



## HDMI Upgrades to Existing Customers Builds- Top Line Revenue and Improves Your Margin

Performing an onsite review of your customer's installation can provide your business with both a strong top line revenue enhancement and more importantly provide strong margin improvement to your business.

Upgrading your current customers is more profitable than the long-term sell cycle and investment associated with acquiring new customers. Your current customers trust and understand your AV expertise. Performing an onsite review turns that trust into sales and margin for your business.

Leading your customer through the HDMI upgrade path is simple with this easy-to-use check list.

**Put \$207,000  
of margin  
on your  
bottom  
line!**

Most AV professionals install roughly 70 projects per year which over the course of 3 years adds up to 210 installations. One assumes that roughly 30% of these installations would be ready for an HDMI upgrade. As the chart shows below 30% equates to \$207,000 of margin.

| 8 Areas of an HDMI upgrade                         | Typical Project Margin |
|----------------------------------------------------|------------------------|
| Onsite Inspection                                  | \$ 100                 |
| Display Upgrade                                    | \$ 500                 |
| Liberty HDMI over Coax Device                      | \$ 350                 |
| Source Upgrade                                     |                        |
| Blu-Ray™                                           | \$ 100                 |
| HD-DVR                                             | \$ 100                 |
| HDMI Interconnect Set                              | \$ 100                 |
| Matrix Switcher                                    | \$ 1,000               |
| Power Conditioning                                 | \$ 50                  |
| Installation Labor                                 | \$ 1,000               |
| <b>Total Margin Contribution per HDMI upgrade:</b> | <b>\$ 3,300</b>        |

Sold as a set, including transmitter, receiver and power supply.  
**Part # DL-HDCX**

### Market Trends Driving HDMI Acceptance

- Corporate and residential customers are expecting HDMI connectivity
- Switch from analog to digital accelerating
- Blu-Ray™ and 1080p are being rapidly adopted as the new standard in the AV industry.
- High-definition Games and Media formats are migrating to these new standards
- High-definition Cable and Satellite Broadcasting and Off-Air Television broadcasts
- Proliferation of in-home and corporate movie viewing with high definition Blu-Ray™ and other High Def. sources.
- Rapid adoption of High Definition Pay per View and Digital Content Downloads from the Internet
- Costs are decreasing
- Digital outputs on PC's becoming more common

| The Basic Facts     |                  | Target HDMI Upgrade % with Margin Targets |                 |                 |                 |       |
|---------------------|------------------|-------------------------------------------|-----------------|-----------------|-----------------|-------|
| Installs per year   | 3 years installs | 100%                                      | 30.00%          | 20.00%          | 10.00%          | 5.00% |
| 70                  | 210              | 210                                       | 63              | 42              | 21              | 11    |
| HDMI Margin \$3,300 | <b>\$693,000</b> | <b>\$207,900</b>                          | <b>\$41,580</b> | <b>\$20,790</b> | <b>\$34,650</b> |       |

Example estimates margin performance, actuals may vary slightly.