entice customers to buy and where possible, meet or beat those offers. It's the information age and we need to know everything possible about our competitors.
- Develop Your Own Value **Proposition**. Yes, the box stores might offer free delivery and even occasionally, free installation. Your offer of same or next day installation might trump that offer. Your "in-stock, available now" position might be of value to the customer with piles of unwashed laundry.
- · Don't Rely on the Internet. Go into your competitors' stores and pose as a customer. Find out what they do right as well as what their weaknesses are. It's not just about having the lowest price or free delivery, but about being able to attract customers, meet their needs and provide value to them.

I learned a lot from that trip to the national lumberyard store. I'll certainly take them more seriously as a competitor to the independents I serve. They've upped their game and it's our turn to take them to task. RO

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Who Controls Your Destiny?

IF IT ISN'T YOU, YOU COULD BE IN TROUBLE

s the economic turnaround continues to be elusive, getting and keeping a job—not to mention getting a promotion and making more money—can be more than a little difficult. That doesn't mean, however, that it's impossible. In fact, when times are tough, you might well have a better chance of climbing the corporate ladder than when business is booming. That might sound ridiculous, but it's true.

If your company, like so many others throughout the country and the world, is struggling to increase sales and profits, it's not unusual for employees to feel pressured and to develop a negative attitude about their jobs and the company. That atmosphere gives you the perfect opportunity to stand out, get the attention of executives, and get promoted.

Too many employees think that they will work harder only if they are paid more. My theory is this: Work hard and the money will come. Work smart and the money will come.

If you want to not only keep your job, but to get promoted and make more money, take these steps:

- · Be the first to arrive and the last to leave. Do whatever is necessary to get the job done and done right.
- Do more than required. When you ask to take on more responsibility, you send a message that you are committed to your job and your company.
- Focus on speed. Do everything faster than anyone else does it. Don't, however, sacrifice accuracy.

- Maintain a positive attitude. When times are tough and the work seems overwhelming, don't complain. Don't bad-mouth your boss and coworkers. Look around you; there are thousands of people who have lost their jobs and would be happy to take your place.
- Learn everything you can about your job, your company, and industry. Read trade magazines and learn about your company's competition.



monthly budget for personal development and use that money to purchase books on self-improvement and customer service, then read them and study them. Develop your people skills; they are just as important as technical skills. How you deal with customers and coworkers will set you apart.

· Build your self-esteem and selfworth. In doing so, you will remove self-imposed limitations that will prevent you from accomplishing your goals and dreams. The only thing standing between you and a promotion is you.

- Associate with successful people. If you hang around with people who have negative attitudes, drink too much, or do drugs, they will hold you back. When you associate with successful people, you will raise yourself up.
- Ask for advice. Ask your boss and her boss what areas you need to develop in order to move up in the organization. Then develop a game plan and work that plan.

No one is going to push you up the corporate ladder; you have to climb up on your own. You are responsible for your own success. That's something I learned early in life. I had a low grade point average in college and barely graduated, but I used more of my skills than others did. When I was 22, my net worth was \$2,270; by the time I was 30, it was \$1 million, and today I achieve that each year.

It's difficult for an organization to terminate its highest-performing employee. Be that employee and, no matter how dismal the economy gets, you not only will keep your job, you will get promoted and make more money. RO

John Tshcohl - 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





The stunning silence of German engineering.

Bosch engineering has raised the stakes by lowering the volume with its new high-performance dishwashers—the quietest line sold in the U.S.*



Silence is a Bosch virtue. That's why the new line of Bosch dishwashers is engineered to be the quietest in the U.S.* Starting with a solid molded base, Bosch engineers added three layers of sound-deadening insulation and a suspension motor, measures that effectively eliminate noise caused by mechanical vibrations. That in turn makes some units up to 300 percent quieter than comparable models. At Bosch, we believe in engineering quiet, and in the sweet sounds of silence. **www.bosch-home.com/us**





Evaluating Your Social Media Presence

QUESTIONS TO ASK YOURSELF

n the past, I've written about social media as this new, crazy world where you can try new approaches and experiment with your marketing. While that may still be true, social media is quickly maturing as a marketing vehicle, and that means your approach to it should be more measured and strategic. In other words, you need to get serious about it.

Your social media strategy should be thought of in terms of a portfolio. It's no longer enough to have just a Facebook page or a Twitter account. You have to look at all the social media channels—Facebook, Twitter, YouTube, LinkedIn, RSS, and blogs are the main ones-and manage your presence carefully and strategically.

So, what makes a good social media portfolio? The marketing agency where I work has identified four key "pillars" that characterize a good social media portfolio. They are:

- 1. Channel segmentation: How a social strategy is segmented to reach the right audience at the right time with the right message.
- 2. Channel use: How the social channels utilize technology, best practices, campaigns, messaging, and content effectively.
- 3. Audience use: Who the audiences are and how they engage with the brand through the social channels.
- **4. Promotion**: How you promote your

social channels, using tools like backlinks, cross-promotions, influencer connections, partnerships, advertising, sweepstakes, and more.

Below are some questions you can ask yourself or your marketing manager to help you evaluate your social strategy using these four key pillars:

CHANNEL SEGMENTATION

- Are you over-extending yourself by having too many social channels (Twitter, Facebook, etc.)?
- How are you segmenting your social portfolio? Geographically? Product category? Audience use? Are you segmenting at all?
- · Are you having trouble maintaining your social channels?

