Ian Anderson steps down after four successful years as BADA chairman

The BADA 2008 AGM and Conference
by Martin Colloms

The Press were invited to observe at the BADA (British Audio-Visual Dealers Association) AGM & Conference held at New College Oxford , 7/ 7 /08, and benefited from several interesting and informative presentations including one reporting good progress on BADA's worthy Demcraft dealer training initiative, also supported by several UK manufacturers and UK based organisations. The aim is to deliver a consistently high standard of sound quality demonstration from BADA dealers this also including installation expertise. Thus the customer can properly sample performance before purchase, and then have a good chance that this performance will be delivered in the home. Driving Demcraft has been a major initiative by Anderson.

Andy Clough, ex editor of What HiFi, stood in for Haymarket's Clare Newsome (Brand Director) and presented the revamped powerful What Hi Fi website, which is also his new responsibility.(www.whathifi.com : and should not be pronounced, as it is offshore, as 'wath-ee-fee'). Spurred by the success of this publisher's revamped 'What Car' site, which rapidly delivered more revenue/readers than the print journal but has not supplanted it, Haymarket's What Hi Fi has now massively revamped their previously trial site.

Andy claimed one million print readers worldwide through their English and foreign language editions of What Hi Fi and this must be a good thing for Hi Fi in general. Again the complementary site is operated so as not to prejudice the companion print journal, while towards the end of each month those published, printed reviews will begin to migrate to the site. Andy explained that the team long debated whether to charge for the online reviews but in the end chose to provide them as free content, aiming to make the operation pay through associated advertising, this operating at several offer levels.
To aid the launch some 1,000 back reviews are available, while a huge database is building, based on years of reviews comments and specifications. This will be fully searchable providing and unrivalled index to products past and present.
He considered that a key feature was the varied audio and A/V forums, moderated and commented by Andrew Everard, audio editor of sister publication the Gramophone. Clough commented that for What Hi Fi the impact and revenue potential of the web was simply impossible to ignore and that he continues to actively recruit content from every level of this magazine's operations and staff.

Simon Foy, of GfK, their consumer electronics specialist, was back at the AGM to deliver data on audio and C E consumer electronic sales over the past year. Trend analysis was applied to try to see what lay ahead. There was a wealth of information of which I can only provide a few highlights.

All retail sales up to May were 8% up on the previous year, but further data showed evidence of the impending fall. Using the tracker for consumer confidence Simon showed that while the index has essentially held within a few per cent for the past six years, if allowing for a mild decline, now there is the greatest and most rapid fall to minus 34 points, the lowest recorded level since this tracker was started. He pointed out that while overall retail sales grew by just 1.4 % to Dec 2007, CE sales bucked the trend with a strong 5.5% growth, dominated by Flat TV, iPods and home theater. In the last ’89 to ‘94 recession it turned out that CE, consumer electronics was remarkably unaffected and he hoped that it also would be true this time around. Conversely for the rest of Europe the fall in sales was almost 30% and was continued until about ‘98-’99.

Hi Fi separates fared worse than general CE products in the UK during the last recession but had recovered well by ’97. AV still grew in 2007-8, up 5% to a total of £6 billion. But May 08 finally has shown the big fall in sales value, from +11 AV value units to -7. This mirrors other data now published on the economy.

Considering some details, docking stations were up, 68% in sales value last year to £111m, while LCD TV as a whole comprises nearly 50% of AV sales value with audio separates constituting just 0.75% of the AV total.

