



Benefiting from Videogame Accessories

How to capitalize on the impact of new technology with sales

Retailers face an opportunity to capitalize on introductions of new videogame technologies by selling accessories. A 2015 NPD Group report, *Games Market Dynamics: U.S.*, found consumers spent \$1.93 billion on videogame accessories in 2014, while total game industry consumer spending topped \$22.4 billion. A 2015 Entertainment Software Association report, *Essential Facts about the Computer and Video Game Industry*, found that 155 million Americans play videogames, 51 percent of households own a videogame console and 42 percent of Americans play videogames at least three hours per week.

New Technology

Consumer anticipation for new game titles and next-gen technology is growing this year. Virtual Reality (VR) is a technology that replicates a 3D environment in a way that the user can interact with the virtual world, and new VR systems from Oculus and HTC have reenergized the gaming category. Reviewers who waited in line for up to three hours at CES 2016 to experience the Oculus Rift VR game demos were impressed with the technology. The \$599 Oculus Rift is shipping now and comes with two games – and 30 more games are available for purchase. The \$799 HTC Vive (see photo) is expected to ship in June with three games and also have 30 other games available for purchase. Both systems require a high-performance PC.

More traditional videogaming is experiencing a renaissance. Sony recently reported 40 million PlayStation 4 consoles have been purchased since the 2013 introduction. But the big news is the \$399 PlayStation VR scheduled for shipment this October – over 80 VR games are expected at launch. This affordable system will introduce a legion of gamers to the world of VR. The Xbox One will also get a boost this year with the launch of several highly anticipated titles. An expected VR-ready Xbox Two is in development and anticipated in 2018 or 2019. According to *The Wall Street Journal*, the Wii U will be joined in 2017 by a new version dubbed the Nintendo NX, with “industry leading chips” to rival current leading consoles.



Merchandising

VR is an emerging technology that your consumer-facing employees need to understand in order to develop product awareness and expertise to effectively sell new consoles, headsets and games. Retailers should consider providing employees with hands-on exposure to the new game systems, games and accessories, so they can guide prospective purchasers. I suggest setting up a program to loan new game titles to employees with current consoles, so they can better help consumers choose new titles. Retailers should also merchandise new VR systems with in-store displays that let consumers try systems for themselves.

Outside of VR, many consumers are not aware of the numerous gaming system accessories that will complement their original system purchase. Appeal to their needs and wants by cross-selling and bundling accessories with new game consoles. For instance, you can generate excitement by creating a gaming storage category. Your “Gaming Section” should include gaming storage products, wireless controllers, kits, games, game guides, A/V cables and headsets. As gamers purchase more console game accessories and titles, they will need a way to store and organize them. Provide a solution by selling home game storage products that accommodate multiple consoles and accessories. PC gamers with limited living space can benefit from multi-use gaming desks designed with them in mind.

Be prepared to capitalize on the renewed interest in new videogame titles, as well as emerging console and VR technology that will drive game accessory purchases. Dealers and retailers who act now will be positioned to profit from this trend toward more immersive videogames. ■

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