CHANNEL USE

- Have you asked your customers how they use (or want to use) your social channels?
- · Are you investing enough (or too much) in using all of the functionality and tools available to you through social channels?
- Do you want to be known as a leader or innovator?

AUDIENCE USE

- How is your content performing? Do people read/view it and share it with friends?
- Are you "top-of-mind" when people consider a purchase?

 Do you need to change your content (or how it's packaged) to improve its performance?

PROMOTION

- · How are people finding your social channels?
- Are you getting high-quality relationships or just a lot of "likes?"
- Why should people participate in your social channels, outside of any incentives you might offer?

The questions above are meant to get you thinking about your social strategy and how you can improve it. It's important to remember that there are many other questions you can and should ask to evaluate your social portfolio.

As I've said in the past, every company, every brand, every situation is different. There are no cookie-cutter solutions that work well for everyone, especially in the social media world. Once you've evaluated your social portfolio, you can use that information to work with your marketing team and/or a social media specialist to develop a strategy that will work best for you. RO

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Where the next big thing meets the light of day.

Somewhere a back room conversation has caused a burst of inspiration. And it will be unveiled here. Come see a bright idea light the way to tomorrow.





Rick Segel

I've Seen the Future and It's in the Palm of My Hand

MOBILE APPS FOR RETAILERS: A QUICK LOOK

y the time you are reading this article, everything that I am writing about might have changed. Of course I am exaggerating a little bit, but that is how fast the world of mobile commerce, also known as m-commerce, changes. Just when you think you have a handle on the subject, something new is introduced. Let me give you the current and accepted concepts that are changing the face of retailing via our smartphones.

First (and the application I love) is texting. When we see an ad for specials or tips and we type in a number in response, 30 seconds later we have that special or tip. This allows instant advertising. What we, the consumer, have done is opted in to a retailer's e-mail list. Anyone who works in retail knows the challenges of enticing people to sign up for e-mail lists. Texting allows us to signup customers without them actually being in the store—and the best part, the open rate is 97%.

The second application is the bar scanning, which code allows customers to use their smartphones as a check-out device. This will give you information about the product, and in some cases, where else it can be purchased. I have tried this a few times and at first I felt like I was a spy, but when I looked around, I saw three other people doing the same thing with their smartphones.

The third application is the use of coupons and the use of coupon services, a two for one feature. The first way of couponing is simply sending an e-mail to your list and the customer can print the coupon if they wish or just bring in their smartphone and the coupon can be scanned at check-out. Other applications are coupon services, such as Groupon, Coupon Cabin, and literally thousands of others. The confusing part about some of these services is that not all of their coupons will work and will give you their percentage of success rate. There is a major shift in the customer's way of doing business and that is before they walk into the store, or even while they're in the store, they check to see what coupons are available.

The next big trend falls into the category of So-Lo which is the abbreviation for Social Media Local. As the name implies, it is pinpointed local marketing. Some of the leaders in the field are "foursquare" and StumbleUpon. As foursquare advertising states, "Foursquare gives you and your friends new ways to explore your city." This allows savvy marketers to know when their customers are in their local area and gives retailers another way to stay in touch.

Other services provide messages/ signals to a target, which allows retailers to send text messages when you are in their marketing area. An example would be a restaurant that you have opted into for their notification service, but you don't live in the area and visit infrequently. Anytime you are in their area, you will get text messages about what's happening at the restaurant. The other part, and the reason for its popularity, is that it will inform you, and any of your buddies, who are in the area. Just as gmail lets us know who's online, these services will tell us when friends are in the area, and that's a wonderful opportunity for marketers to capitalize on.

It's important to realize that these companies that are playing in this arena are less than five years old. The majority of these companies are run by a very young, creative, tech-savvy group who look at the world very differently than the traditional marketer. That's why I'm hearing the term "stop the world I want to get off," from seasoned, traditional marketers. My advice to all is to fasten your seatbelts! 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







Kevin M. Henry

Designing the Male-Centric Kitchen

few years back, while preparing a marketing study for an Italian kitchen manufacturer, looking to expand their presence in North America, I made a startling discovery; kitchens were not just for women. The industry demographics were all wrong and misleading. The popular myth that women were the driving point to kitchen sales was an assumption. It was believed that the prototypical kitchen consumer was female, married, 35 – 45 with one or more child. And this was true on the whole...but what we discovered is that economics and age changed everything.

Middle-class kitchens with children still at home were female driven and functional by nature. Breakfast and dinner were prepared by Mom and homework was done at the kitchen table... all very "June Cleaver", all very American. But when it came to European or contemporary kitchens, the tables were turned and the kitchen went from one of traditional design and function to one of clean lines and entertaining. And at the helm we discovered 55 – 65 year old males directing the design and purchase of this new playground. Where the female, middle-class purchaser was focused on function and budget, the male-centric buyer was focused on aesthetics and technology.

Once considered off limits to the American male, the modern kitchen today has become the new workshop that our fathers once spent hours locked away tinkering, building, repairing and mostly escaping the pressures of everyday life. Clean modern lines, sleek glass and chrome surfaces and enough technology to launch a moon mission. Today's male has found a new venue for relaxation and self-expression.

To the modern male, the kitchen is about lifestyle and living. If stress and anxiety are the by-products of the modern world, then nothing is more coveted by than relaxation today's male contentment. If loud and excessive were once the hallmarks of a male-centric kitchen, today his kitchen can be defined by the details. His kitchen has gone from ubiquity to exclusivity, from something very public to something very private.

