THE PLAIN DEALER

Retailers specializing in home entertainment see sales rebounding

By Janet Cho, April 4, 2011

CLEVELAND, Ohio - When Danny Vegh parlayed his fame as a U.S. table tennis champion into his first store, he stuck to what he knew: billiards and ping pong tables.

Forty-eight years later, Danny Vegh's Billiards & Home now carries nearly everything imaginable for the recreation room, home theater, game room or "man cave": arcade and foosball games, poker and shuffleboard tables, golf simulators and pinball games, bars and wine racks.

Buoyed by increasing consumer confidence and more job security, retailers that specialize in home entertainment and sporting items are seeing a resurgence in consumers looking for an alternative to video games.

Austin Rothbard, president of the 165-year-old Brunswick Corp. in Bristol, Wisc., said air hockey, foosball and shuffleboard tables have surged in popularity because more families are craving a reason to gather around a table instead of in front of a video or computer screen.

"Our focus is really on connecting generations, sitting together around anything" that promotes interaction, he said.

The reason his company's been around for so long is because "billiards offers something that . . . video games, VCRs and all that other stuff can't."

Because most of the stores that sell home recreation items, like Danny Vegh's, are still largely mom-and-pop operations, no one has exact numbers on how big the industry is or how it fared during the recession.

But Sageworks Inc., a Raleigh, N.C., company that tracks data on private companies, said that sales jumped 9.13 percent in 2010, compared with a 6.07 percent drop the previous year. Sageworks used data provided by wholesalers who supply supply sporting and recreation equipment to stores, billiard halls and bars.

At Diamond Billiards of Parma, which sells pool tables, poker tables and slot machines as well as repairs and refurbishes used tables, sales are rebounding after several slow years.

Still, customers are more likely to buy less-expensive, reconditioned equipment or re-felt their existing pool table than splurge on a brand-new one.

"Not everybody has the money to buy that $2,000 to $4,000 table," said Josh Trzebuckowski, owner and president. "It doesn't help that gas is going up to $4 a gallon."

Mike Panozzo, editor of Billiard Retailer, a trade publication that goes to 7,000 retailers and industry people, said that while sales are indeed ticking up, how much they're improving varies from store to store.

He says Danny Vegh's has succeeded by deliberately adopting a high-end retail approach to its products.

"Whereas a lot of billiard retailers have convinced themselves that they're selling a commodity, Danny Vegh's still approaches it as if they're selling something special," he said.

He credits Chief Executive Kathy Vegh for branching out into poker tables, arcade games, wine racks and home decor while other stores were focused on pool tables, cues and balls.

Instead of simply lining up pool tables like school desks, she arranged them in groupings with furniture, lights and props to help shoppers - especially women - more easily imagine them in their homes.

While Brunswick sells some of its products via big box chains like Costco Wholesale Corp.'s online site, the majority of its sales come via smaller specialty stores that offer buyers the chance to try them out and buy a table customized to their tastes.

At some stores, "we'll see our tables stacked on top of each other," which doesn't exactly invite people to shoot a ball or two, Rothbard of Brunswick Corp. said.

When tables are stacked from floor to ceiling, consumers "can't get their arms around why they should spend $2,000 or $12,000 on a pool table," said Rob Johnson, chief executive of the Billiard Congress of America in Broomfield, Colo.

More savvy retailers are offering game room equipment as a complete package, matching the wood in the pool table to that in the shuffleboard table and bar, for example, to create an entire coordinated room or "man cave," Panozzo said.

"The nice thing about game room products is that you can take that one room of your house and really personalize it with Cavs memorabilia or a Browns football theme."

Danny Vegh's, besides selling online and from its four stores, also appraises and restores heirloom tables, and has designed high-end entertainment centers for stadiums and professional athletes.

Kathy Vegh helped design and furnish LeBron James' man cave as well as the game rooms of dozens of other professional Cavs, Indians and Browns players she won't name.

Kathy Vegh, who serves on BCA's board of directors, is currently scouting locations for her fifth store, on top of what she predicts will be her second-straight hear of double-digit sales growth.

"2010 was a great year, but 2011 is going to be even better," she said, flashing the same grin her cartoon character, Kathy Vegh the Home Entertainer, shows off in a series of popular YouTube videos.

Danny Vegh said that had his daughter not joined the business in 2001, he's still be a one-store operation with nowhere near the reputation or name recognition he has now.

"She is a dream," he said.

Kathy Vegh said the best lesson her father taught her was: "If a person comes in for a 25-cent piece of chalk, you treat them like gold, because you never know when they're going to come in and buy something else."

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