

CE Retail: An Endangered Species?

Written by Marco Attard
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Canalys predicts "many more" CE retailers will follow the likes of Surcouf, Best Buy Europe, CompUSA and Circuit City to die from the high streets due to failure to survive in the current market.



According to the analyst, the city centres of 2020 will be a different sight from those today, with "many famous retailers" disappearing.

It reminds one of the dodo and its failure to survive after that most dangerous of hunters (man) invaded its Mauritius island home...

In our case, driving retailers out of business is the "perfect storm" of internet retail and supermarkets, as the competition undercuts on prices while offering a superior consumer experience.

Canalys uses Amazon as an experience, whose online approach includes massive stock range, peer reviews, recommendations, free (or cheap) delivery and a superior returns service.

Meanwhile supermarkets are more often than not "willing to sacrifice margins to bring customers to their stores," the analyst continues. Supermarkets also tend to have both parking facilities and delivery services.

Making things worse are the deaths of most content businesses (vinyl, film, film processing,

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CDs, DVDs)-- even software and gaming are moving to online and download businesses.

Canalys makes a blunt assessment on CE retail-- "CE retailers now offer very few benefits to consumers. They appeal to the rapidly shrinking proportion of people who are unable or unwilling to shop online. They enable impulse buying and they allow somebody to pick up a product immediately, rather than the next day. But that's about all."

What are retailers to do? Today's consumers are looking for experiences the internet cannot emulate, such as tailor-made services, celebrity appearances and opportunities for socialisation and sustenance, all within attractive environments. Apple managed to fill such needs with its iconic stores-- but can the majority of retailers and vendors even come close to the most successful company in the world?

If one is to follow the Canalys predictions... maybe, but most probably not.

Go [Expect More Famous Retailers to Disappear \(Canalys\)](#)