When designing for the male, it's important to speak about the intangible aspects of the kitchen. We must address happiness and comfort, taste and beauty, exclusivity and uniqueness. The kitchen must be viewed as a reward for his hard work, a symbol of his accomplishments.

When it comes to the kitchen, he wants, and is accustomed to the best life has to offer. To him, spending more for quality is worth it and it is expected. He believes that value is more important than price and that "brand" means security and quality. The products he chooses for his home must be a well-known and trusted name, as well as being prestigious and exclusive.

Socially driven and status aware, exclusivity and appearance are the key to his personality. He looks for products that are fashionable and will enhance the way he is perceived by others. Branding is at the heart of his decision making, as he believes; they are the traditional indicators of quality. It's about the pleasure of owning an original, and ultimately, it's about self-expression.

Up until recently, the kitchen was designed

as a functional laboratory for a single participant, the "Woman of the House", the 'Little Lady', "Mom". It was laid out with assembly line efficiency with a window centered on the sink so Mom, in her frilly apron and pearls, could watch the little ones in the back yard at play.

The evolution of the male-centric kitchen has grown far from its primary function of food preparation, to that of "social center", serving as living room, dining room, home-office, entertainment and media center. More democratic than "Mom's" kitchen, everyone is welcomed to participate in the male-centric kitchen.

Simple and clean, open and inviting, the exclusion of all things extraneous best describes the male-centric kitchen. A kitchen without boundaries or barriers, a kitchen free from conventional thought and restrictions, a kitchen created to reflect the individual.

The male-centric kitchen, in its new domestic role, finds itself reflecting a family style based on the sharing of traditional roles and function. The living area embraces the kitchen as a multifunctional arena, where food is prepared, people talk, guests are entertained and the last e-mail of the day is read and responded to. It is a space where the day begins and the party always ends. 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





Robert Spector

The Future of the Mom & Pop Store

IN THIS, MY FINAL COLUMN FOR THE RETAIL OBSERVER, I WANT TO REFLECT ON THE FUTURE OF THE SMALL, INDEPENDENT RETAILER

om & pop stores are not about something small, they are about something big. They important, not only for the food, drink, clothing, and appliances that they sell us, but also for connection to our community. We are social animals, who are drawn to the marketplace.

Mom & pop stores have endured every new retail concept that's been thrown at them: department stores, chain stores, discount stores, mail-order catalogs and the Internet. That's why, after the Apocalypse, the only survivors will be cockroaches and mom & pop stores.

Small businesses account for about fifty percent of the private Gross Domestic Product of the U.S. and create, on average, about two-thirds of net new jobs annually. They are the greatest source of new employment in inner cities. American small business is the world's second largest economy, trailing only the United States as a whole.

And yet, many municipalities all over the U.S. would rather cater to the whims and demands of big chain stores. Elected officials offer tax incentives to big stores and help them through the oftencomplicated permitting process, because all they see are the raw number of new jobs that the big store will bring. Politicians like to appear at ribbon-cutting ceremonies for these new businesses and like to cite the number of new jobs that they've added to the community. That's a lot sexier than helping small businesses add a couple of new employees here and there, and achieve the same number of new jobs over time.

Too often, city, county, state and federal taxing entities squeeze money out of the most vulnerable contributing tax-payers: mom & pop stores. And if they're not after the money, they are trying to find ways to control commerce in the form of licenses. According to an editorial in The Wall Street Journal, more than 20 percent of the U.S. workforce is required to get a permit to do their jobs—as compared to a mere 4.5 percent in the 1950's.

Sometimes politicians learn the errors of their ways. In 1988, seven years after he had left the U.S. Senate, George McGovern bought Connecticut's Stratford Inn-a combination hotel, restaurant and public conference facility. It was a failure.

After having spent more than two decades creating rules and regulations as a legislator, the senator learned what it was like to be on the receiving end of rules and regulations written by people who had never met a payroll.

"Too often, public policy does not consider whether we are choking off those opportunities," McGovern wrote in Nation's Restaurant News. He stated, "I wish that during the years I was in public office, I'd had firsthand experience about the difficulties business people face every day. That knowledge would have made me a better U.S. senator and a more

understanding presidential contender."

Independent retailers need and deserve support from their local government administrations. That's where most of the new jobs will be coming from. Let's help them survive and thrive as we head into a Golden Age of mom & pop stores. In a time of economic turmoil, we turn to our neighbors and our neighbors turn to us. Our neighbor has something we need and we have something that our neighbor needs. It's that simple.

Mom & pop stores represent the past, the present, and the future. They touch every aspect of our lives, just as they did for our parents and grandparents, and just as they will for our children and grandchildren. Although the stores will change, and the neighbors will change, and the neighborhoods will change, what will not change is our yearning for connection. The imperative of mom & pop stores will remain because they are essential to who and what we are—our neighborhood, our community, collective soul.

Good luck, and thanks for the opportunity to share these ideas with you.

Robert Spector is the author of The Nordstrom Way to Customer Service Excellence and The Mom & Pop Store. Robert can be contacted at robert@robertspector.com.