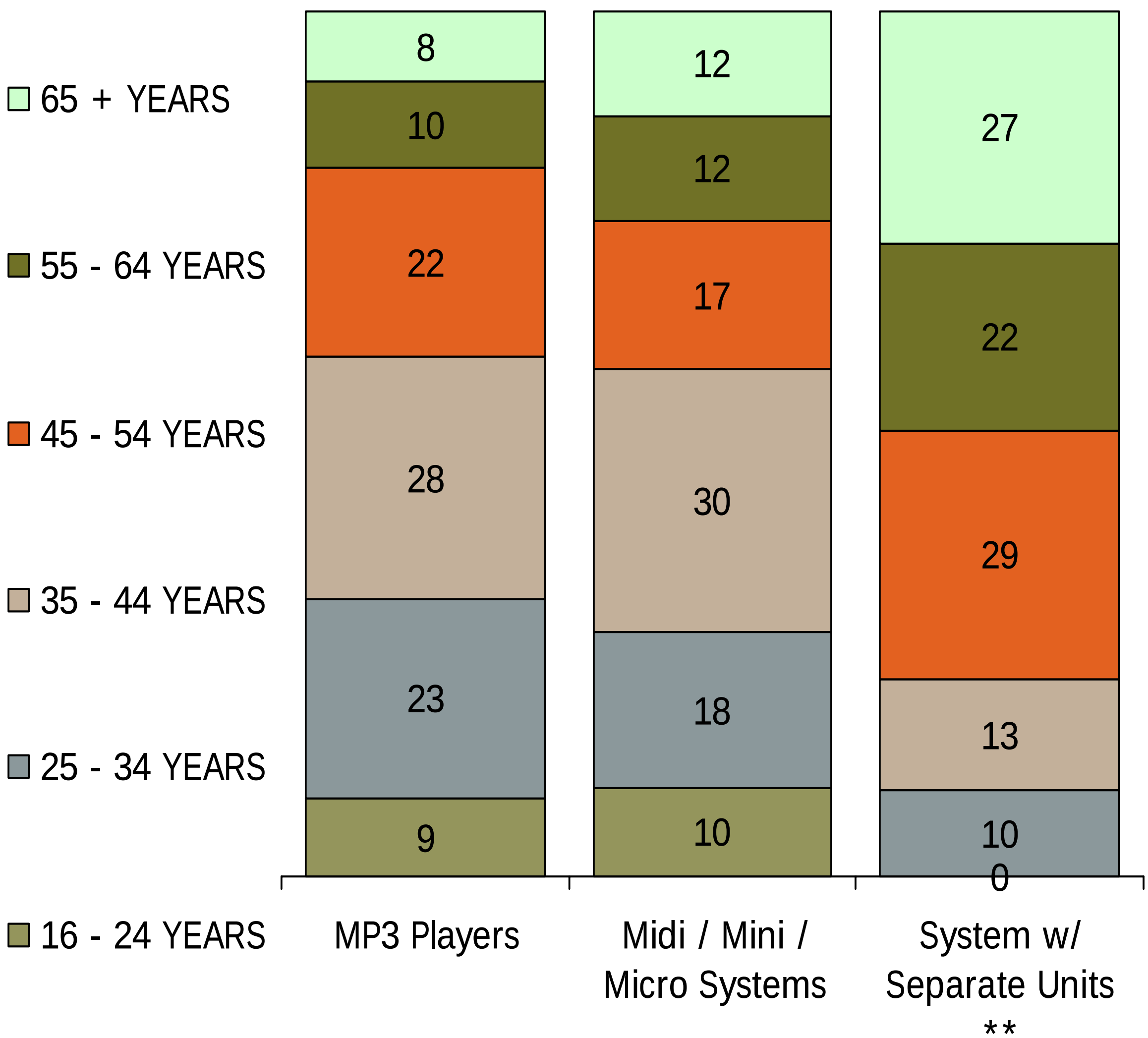
Internet sales are now accounting for 14% of AV turnover and growing, but separates are still dominated by one-to-one dealer sales.

The meteoric growth for flat panels continued for last year at least, with a doubling from 1 to 2 million units sold, though with continued erosion in margins. And with the 40-42 inch the most popular size.

DVD player sales had grown massively to 2006 but have now plateaued out at about 5.5 million units per annum.

Some of the results for MP3-4 users were fascinating: the table shows the relationship between owners and age for MP3/4 vs. Audio Systems vs. Audio Separates.

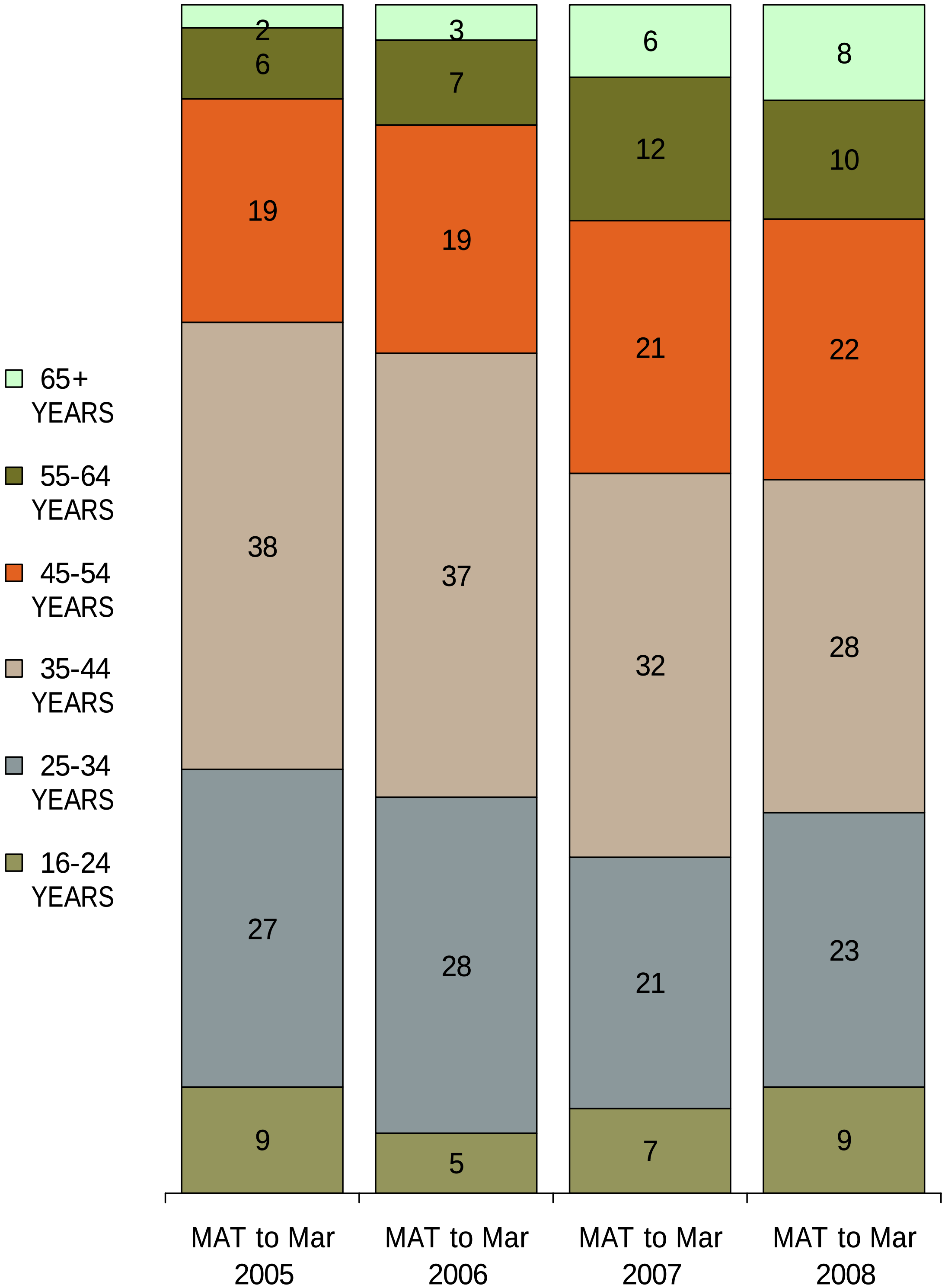
Age of Owner – MP3/4 vs. Audio Systems vs. Audio Separates



