



Big-screen TV distributor has grown as price falls

By **GREG LAMM**
CONTRIBUTING WRITER

Visual Apex Inc. has combined the convenience of Internet shopping and consumers' increased desires for wide-screen television entertainment into a thriving business that saw revenues surpass \$20 million last year.

The Bainbridge Island-based online retailer sells plasma TVs, DVD players, projectors and sound systems to businesses, schools and government agencies. But the bulk of its customers are people who want large-screen television and speakers for home entertainment centers, said company President Paul Gilmore.

Gilmore owned a similar company — Projection One — in the late 1990s.

He launched Visual Apex four and a half years ago with partners Charles Moore and Jeremy Meyer.

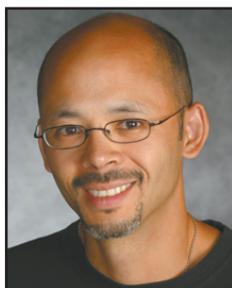
Gilmore said Visual Apex's online business has soared as prices for big-screen TVs have dropped. He said the company's sales also have benefited from the increased availability of DVD movies for home rental and the success of companies such as Netflix, an online movie rental service.

Gilmore said the business also has benefited from the atmosphere following Sept. 11, 2001 — a time when families are looking for entertainment and leisure options other than travel.

Visual Apex has linked with online shopping sites and also has invested in search advertising that gives the company prominent listings when consumers use Google and other search engines to look for big-screen TVs and projectors.

Visual Apex uses UPS and other freight companies to ship its products, and avoids retailers by buying directly from manufacturers, most of which are in Asia.

Gilmore said there is increased competition from other online retailers and from large retailers, including discount seller Costco Wholesale Corp. And he expects the competition to continue to increase as prices for large televisions continue to fall.



Gilmore

Fierce competition among manufacturers along with advances in technology has resulted in a big drop in the price of wide-screen televisions in the past few years. In September, Japan's Panasonic, the world's biggest maker of plasma televisions, announced it was reducing the price of flat-panel plasma televisions by \$500, putting Panasonic's price below \$2,000 for the first time.

Analysts predict that Panasonic and other makers will ship more than 1.6 million units in 2005 and that plasma TV sales in North America will increase by 62 percent this year.

Gilmore, whose company sells Panasonic along with other brands such as Pioneer, Sanyo and BenQ, said the key for his company is to keep volumes up.

"As prices go down, we have to sell a lot more units," Gilmore said.

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VISUAL APEX INC.

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Bainbridge Island

Seller of plasma displays, projection systems and accessories

Fiscal year	Total operating revenue	No. of employees
2002	\$4.75M	7
2003	\$12.28M	10
2004	\$20.39M	22