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Libby Wagner

You're in My Kitchen and You're Standing on My Foot

NOTES ON EFFECTIVE DELEGATION

grew up on sailboats. On a sailboat, the kitchen is called the galley, and my family refers to this type of kitchen, on land or on sea, as a "one butt" kitchen. This means there's no room for anyone but the cook or the dishwasher, and certainly not at the same time. Kitchens, in most modern homes, have become the centralized focus point for visiting and connecting, even if you've got a lovely living room right over there with comfy sofas and candlelight. Everyone wants to stand in the kitchen-that's where things are happening!

A lot of frustration, stress and inefficiencies occur when people in a company are gathered around the kitchen, and some employees feel like managers are getting in the way of the work that needs to be done. Sometimes employees are looking forward to a new task, challenge or project, but every time they turn around, their manager or supervisor is right there, getting in the way. Or, if you are a manager, you're wondering why that employee is not stepping up and getting things done as you'd expected.

Delegation is an essential process for successful organizations. As many business owners know, if you're going to grow, you simply must let go of some of the tasks and projects so that you can focus on the horizon, the vision and the marketplace. Some

leaders have trouble letting go. You can assess your willingness to let go along with subordinate readinessthis will allow you to know what needs to happen so you can minimize micromanaging and free up time to focus on strategic initiatives and growing your business.

Here are four things to consider:

- Clear roles and responsibilities: Make sure everyone knows what's his or hers to do or not to do! This is an important distinction. A lot of inefficiencies occur when we are repeating or redoing steps because we haven't been clear about who's doing what.
- True delegation: Don't practice Mirage Delegation—where you pretend to delegate and let go, but you're in there hovering and messing about in the details. Set an expectation, and then let go-get out of the kitchen and let the cook work!
- Specificity: Increasing your specificity can help both you and those whose boundaries you might be tempted to cross by either taking over or doing it for them. Be specific about what you want, your expectations, including a "by when" phrase, and allow the person to adjust to the new process.
- *Trust*: If you've done 1-3 effectively, then this one will be a natural by-product of your delivering High

Levels of the Core Dimensions (Respect, Empathy, Specificity, and Genuineness)—Trust. Don't waste a lot of time being suspicious about people not following through or letting you down.

MICRO-MANAGING VS. SPECIFICITY

Many people confuse high levels of Specificity with micromanaging. It's not the same thing at all. Specificity means that I give you the recipe, I might let you try my practice batch, and I share some things I know about this particular stove or oven. In other words, I set you up for success! Micromanaging, on the other hand, is about being in the middle of the kitchen with you, wrangling the electric mixer from your hands and standing on your foot at the same time. I don't trust you'll actually be able to pull this off, so I better get in there and do it myself—take over!

Sound silly? We do this all the time in our companies and on our teams. Why not set the person up for success, and get out of the kitchen so you can focus on something else? Just try it! RO

Libby Wagner, author of The Influencing Option: The Art of Building a Profit Culture in Business, works with clients to help them create and sustain Profit Cultures. www.libbywagner.com





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TRADE SHOWS, SHOWROOM OPENINGS AND SPECIAL EVENTS

UP ON THE ROOF AT LAS VEGAS MARKET

Gift+Home at Las Vegas Market offered attendees a wide range of special events including the inaugural Gift for Life charity reception" Up on the Roof" specifically designed to excite and educate gift industry. The "Up on the Roof" charity event brought together industry leaders and gift attendees for an evening of cocktails, appetizers, live music and prizes, all set against a breathtaking view of the glittering Las Vegas skyline. Gift for Life is a partnership between the gift and home industries to raise funds in support of AIDS research and education. All monies raised benefit DIFFA. This debut event was sponsored by World Market Center Las Vegas, Gift+Home and the Gift & Home Trade Association. For more info, visit www.diffa.org.



2011 · UPCOMING EVENTS

• 2012

SEPTEMBER IS IAZZ MONTH

SEPTEMBER

2-7

IFA 2011

Messe Berlin BERLIN, GERMANY www.ifa-berlin.com

8-10

CEDIA

Indiana Convention Center INDIANAPOLIS, IN www.cedia.net

22-25

BATH & KITCHEN BUYING GROUP (BKBG) ANNUAL CONFERENCE

Sheraton Denver Downtown DENVER. CO www.BKBG.com

28-OCT 2

CERSAIE

Bologna Exhibition Center BOLOGNA, ITALY www.cersaie.it

OCTOBER

22 - 27

FALL HIGHPOINT MARKET

HIGH POINT, NC www.highpointmarket.org

2012

JANUARY

10-13

INTERNATIONAL CES CONSUMER **ELECTRONICS SHOW**

Las Vegas Convention Center LAS VEGAS, NV www.cesweb.org

30- FEB. 3

LAS VEGAS MARKET GIFT + HOME - VEGAS KIDS

World Market Center LAS VEGAS, NV www.lasvegasmarket.com

FEBRUARY

8-11

NAHB INTERNATIONAL BUILDERS **SHOW**

Orange County Convention Center ORLANDO, FL www.buildersshow.com

15-18

ASTI-2012-APPLIANCE SERVICE TRAINING INSTITUTE

SAN ANTONIO, TX www.unitedservicers.com

26-29

NATIONWIDE PRIMETIME! **BUYING SHOW & CONFERENCE**

Gaylord Palms ORLANDO, FL www.nationwideprimetime.com

26-29

VDTA / SDTA TRADESHOW AND CONVENTION

Morial Convention Center NEW ORIFANS, IA www.vdta.com

MARCH

6-9

DIGITAL SIGNAGE EXPO 2012

Las Vegas Convention Center LAS VEĞAS, NV www.digitalsignageexpo.net

10-13

INTERNATIONAL HOME AND HOUSEWARES SHOW

McCormick Place CHICAGO, IL www.housewares.org

APRII

27-29

KBIS - KITCHEN & BATH INDUSTRY SHOW

McCormick Place CHICAGO, IL www.kbis.com

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How Much is the Lowest Parts Price Costing You?

irst, most appliance service companies use two parts distributors for their domestic appliance parts needs. Typically around 80% of the business is given to a primary supplier and 20% to the secondary. The decision as to which suppliers get the larger portion is generally based on the service companies experience with the distributor in terms of price, availability and customer service. When asked which variable is most important when choosing parts distributor, many companies will say price.

