

# RadioShack Corp. quietly opens new concept store

February 12 2009, By Maria Halkias

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RadioShack Corp. has quietly opened a new concept store in the Dallas area. If successful, the ubiquitous RadioShack easily could convert some of its stores in each market, analysts said.

It's called Point Mobl and it sells portable devices in an upscale decor of white fixtures and clean glass with no sign of the Fort Worth, Texas-based consumer electronics company.

The stores stock each mobile category from compact laptops and MP3 players to smart phones and GPS systems, in more depth than a RadioShack, which sells everything from hearing aid batteries to remote-control cars.

RadioShack declined to comment on its test.

Point Mobl stores are about the size of its electronics convenience stores and have been open since mid-December. Merchandise selection and store design probably were conceived long before Americans slashed their discretionary spending last fall and scaled back during the holidays.

Stores also sell custom bundles for specific mobile needs. Point Mobl's wireless carriers are the same as RadioShack's: T-Mobile, AT&T and Sprint.

"It's a difficult time to test a new concept when people are delaying spending," said Michael Pachter, analyst at Wedbush Morgan Securities.

"But why not try out a couple concepts that could be more productive in the same 1,500 square feet?

"If it works, selling smart phones and all things portable is a higher transaction than RadioShack's average."

Point Mobl could easily grow to 100 stores by converting 10 RadioShack stores in 10 markets, Pachter said. RadioShack has 6,000 company-operated and franchise stores and 700 wireless phone kiosks.

More than a third of RadioShack's business is in wireless, but it's been losing market share.

Point Mobl could be a way to compete with new specialty stores popping up from wireless service companies such as AT&T, the exclusive carrier for Apple's iPhone, and with Best Buy Co.'s expansion into the mobile category.

Best Buy opened 30 free-standing Best Buy Mobile stores and enlarged its wireless departments in its more than 950 Best Buy stores last year.

Last month, Best Buy said it gained market share during the holiday shopping particularly in mobile phones and accessories, which it said had a "very strong double-digit comparable store sales growth."

Total connections also increased by the solid double digits from 2007, when it only had 181 Best Buy stores converted.

RadioShack is scheduled to report fourth-quarter sales and earnings Feb. 24.

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