

V7 Backpacks...Just the Beginning

Written by Bob Snyder
11 March 2008



Ten years ago it seemed like a radical idea: a distributor's own brand. A house brand. Sure, in those days you had a few odd distributors like Trust that lived by building their brand, but in general the Brand (with a Capital "B") was still territory occupied solely by Tier 1 vendors who could buy expertise from marketing gurus and big agencies.

Vendors built brands, distributors built channels and route-to-market for those brands, and retailers built traffic and sales. It was a far more, simple world (although we still managed to get confused in it).

Today everybody wants a brand, so much so that you think some laws should be passed requiring vendors to first pass a Brand 101 test. A major trend in high volume retail is to have your own brand, from WalMart to Dixons. Many channel players have launched their own brands, from distributors like ACI in Belgium with iDream to Taiwan companies trying to escape the OEM heat from China's prolific competition. A few become winners and more will die as losers.

Ingram is a winner and perhaps one that has not been given full recognition yet. They started their brand quietly in the heyday of system builders, when SBs were starving for components. They launched V7 and for years gained experience. More importantly, Ingram Micro has gained a vision of the mega-potential a House Brand could have for a global distributor. They have seen the future and the future is House Brand.

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In a press conference at CeBIT, Frank Gerich, Regional Director Private Label Europe at V7, spelled out his mission quite clearly: To develop the cost-effective house brand and other private label solutions that will provide increased profit margins and growth potential for Ingram Micro and its customers.

And, of course, the strategy requires that the House Brand co-exist with the “A” brands in Ingram Micro’s portfolio as a distributor.

Gerich, a clear speaker, noted that Ingram Micro’s main customers are small dealers (although they do sell into large retail when A brands need the logistics service to cope with complicated inventory drops). These dealers have a demonstrated need for low cost alternatives to A brands. And who better, describes Gerich, to fill that need than Ingram Micro who has market intelligence, global sourcing, credit lines and an ability to stand behind what’s sold?

You can hear the salesman’s offer, “What will it be today, sir? Some Sony...some V7...or perhaps a little of both?”

The point of the CeBIT press conference is the category expansion that Ingram Micro will now pursue: their first 24 inch widescreen LCD for V7, and (more insightfully) a line of notebook carrying bags and backpacks.



Backpacks? Yes, one of those profitable accessories that is the mainstay of dealers. This is a clear signal V7 will aim for the fragmented, lucrative market of accessories such as batteries, cables, wall mounts--as well as richer veins as they appear, navigation systems and other “new expanding market possibilities.”

It’s a great plan and Ingram has the resources to make it work. Gerich’s corporate goal is to

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achieve 5% of overall Ingram Micro sales via V7's Private Label by 2010. Now in Europe last year, Ingram Micro did \$12.44 billion in sales and \$35.05 billion worldwide. You're looking at a brand that in two years will be \$622 million in EMEA and \$1.78 billion across the world.

Now you know what that "V" in "V7" must represent to Ingram Micro: clearly it stands for Victory.