The average wholesale cost of an appliance part today is approximately \$45 by most accounts. While there are always exceptions, non-scientific research shows that pricing varies about 5% or less on most parts when checking one distributor against another. The average servicing dealer purchases \$30,000 to \$45,000 in net (non-warranty) parts each year. This means that if the company was able to save 5% on every non-warranty part they bought throughout the year, they would save \$2,250 in parts costs.

Here's an interesting question: How much did that \$2,250 "savings" cost the company? In order for the service manager to shop one parts distributor against the other, it required the parts to be looked up, the manager to log-in to each distributor's site, enter each part number, note the price, and then, line-byline, determine who had the best price. Then, assuming that each distributor was lower than the other on some of the parts, a higher price had to be paid on a portion of the order so that a free-freight minimum order could be met. Perhaps this process even involved a phone call or two to the distributors.

Let's assume that the part manager earns \$12 per hour. Depending on a few variables like state taxes and the benefits package, that employee actually costs



upward of \$15 per hour. If that employee spends 30 minutes each day checking parts prices, extrapolating to an annual expense of \$1,950 per year in order to "save" \$2,250. Factor in a couple of other things like 401K contributions or bonuses and the perceived "savings" has become an actual expense.

Another factor to consider is how much

other more productive and profitable work the service manager could be doing. For example, what if that time was spent managing the parts inventory already on hand, making sure that the store and truck stock levels were appropriate for the type and volume of work being generated? What if that time was spent finding additional labor-generating work for the technicians? One additional turned call or one new call generated could more than make up for a year's worth of work checking parts prices!

This is not to suggest the service companies should blindly order parts from any parts distributor and throw cost to the wind, but it is to say that focusing on price alone is dangerous and likely costing companies that do it more money than they realize. Efforts should be made instead to reach agreements with the distributor(s) of choice that a defined volume of business will be delivered if agreeable pricing levels, fill rates, ship times, and policies (ex. freight, returns, etc.) are met.

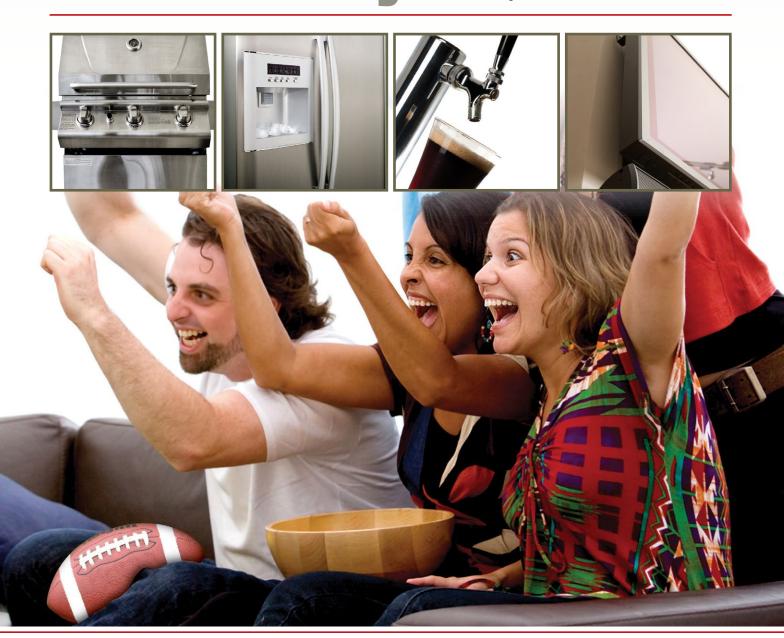
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Nationwide Appoints 3 New V.P.s

RECENT PROMOTIONS ENHANCES SERVICE TO INDEPENDENTS

Nationwide Marketing Group (NMG) announced the recent promotions of several key executives including to Vice President of Member Development; Frank Sandtner to vice president of member services - operations and James MacAlpine to vice president of rental division & business development.

According to Robert Weisner, CEO, "These recent promotions mark even more changes in the organization this year as we continue to enhance our leadership team. Our team will be focused on expanding the member services we currently provide the independent dealer."

"Over the past three years, Nationwide has added hundreds of new members as well as many new programs and services," said Les Kirk,

COO. "As we continue to add to the scope and complexity offerings, it is important to also enhance the roles of some of our key employees."

Knodle working in the field sales division of Nationwide as the Director of Member

started

Services. As the new Vice President of Member

Development, Knodle plans to work with other team

members to find new ways to make it much easier for

independents to learn about all of the benefits of

membership with Nationwide and teach them how to utilize these services to build stronger more profitable businesses.

Ed Knodle



Ed Knodle



James MacAlpine

less than a year he became employed to not only manage that program but to work with other member services. He quickly branched into the development of Nationwide's web services including website development, email marketing and online directories.

