Lary Sinewitz  
Executive Vice-President at BrandsMart USA

BrandsMart USA is the No. 1 discount retailer in South Florida of consumer appliances, electronics and house wares and we anticipate dominating the Atlanta market we recently entered. Our mission is to delivers the best name-brand products to our customers at the lowest prices possible. We communicate this mission through the broad assortment of national brand products in our stores and our advertising.

Each of our stores contains thousands of products including televisions, all types of appliances, audio, video, home theater, projection television, car stereo, small appliances, computers, cellular telephones, satellites, entertainment furniture and thousands of accessories for your every need. For example, in our stores, you can find more than 100 large screen televisions, 80 camcorders, 200 refrigerators, 85 washers and dryers, 300 televisions, and 150 DVDs. This means our customers can take most products with them or choose to let our professional delivery and installation department deliver it to their homes.

Due to our scale, over $125 million sales in each location, we can offer this broad assortment at the lowest prices in our markets and we emphasize our low prices and broad assortment in our advertising. Each year we spend over $30 million on advertising. While we do some radio and TV advertising, most of the advertising is done through free standing inserts (FSIs) in newspapers. For example, we have 28 pages of advertising each week in the Miami Herald and another 28 pages in El Nuevo Herald, the newspaper targeting the Latin market. Advertising plays an important role in our business model. It attracts customers to store which increases, creates greater scales, and allows us to lower costs and prices.

Each of our inserts features over 500 national products with our low prices prominently displayed. We use the same format so that our customers can recognize a BrandsMart insert. For example, the first page of the FSI typically has over 50 different products featured from a GPX clock radio at $4.58 to Sony 50 inch, LCD HDTV at $1698.88.

The weekly ads are featured on our website, www.brandsmart.com. On the website, we provide product information and list all additional saving available through mail in rebates from our suppliers.

We leverage our advertising budget with contributions from our vendors through their coop advertising programs. However, some vendors require us to advertise their products at manufacturer suggested retail price even though we might be selling it at a lower price in our stores. So we tell our customers in our advertising and at our web site that they may find even lower prices when they visit our stores.