

Best Buy rolls out mini-shops for Samsung appliances

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Best Buy's alliance with Samsung is getting even deeper.

The electronics retailer, based in the Twin Cities suburb of Richfield, already has two store-within-a-store spaces dedicated Samsung products; one for TVs and the other for smartphones and <u>mobile devices</u>. Now, in some stores, it will add a Samsung branded space for <u>appliances</u>.

The "Samsung Open House," a roughly 20-by-20-foot area, was installed in two Minneapolis-area Best Buy stores, as well as one in the Chicago area, in June. It will roll out the mini-shop to about 200 more locations by the end of the year.

"It's a good partnership," said Jeff Haydock, a Best Buy spokesman. "Samsung has done a great job in bringing technology into appliances."

The move comes as Best Buy has placed greater emphasis on appliances as an area for growth. It is also a way for Best Buy to reduce its exposure to the volatility of consumer electronics.

Appliances account for about 7 percent of the Best Buy's overall sales, but the category has been growing faster than some of its bigger product categories such as TVs and smartphones. Appliance sales at Best Buy grew 7.5 percent last year and 16.7 percent in 2013.

In recent years, Best Buy has also been rolling out Pacific Kitchen & Home mini-shops that offer higher-end appliances to many of its stores.



It's planning to add that to at least 50 more stores this year.

Best Buy has about 1,050 big box locations in the U.S., where it deploys the mix of store-within-stores. It also runs about 350 smaller Best Buy mobile stores, chiefly in shopping malls.

One of the key features of the new Samsung appliance departments will be an 85-inch touchscreen that will give customers an interactive tour of Samsung's home appliances with photos, videos and other custom features.

The shops themselves will bring together many of the Samsung appliances that Best Buy already carries, such as a robot vacuum cleaner and a four-door refrigerator that allows customers to convert each zone into a freezer or refrigerator depending on their needs.

The mini-shops will be staffed by specially-trained Best Buy employees.

Best Buy did not disclose terms of the deal.

In 2013, Best Buy began partnering with Samsung with store-within-astore concept in smartphones and tablets, similar to the Apple minishops it has had in its stores for years. It also launched a mini-shop with Microsoft that same year.

Last year, the retailer began adding Samsung and Sony mini-shops in home theater that showcase curved and 4K TVs to hundreds of its stores.

In these mini-shops, Best Buy and its vendor partners share the expenses to build out the space and to train employees.

In addition, Best Buy has been dedicating other parts of its stores to showcase products from other major vendors, such as GoPro, Beats,



Dyson and Intel. But those areas are not considered store-within-a-stores because they generally don't have specially-trained employees assigned to them.

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