"Over the past three years, we have successfully partnered with world class service providers in the web services space. These partnerships have enabled us to offer our membership reduced pricing on a range of websites with robust product catalogs in our major product categories," said Sandtner.

As the new Vice President of Member Services -Operations, he will be responsible for the operational aspects of all member services, ranging from NMG's

> member communication

system, data warehousing services, digital signage, rebate processing distribution and initiatives.

James MacAlpine, the new Vice President of Rental & **Business** Development for NMG, significantly increased the membership of rental

dealers over the past 6 years with the organization. Rent Direct, its rental division, is now the largest rent to own buying group in America.

"My role with Nationwide over the last couple of years has evolved and expanded with the market changes," said MacAlpine. "The rental business has not been as severely impacted as retail within the current economy. Rental has become a more viable option as more consumers seek affordable ways to acquire household durable goods in a way that fits within their budget."

According to MacAlpine, he will continue to direct all rental operations as well as seek out new business opportunities for retail and rental dealers alike.

More about Nationwide Marketing Group: (336) 722-4681 or visit www.nationwidemarketinggroup.org.

"What amazes me is how much member dealers who have fully utilized our services, regardless of size, have prospered within the past year," said Knodle. "The future success of the independent relies on understanding what they must do to compete and Nationwide has an experienced and knowledgeable staff to walk with them through these steps."

Frank Sandtner began working with NMG nearly four years ago as a consultant for the warranty program. Within







BrandSource Unveils Permanent Showroom World Market Center / BrandSource Financial Launch

BRANDSOURCE UNVEILS PERMANENT 8,000 SQ. FT. SHOWROOM, NEW INVENTORY FINANCE PROGRAM, AT WORLD MARKET **CENTER LAS VEGAS**

BRANDSOURCE AMBASSADOR KATHY IRELAND UNVEILS **NEW POINT OF SALE MATERIALS**





BrandSource recently unveiled its new showroom totaling nearly 8,000 square feet at World Market Center Las Vegas (WMC), marking the buying group's first permanent space at the popular home furnishings trade show.

"We're very excited to have a permanent showroom in Las Vegas," said Michael Allen, VP Home Furnishings for BrandSource. "As the

country's largest buying group, BrandSource has a lot to offer members and independent dealers. We're proud to have this large space opportunity to showcase our full assortment of programs and services."

Attendees were also the first to see a new in-store graphics package featuring BrandSource Ambassador Kathy Ireland. Ireland is slated to appear in a variety of advertising and promotional campaigns to help generate greater awareness of the BrandSource brand. She has also collaborated with BrandSource on new product development; her new home furnishings collection was unveiled at the recent BrandSource convention in Las Vegas.

BrandSource Financial, the group's new inventory finance program, was also detailed during market week. Premier home furnishings suppliers have collaborated with BrandSource on this initiative including Serta, Simmons, Vaughan Furniture, Sealy, Tempur-Pedic and Douglas Casual Living.

In addition, showroom visitors saw BrandSource's re-designed private-label bedding line, Majestic Sleep Collection and the very successful HGTV Green Home Mattress collection by Serta.

BRANDSOURCE LAUNCHES INDEPENDENT WHOLESALE FINANCE COMPANY



AN INDUSTRY FIRST, BRANDSOURCE FINANCIAL OFFERS COMPETITIVE FINANCING FOR MEMBER-OWNED **BUYER'S GROUP**

BrandSource has announced the launch of BrandSource Financial, a wholly owned wholesale finance company designed to support and provide members with additional opportunities for profitability and growth.

"We're delighted to announce the launch of BrandSource Financial," said Bob Lawrence, CEO of BrandSource. "BrandSource Financial offers all the capabilities of any competitive wholesale finance company. However, BrandSource Financial is the only wholesale finance company operated for the benefit of its members; nobody else in the industry has this."

Lawrence credited several people for their hard work in supporting the creation of BrandSource Financial: Bill Baptiste and Mike Cox in BrandSource's Anaheim, Calif. headquarters, and Kevin Leier and Jacques LeCavalier of BrandSource Canada/MEGA. Lawrence also recognized Electrolux for their participation in the program and their support of BrandSource members and the independent channel.

"In this time of tight margins, our members will have additional opportunity for profitability," Lawrence said. "Since we own it, we all share in the proceeds."

Lawrence said that BrandSource Financial launched with Electrolux immediately and additional members are continuously being added until the company reaches full rollout. RO

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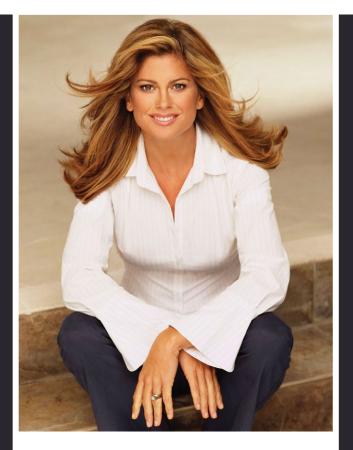




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BRANDSOURCE® Brand Ambassador Kathy Ireland









Mega Group USA Expands Web Offering

EGA Group USA has announced the company expanded their WebFronts Premium Plus Program to include Mattress and Bedding. WebFronts Premium Plus provides MEGA Group USA dealers an industryleading web presence featuring unlimited product catalogs, vanced merchandising and pricing tools, an unlimited dual shopping cart and quote request system, advanced SEO techniques, automated rebate centers and product comparison capabilities for the appliance, furniture, electronics and lawn and garden industries. Now MEGA Group USA has expanded the offering to include mattress and bedding.

