

Special to the Web: an MT editorial  
**The Incredible Shrinking Shack**

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For amateur radio operators and monitoring enthusiasts, the ubiquitous Radio Shack sign indicated the location of an oasis in the desert of America's malls and shopping centers. Here was a place to buy nearly everything you'd need to enjoy your hobby from ham transceivers to DIY courses in electronics, from circuit boards and components to the plastic case to finish off a project, from a broad selection of antennas to the latest in audio fidelity. Radio Shack products, depending on the item, were revered or reviled, but at least they were available.

For decades The Shack was a real leader in emerging technologies:

In the '60s and '70s it brought out a line of Hi-Fi stereo receivers so well built that they're still sought after today by audiophiles. They helped feed the CB craze with a never ending stream of CB radios.

It broke the back of AT&T's phone monopoly when it was allowed to market its own line of TouchTone phones in the early 1980s. The price was a fraction of what Ma Bell was charging.

Also in the early '80s it was among the very first with a mass market personal computer when it introduced its TRS series PCs. It continued to make innovative hardware and software for games and home offices at reasonable prices.

It led the satellite TV gold rush with a complete line of C-band dishes, receivers and related gear (some of which are still in use today).

When the FCC relaxed its entry level amateur radio rules with the Novice Enhancement program in the late 1980s (which allowed Novice licensees to operate with voice privileges on 10 meters) Radio Shack was there with an inexpensive, all-mode 10 meter transceiver which was small enough to fit even compact cars.

With the advent of the No-Code Tech license in the '90s the Shack had a great little 2 meter HT on the shelves at a very nice price. There are no doubt dozens more examples of design and market savvy the Shack enjoyed in its prime.

But, over the last few years it's been evident to most of us who frequented their stores that Radio Shack has been slowly shrinking. Once the giant of electronic merchandising, before the term Consumer Electronics store had even been coined, Radio Shack was the premier destination for the latest in anything electronic. No more. The floor space which used to showcase tuners, amps, receivers, TVs and computers has been shrinking. The shelves which used to show off the latest scanners, transceivers, and shortwave radios has been shrinking. The Shack has devolved into cell phone kiosk on steroids.

Following a dismal financial performance last year and the scandal of its CEO's misstatement of fact on his resume earlier this year, the Shack is finally coming clean. It plans a major business turnaround and here's what it's going to do. From its own financial statement dated Feb. 17, 2006 at [www.radioshack.com](http://www.radioshack.com):

“The Turnaround

Over the next 18 months, RadioShack intends to achieve three major goals: increase the average unit volume of its core store base, rationalize its cost structure, and grow profitable

square feet in its store portfolio.

The company will replace old, slower-moving merchandise with new, faster-moving merchandise within higher growth categories. RadioShack will concentrate its efforts and investment on improving top-performing stores in order to deliver a great customer experience. To do so, it will close 400-700 company-operated stores. In addition, the company intends to better align overhead costs with its business model which will help generate more profit per square foot. Lastly, the company will continue to expand its kiosk business and aggressively relocate RadioShack stores to better real estate.”

Of course, they can't see the circuit board for the components, but here's what they really need: Staff older than 17 who know more than how to change the battery in an iPod; electronic equipment which outlives its warranty by more than a few weeks; bring back the product designers from the Shack's prime.

The genius of Radio Shack was its ability to deliver millions of retail customers through their thousands of stores. It was easy to convince manufacturers to private label special interest products for the Shack. Customers got great products and good prices (later even better prices when the semi-annual sales came around). Now *that's* a good customer experience.

There are dozens of new products needed at good prices for emerging technologies which could make millions for Radio Shack: How about an inexpensive converter to convert old analog TV sets to be able to receive the new digital channels? How about an inexpensive converter to convert old analog radios to be able to receive HD radio? How about a new amplified UHF antenna for use with the new off-air HDTV channels? C'mon Radio Shack, do I have to do my work and yours, too?

Too late! While the Shack can't say so in its financial statement, they have been made irrelevant by the Web. For electronics hobbyists it's now possible to get a wider array of better products at cheaper prices by shopping the Web. Aggressive Web-based retailers have slowly filled the void vacated by Radio Shack and that's where I buy top grade antennas and components; wire and cable, even computer related items. I can't say I'll ever see the inside of the New Radio Shack but I still miss the old catalog.