* GfK ConsumerScope. Volume, Static Audio / Portable Audio, MAT to Mar 08, GB Sales

** Small sample size (use as indication only)

MP3 & MP4 - Age of Owner Over Time*



* GfK ConsumerScope. Volume Portable Audio. GB

The second Table above shows consistent growth in MP3 ownership for the older age groups. Will this translate into growth for audio separates?

Audio Systems peaked at £600 million in 2001 fell to £30m by 2006 but recovered to £324 by 2008. Audio Separates including loudspeakers peaked at £400m in 2001 fell to 206 m by 2006 and have essentially levelled out since. Conversely ‘Hi Fi and Home Theatre Separates’ have gone from £483m in 2002 to a more level region of £1250m up until now. Of this broad grouping, over the past year turntables are static at £8m, CD players have declined to £17m tuners to £4m and amps from £34 to 30m while the better sellers are in the £500 to £1000 range. Turntables are perhaps a surprisingly large proportion of hi fi separates and in fact improved by 8% in value over the past year. CD players declined 20% in value over the same period. Speakers dominate the sector by value at £100m and are expected to hold their position. Growth is definitely expected in the quality audio server area, and also higher quality amplifiers.

John Dickins Training and PR consultant, previously of Pentax UK and a Hi Fi enthusiast, discussed the parallels between the camera and electronics businesses and argued that the view that the same type of consumer was to be founds in both market sectors.

David Topliss of The Performance Consultancy, set himself the task of involving the whole meeting in a self participating analysis of their operation in just 20 minutes, aiming to guide the participants in the identification of a few small but annoying issues which could be dealt with very short term to the benefit of their operation. Such activity presages deeper consultant involvement on request. While not a dealer I do need to balance the HIFICRITIC books and accordingly participated. Issues which I had put aside for months suddenly appeared on my ‘try out’ form and I found the process helpful in both prioritising, and then driving me to deal with a number of business related points. David is a keen audiophile with a fine Naim system and in later conversation I found him well acquainted with the vital issue of a good, well-tuned set up.

The final presentation was by Richard Lindsay Davis, commercial development director of freesat, an organisation which is just three months old. He explained that it was a non profit set up, shared equally between the BBC and ITV to deliver digital television, including the more popular and useable interactive features, to the whole UK including the 27% who cannot get freeview due to lack of broadcast coverage. As the name suggests the freeview stack of TV channels are thus delivered exclusively via satellite, and a Sky dish or equivalent is entirely suitable. He felt that with consumers looking to control outgoings there would be some migration from Sky to freesat, which only required a modest one- off purchase of a receiver, and not a subscription. There would be the install cost for a satellite dish when required. Some new TVs, Humax and particularly Panasonic have a freesat receiver built in. The convenient recording /time shift feature of Sky plus boxes at not available at present; you will need to use an auxiliary recorder for now, but these are promised.

The freesat pull is predominantly HD, provided free for BBC and ITV, the content growing as the HD material becomes increasingly available. Richard commented that it would be some time before the matching sound track would be routinely provided in a 5.1 Dolby Digital surround sound format, and that normal stereo would be the norm for some time. An improved BBC iPlayer service will soon be available on freesat adding to its appeal. (a good background on freesat is presently available on Wikepedia)