Since introducing WebFronts Premium Plus five months ago, over 100 dealers have adopted the program and launched new sites. This new WebFronts technology platform is appropriate for dealers whose businesses are part or entirely mattress and bedding and will revolutionize the world of cost-effective marketing in this industry.

"We are excited about the addition of mattress and bedding to the WebFronts Premium Plus program," stated Scott McFarland, director of information technology for MEGA Group USA. "Our mission is to provide every necessary business and marketing tool to make our dealers successful and profitable. Having an aggressive web presence is vital in today's marketplace and this expansion now provides all of our dealers the marketing power they need to compete successfully online."

In addition to announcing the mattress and bedding expansion to the WebFronts Premium Plus Program at the Nashville Con-**MEGA** vention, Group USA introduced another new business service to their dealers — Fleet Management Software. MEGA Group USA has partnered with EnGenX, a premier vendor in the industry, to provide dealers the ability to constantly track delivery and service trucks and the ability to maximize routes, monitor speed, RPM, idle times and off hour activities plus more. The web-based solution easily integrates with dealer's existing software application and can be fully customized to suit individual dealer needs.

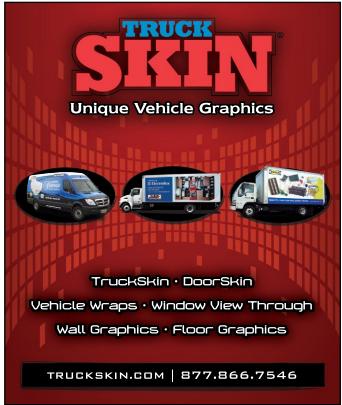
"One of MEGA Group USA's distinct advantages is the breadth of business services that we offer our dealers," stated Mallory Parker, MEGA Group USA. "This new fleet management software offered by EnGenX gives our dealers yet another major resource designed to make their business even more profitable."

Since 1984, MEGA Group USA has held national conventions for their dealers every year. This year's convention in Nashville, themed Stav Connected. Be Connected, was focused on further educating the dealers knowledge of web marketing. In addition to training workshops on MEGA Group USA's Web-Fronts Premium Plus program, the buying group conducted informational sessions on social media that included tips, techniques and best practices. The featured speaker for this year's convention was Jeff Korhan, an expert in Social Media who addressed the dealers prior to the show opening. Korhan is a new media marketer, an award-winning entrepreneur, and a top-ranked blogger who helps entrepreneurs and small business owners maximize their Web visibility, reputation, and referrals with social media and Internet marketing.

"Bringing someone in of Jeff's expertise and experience was perfect for our dealers," stated Rick Bellows, President of MEGA Group USA. "Online and social media marketing is critical to their success. As a leader in web marketing, it is our responsibility and passion to continue to bring our dealers the knowledge they need to compete online. Having Jeff Korhan speak to them was just another example of our dedication to help our members grow in all aspects related to web marketing." For more information on MEGA Group USA, www.megagroupusa.com RO

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Mike Handelsman

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BUSINESS WILL BE MOST

LIKELY TO ATTRACT MULTIPLE

BUYERS, CREATING AN

AUCTION-LIKE ATMOSPHERE

THAT WILL OFTEN LEAD TO

A HIGH SELLING PRICE

iming the sale of a business can be a stressful process. In today's tenuous economy, it's nearly impossible to predict your business's financial future, let alone its value on the open market. But smart business owners also know that timing is everything. Selling either too early or too late can lead to a substantial amount of money being left on the table. So while you won't be able to control the economy, there are certain steps you can take to make sure the timing of your sale maximizes the selling price.

Being ready to sell when that time comes can lead to more interest from buyers, more offers and ultimately, a higher selling price. So whether you are looking to sell soon or farther down the line, here are some considerations on which you should focus:

SELL AT PEAK VALUE

Selling at "peak value" is, of course, easier said than done. Most business owners will find it hard to consider selling when things are going well, but that could be precisely the best time to get out. A growing, expanding, smoothly running business will be most likely to attract multiple buyers, creating an auction-like atmosphere that will often lead to a high selling price. Too many owners wait until a major customer or key employee is already lost before trying to get out as well. Buyers will be aware of these types of situations and may use it against you in the negotiation process. The key to getting the most money is selling when the buyer can find few flaws.

While that is the ideal situation, many business owners have been dealing with declining numbers for the past few years, giving them little leverage for a sale. This has created a backlog of business owners waiting to sell, meaning there will be more competition as the economy improves. We are just now starting to see signs of that recovery—all the more reason you need to be thinking about the timing of your sale.

Even if you don't plan on selling for many years, the time to start building value is now. This includes everything from organizing your financials and improving the physical state of the building to training

ime the Retail Business EXIT - TIMING IS EVERYTHING!

capable employees to manage the business in case of your departure. These preparations will prove especially important if an unforeseen personal or business crisis forces a quick sale.

PICK THE RIGHT SEASON

Just as with any industry, your retail business varies depending on season. Be sure to take this into account as you get ready to sell. You should know better than anyone when your financial situation will look the best each year. A typical business sale takes 8-10 months. Plan that timeline into your strategy. As already mentioned, you want your business to appear as financially strong as possible. Make sure that you're hitting your busy season just as potential buyers will be checking details and beginning the negotiation process. This may also fit with planning for transition to a new owner during a less busy or important time of year, when the new buyer will have time to learn the business without the potential to make costly mistakes at the outset.

