

A LESSON FOR THE FUTURE; NORTHEAST VALLEY RESIDENTS SAY ELECTRONICS RETAILERS ARE GIVING THEIR COMMUNITY SHORT SHRIFT.(Business)

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A few months ago, San Fernando High School social studies teacher Marco Torres sent his students on what he knew would be a likely wild-goose chase.

The assignment was simple: Find a local computer store and buy a 3.5-inch computer diskette. He wasn't surprised that the students - who live in San Fernando and neighboring Pacoima - came back empty-handed.

"If you were to go to Encino or any other community, you won't have any trouble finding this stuff," Torres said angrily.

Torres' assignment for his students is a lesson in retailing economics. The major consumer electronics retailers go where the money is, or where it's perceived to be. But Torres is one of a growing group of people in the northeast San Fernando Valley who are trying to teach those same retailers that their community has both the space to build large stores and the disposable income to spend at them.

These Northeast Valley advocates have jumped on this issue because of the importance personal technology will be in the new millennium.

"We're trying to expose our community to skills that are important . . . and unless we jump on this bandwagon, our community will continue to decline," said Torres, who is also the education technology consultant to the schools feeding into San Fernando High. "Once we do that, then businesses can say, Look at this community. This is a hard-working community in touch with technology. Let's tap into that."

The region's lack of consumer electronics retailers is accentuated by the abundance of those same retailers in other parts of the Valley. For example, The Good Guys recently opened a store in the new Glendale Marketplace, just west of a Circuit City that opened earlier this summer.

And the area in and around Canoga Avenue and Victory Boulevard in Woodland Hills - which already has a Fry's Electronics, a Circuit City, a CompUSA, a Staples and a Best Buy - is about to get a new shopping center slated to include a Good Guys.

"We look for good, viable retail centers," said Pam Colangelo, a spokeswoman for Brisbane, Calif.-based The Good Guys "That's what other retailers are looking for as well."

Even the small independents are rare in the Northeast Valley. One of the few is Fiesta Electronics and Furniture in San Fernando, which does indeed sell computers - but only a few, only by catalog and only no-name brands, said owner Victor Ceballos.

And he doesn't sell products like 3.5-inch diskettes. For that, he sends customers to the few nearby general merchandise stores that carry computers and computer products.

“We have Sam's Club and Office Depot - for the East Valley, they're the ones that sell most of the computers and they have a lot,” he said. “If someone wants to see them, we send them to Office Depot.”

Why the relative scarcity of consumer electronics stores in the Northeast Valley? It's economics and, perhaps, land availability, according to economists and others.

“It's driven plain and simple by economics,” said Richard Giss, a partner with the trade retail services group at Deloitte & Touche LLP. “Consumer electronics is a typically big-ticket item and you will see those stores located in areas convenient to demographics that indicate that it has a population that can pay those prices.”

Nancy Hoffman, executive director of the Mid Valley Chamber of Commerce - which covers North Hills and Panorama City in the Northeast Valley as well as Van Nuys - said the East Valley was developed long before giant electronics stores began looking for vacant lots upon which to build.

“I think this side of the Valley seems to have been built up first,” she said.

Retailers also may perceive that older urban areas are poor and unsafe, and have little disposable income. That's a costly miscalculation, said Jack Kyser, chief economist for the Los Angeles Economic Development Corp.

There's plenty of bucks to be made in areas like the Northeast Valley if retailers take the time to learn those markets, he said.

“Retailers - especially national chain retailers - don't quite get what goes on in major urban areas,” he said. “They see areas that most people would see as distressed and avoid them.

“For the savvy retailer, you can do well for yourself.”

One part of the Northeast Valley that's trying to change things is the city of San Fernando, where the only big general merchandisers are branches of J.C. Penney, Sam's Club and Kmart.

According to Scott Schmidt, project manager for the Greater San Fernando Chamber of Commerce, the area has a stable population of about 300,000 people with a median annual household income in the high \$40,000 range - just the kind of demographics that he said should act like magnets to more retail chains.

In fact, some have inquired about opening stores in the city, said Schmidt, whose chamber covers the city of San Fernando and the city of Los Angeles communities of Mission Hills, Pacoima and Sylmar.

But available land is scattered, fragmented and configured in such a way that makes them unsuitable for the chains, developers and analysts say.

So to attract more major retailers, the city is designing a downtown specific plan that in part involves shifting San Fernando Road to create four large lots that could accommodate big box stores that would draw shoppers from in and around the city.

“The city is actually looking at this as an opportunity to redesign its downtown area and capture the consumers that we have in the San Fernando area,” Schmidt said.

Ironically, the San Fernando market study suggests that electronics discounters may not be good targets for a downtown revitalization project because of those retailers' "bias for mall and high-visibility (freeway) locations."

Torres, obviously, disagrees that the area around his high school wouldn't be a good location for a consumer electronics store. He cites studies that show the northeast population has had little exposure to personal technology and say it's a fertile field for the right retailer.

A survey last year showed that only about 4 percent of the school's approximately 4,600 students have computers at home - and most of them are either in the magnet program or have older siblings in college.

And the school has one of the worst computer-to-student ratios in the state - 1-to-118, he says.

As a result, students and the community as a whole have fewer opportunities to be exposed to a technology that is becoming an increasingly important part of life, both at home and at work.

"Our school is a microcosm of our community - this is a . . . working-class community that is not exposed to technology in the way that white-collar communities are," Torres said. "And because of this lack of exposure, there is no interest in finding out the importance of information technology.

"In our community, information technology is not an issue."

What the area really needs, said Fiesta's Ceballos, is a store that specializes in computers - somewhere where customers can find trained professionals who can answer any and every question they have about computers.

"You have to have someone who specializes (in it) and we don't have anyone like that," he said. "You have to know what you're doing - that's another reason why we don't carry them."

There are some changes afoot in the Northeast Valley, though. For example, the commercial development at the old General Motors site in Panorama City is expected to include an Office Max. And Ceballos himself plans to start carrying computers and equipment in his store in a month or so.

"We're going to have someone install them in the home; they're going to be trained and I think it's going to be better for the people," Ceballos said.

Meanwhile, a simple trip to a major electronics retailer remains a major headache for Northeast Valley residents.

Caryn Young, for example, has had to travel out of her hometown of Panorama City to purchase her family's dishwasher, video camera, radio equipment, computer software and other electronics.

She's not happy about it.

"You can't do that type of shopping in Panorama City. There's no way, there's nothing here," she said.

CAPTION(S):

Photo, Map

PHOTO (Color) San Fernando High School teacher Marco Torres holds a disk that he sent students out into the local community to buy. The students came back empty-handed.

Andy Holzman/Daily News

MAP: CONSUMER ELECTRONICS IN THE VALLEY

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