

Electric Fireplaces Are Here to Stay—Embrace Them

By Gideon Honeycutt

While electric fireplaces continue to be one of the fastest-growing segments of the hearth industry year after year, many specialty hearth retailers have been slow to embrace these products. To be sure, it's come a long way over the last decade or so, but many specialty hearth retailers still see them as an obligation—something they carry to appease manufacturers and a handful of customers—rather than an opportunity. As a manufacturer's sales rep who sells gas, wood, and (yes) electric fireplaces, I believe there are many reasons this sentiment continues to thrive in our industry, but here are the five most common I hear when talking to folks.

- **Objection 1:** Big box stores sell electric fireplaces, and I can't compete with their prices.
- **Objection 2:** My showroom is just a place for people to come see an electric fireplace and then buy it online for cheaper.
- **Objection 3:** I don't want to spend time on a sale for such a small margin.
- **Objection 4:** What happens when these fireplaces stop working? I don't know how to service them, and I don't want to tell my customers they have to buy a new one.
- **Objection 5:** I would rather sell products I can service annually to have a revenue stream in the off-season.

I want to take the rest of this article to build the case for why specialty hearth retailers should *absolutely* embrace electric fireplaces, and I'll do that by addressing each of these objections below.



Objection 1: Big box stores sell electric fireplaces, and I can't compete with their prices.

Here's the simplest response to this objection: The products sold by big box stores are significantly inferior to anything in the specialty hearth world. Big box store fireplaces are typically referred to as "throw-away" units: Customers buy them at a low price, run them until something breaks (spindle rod, heating element, LED light, etc.), and then throw them away—because replacement parts are impossible to get.

While I empathize with this objection, the same could be said of every product we sell. After all, big box stores sell gas logs, wood and pellet stoves, and grills, but we still sell those items. That's because we understand that what we offer our customers is in a class unto itself, and big box stores are not our competitors. If anything, customers will often come to our hearth store after seeing electric fireplaces from a big box store and want to see what a higher quality version might look like for them. Do they get sticker-shocked sometimes? Sure. Do they sometimes go back and buy their little electric fireplace mantle from Big Lots? Sure. But I would contend that Big Lots selling electric fireplaces is no more detrimental to the specialty hearth industry than Tractor Supply selling wood stoves. It's simply a different product for a different customer.

Objection 2: My showroom is just a place for people to come see an electric fireplace and then buy it online for cheaper.

This objection is the one that I hear the most—by far. It's also the easiest one to empathize with. When I worked in a showroom, this was my biggest grievance with selling electric fireplaces. Many specialty brands sell online, and a quick Google search reveals dozens of competitors offering the same units at a discount (with free shipping). The simplest way to avoid this is to only display and sell brands that don't allow online sales. That way, when customers visit your showroom, they can't just go home and order the same unit online.

But even if you sell brands that are available for online purchase, this can sometimes work to your benefit. Many customers may see a unit online, find you on a dealer locator, and visit you to see and purchase it. Furthermore, the brands sold online tend to have the highest name recognition among consumers (as they see them all over the internet), which could help drive showroom traffic. You may need to be prepared to slash the price to compete with an online vendor, but you may still net sales that you otherwise wouldn't have. So whether you choose to sell exclusive brands that are only available to dealers or embrace the mania of online selling and attempt to benefit from it, online sales should by no means be a barrier to your entry into the electric fireplace game.

Objection 3: I don't want to spend time on a sale for such a small margin.

The answer to this objection is simple: Don't sell low-margin products. When I hear this objection, it tends to be from people who sold electric fireplaces 10 years ago, got burned out, moved on, and never looked back. Over the last decade, electric fireplaces have improved and evolved—and the budgets for them have steadily increased. If you were to walk into the average specialty hearth showroom in North America selling high-end electric fireplaces, you would likely see units ranging from \$2,000 to \$10,000. Many electric fireplaces are now more expensive than their gas counterparts of similar size. I'm inclined to agree that it can be irritating to spend two hours in a showroom talking to customers about electric fireplaces, and they end up buying a \$600 unit that I only made 30% on. However, keep in mind that you control the product that you offer. If you want to make more margin, simply sell expensive fireplaces. The demand and supply are there—all that's needed is your motivation.

Objection 4: What happens when these fireplaces stop working? I don't know how to service them, and I don't want to tell my customers they have to buy a new one.

Here's the question you should ask a manufacturer before bringing in their electric fireplace: "Do you stock service parts?" The second question should be this: "Do you offer service training?" This is one of the key components of selling a high-end (expensive) electric fireplace to a consumer. Big box stores sell "throw-away" fireplaces. Online vendors can sell the product, but they can't fix it when it breaks. We in the specialty hearth industry can sell a fireplace that's not only of superior build quality, aesthetic quality, and finish quality, but we can also repair it when something stops working and service it as needed (more on that in a bit). A quality electric fireplace manufacturer will stock service parts for their fireplaces *and* train you to troubleshoot, diagnose, and fix that part when it's needed. The industry is full of such quality manufacturers, so this shouldn't be a barrier to entry for the electric fireplace part of your company.

Objection 5: I would rather sell products I can service annually to have a revenue stream in the off-season.

While this objection has some serious flaws (the type of person buying an electric fireplace is likely not considering another fuel type and, therefore, isn't taking away from the units you'd otherwise sell that require service), I want to dispel the notion that electric fireplaces can't be serviced or generate revenue. In fact, I have many dealers who offer yearly service programs for electric fireplaces that involve cleaning out dust, greasing the motors and other mechanical components, swapping out LED lights, etc. So while I reject the idea that electric fireplaces shouldn't be sold just because they don't require yearly maintenance, if that's a concern for you, simply offer an annual maintenance program! There's certainly value to the customer in doing so, and it gives the consumer peace of mind that their product is being looked after.

Before I wrap up, there's one final point to consider. While not necessarily an objection, I do find that many dealers are hesitant to properly equip their showroom (and subsequently, their staff) with the necessary tools to successfully sell electric fireplaces. Put bluntly, if you bring in two electric fireplaces, hang one on a wall, set another on a desk, and expect to be successful, you're fooling yourself. Customers know when you're invested—and when you're not. If they come in and see that you treat electric fireplaces like an afterthought, they'll go elsewhere or buy online.

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If you decide it’s time to give electric fireplaces another look after reading this, the best advice I can give you is to go all in. Don’t dabble or dip your toe in the water—just jump in head-first and start enjoying the profits!



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