TIME THE TAX IMPLICATIONS

There were many business owners rushing to sell their assets in 2010 in fear of pending legislation to increase to the capital gains tax rate. However, late in the year, the federal government extended the existing tax rates for two years, giving business owners more time to take advantage of lower rates. But the current rate may increase eventually, potentially in 2013, and the hike may have a dramatic effect on the proceeds of your business sale. For example, a capital gains increase from 15% to 20% would increase taxes (and decrease your after-tax proceeds) by \$100,000 on a \$2,000,000 sale. To mitigate

the effect of these tax increases, a business owner needs to grow their top and bottom line by an appreciable amount just to stay even. So if you feel emotionally and financially ready to sell within the next two years, then now is the time to start talking with your advisors about how to best position your business to maximize the sale price before a potential capital gains tax increase.

Selling a business is something almost every owner will have to experience at some point. Whether you are planning to retire or to start another business venture, it's important not to rush into the sale process. Take your time to plan an exit and make sure your business is heading in the right direction come sale time. As they say, timing is everything. RO

Mike Handelsman is Group General Manager for BizBuySell.com and BizQuest.com, the Internet's two largest and most heavily trafficked business-for-sale marketplaces. Both sites feature business valuation tools that draw from the largest databases of sales comparables for recently sold small businesses and include two of the industry's leading franchise directories. Since 1995, BizBuySell and BizQuest have offered tools that make it easy for business owners and brokers to sell a business and for potential buyers to find the perfect business. Together, BizBuySell and BizQuest list more than 75,000 businesses for sale at any time and have over 850,000 monthly visits.

Prior to his online experience, Mr. Handelsman began his career in brand management with Procter & Gamble. He also worked as a Management Consultant with McKinsey & Company in Chicago and San Francisco. For the past 15 years, he has had extensive experience dealing directly with start-ups and early-stage businesses. Mr. Handelsman is a graduate of Duke University, and holds a MBA from the Harvard Business School.

Manufacturer (NOTES)

New KitchenAid® **Freestanding Range Collection**

EXCLUSIVE DUAL FUEL DOUBLE OVEN RANGE WITH INDUSTRY'S LARGEST OVEN CAPACITY

itchenAid, the brand known for bringing high performance professional features into the home kitchen, is offering a new collection of freestanding ranges that includes an exclusive dual fuel double oven range with the industry's largest oven capacity available.*

"Whether seeking out a single replacement model or several different appliances, consumers can now choose from the broadest and best performing freestanding collection we've ever offered," notes Debbie O'Connor, senior manager of brand experience for

KitchenAid. "Our double oven freestanding ranges, with a true convection system, deliver the best baking performance and most even baking across all racks among conventional double oven freestanding ranges."**

The new KitchenAid double oven ranges are available in dual fuel, gas and electric models. The unique dual fuel models offer the precision and responsiveness of a gas range top with two electric ovens that allow for preparation of multiple dishes at different temperatures. At 6.7 cubic feet, the ovens on the dual fuel models combine to provide the industry's largest oven capacity available. All models in the double oven range collection feature an Even-HeatTM True Convection System in the lower oven. This true convection system has a

hidden oven element and an innovative bow tie 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.

"Beyond being able to cook two dishes separately at different temperatures, double oven ranges provide space and efficiency advantages," says O'Connor. "The smaller, more accessible upper oven heats up faster making it convenient for frequent use when cooking smaller, weekly meals. And for those who would like, but don't have the space for a built-in double wall oven, these ranges offer a comparable alternative."

Stainless steel range tops on the dual fuel and gas models feature five sealed burners including a powerful 16K BTU Professional burner for high heat searing and boiling; a 10K BTU burner; a 7.3K BTU oval burner that accommodates an included griddle or grate for added flexibility; and two 5K BTU simmer burners for keeping foods warm or melting delicate items like chocolate.

Range tops on the electric double oven models have infiniteheat controls for selecting a range of heat outputs and feature a

> 10-inch 3200-watt cook top element, the most powerful in the industry. ***

> Additional electric range top elements include a versatile triple-ring round element to accommodate several sizes of cookware, two 6-inch 1200-watt elements and a warm zone element for keeping cooked foods warm before serving. Additional features found in both the upper and lower ovens throughout the double oven collection include a slow cook function, a variable time self-cleaning system and a Sabbath mode. All lower ovens have convect bake, a roast option and an EasyConvect[™] Time and Temperature Conversion System that converts conventional times and temperatures to their convection equivalents. A bread proofing function

and closed-door broiling on electric ovens provide cooks with further flexibility in their cooking options.

Premium design details found in the collection include distinctive blue-enameled oven cavities, glass touch displays and ClearVue™ large viewing windows. A SatinGlide™ roll-out extension rack in the lower oven has an easy to grip handle and ball bearing rollers for easy loading. RO

- *Based on combined capacity (cu. ft.) upper/lower ovens
- ** Those with bake/broil in both ovens and a 14.5 kW rating or below
- *** Among leading brands, non-induction elements





When it comes to even baking, oddly there's no competition.

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NORTH ATLANTIC (UPPER) Ralph Moretti (269) 923-1722

moretrl@whirlpool.com

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