

ITS TIME HAS COME!



Electric Fireplace sales are now moving well through the specialty hearth retail network, and the market for those products is enormous.

By Bill Sendelback

Electric fireplaces have long been a shadow product for most specialty hearth retailers; early on, they surrendered that market to mass merchants. That was quite evident when a 2017 survey (*Hearth & Home* 2018 Buyer's Guide) revealed that electric fires accounted for only 3% of the sales of an average hearth product dealer; the average sales price was \$1,108 through these dealers. According to manufacturers, times have really changed.

Electric fire sales continue to grow, say manufacturers; they now total well beyond 2 million units a year through all marketing channels in North America. That total is more than double the units sold of all gas, wood, and pellet appliances.

"The market for electric fireplaces very easily tops 2 million units a year," according to John Czerwonka, vice president of Hearth Sales for Napoleon Fireplaces. "We see this market being in excess of \$900 million right now," he says.

"It's our fastest growing product category, and we're heavily investing in it."

Napoleon is not the only manufacturer that sees major sales growth in electric fires. While most of those two million units have been sold through Big Box stores, furniture outlets, and online retailers, manufacturers have been quick to realize that more and more higher-end electric fires are being sold through specialty hearth product dealers. Even some manufacturers that historically have been focused on gas and/or wood-burning hearth products are getting into electric fires. Some manufacturers that formerly focused more on mass merchants are now refocusing on the specialty hearth product market.

*Glen Dimplex Americas CDFI-BX1500 LS
Spacers See-Through.*



Electric fire sales for 2019 were “tremendously successful” for **Glen Dimplex Americas**, according to Brian Mills, vice president of Commerce. “Last year set an incredible sales trend for us for 2020. We would like to match our 2019 percentage of sales growth, but we’ve had such substantial growth over the past few years that we’ll be happy with similar growth.”

Mills thinks that the estimate of more than 2 million electric fires sold in North America is low. “My thinking is based on our sales growth the last few years, and seeing the growth in consumer recognition and acceptance of electric fires. As gas- and wood-burning hearth products are moved out of some markets because of bans and regulations, electric fires have become the obvious default product.”

Homebuilders are “absolutely” taking advantage of these situations to

include electric fires in their offerings rather than gas or wood fireplaces. Opportunities are also expanding for sales and installations of electric fires in hospitality and commercial projects. “These now represent about 20% of our unit sales, but absolutely much more in dollar sales,” Mills adds.

Wall-hung models have shown the most sales success for Glen Dimplex, followed closely by electric fire models built into the wall. “Our Optimyst models continue to gain tremendous market recognition, especially in California and on the West Coast.”

New from Glen Dimplex, although not a hearth product, is its line of electric patio heaters introduced in three wattages, small, medium, and large. For 2020, Glen Dimplex is concentrating on “product updates” for its extensive line of electric fires, says Mills.



SimpliFire Allusion 60 from Hearth & Home Technologies.

Electric fires sold “really well” in 2019 for **Hearth & Home Technologies (HHT)**, says Joe Kuefler, brand director. “It has been a stellar year for us. The category is growing quickly, and we have more than doubled the offerings of our SimpliFire-brand of electric fires. For 2020,” he says, “we expect this category to continue to grow faster than other hearth product category.”

Today’s consumers are more aware of quality electric fires, says Kuefler. “We’re seeing a trend toward more higher-end models. Price is not a problem, but consumers want a unit that looks good, and they are willing to pay for it. We’re having more success specking electric fireplaces with homebuilders, and electric fireplaces may help solve the problems of the decreasing incident rate of fireplaces in new homes. Electric fires solve a lot of problems for builders, and are perfect for attached homes and multi-family units.”

HHT also sees electric fires as a “good solution” in hospitality and commercial uses. “These new models are a far cry from the electric models of 10 years ago,” Kuefler adds. “Besides being much more realistic, they offer a solution for safety and liability issues in hospitality and commercial installations.”

HHT recently introduced its new Allusion Platinum series of electric fires,

clean-faced linear models with more premium features than the company’s Allusion series. New in 2019 was HHT’s Scion series in “good, better, and best” models. Suggested retail prices for HHT models range from \$800 to \$3,000.

European Home has not been known for electric fires, but it began offering this category a year and a half ago. It now offers three sizes, 40, 60, and 72 inches in single-sided, corner, and three-sided versions, plus wall-hung models, totaling 15 models. “Sales started slow, but we’ve been busier every month,” says Holly Markham, owner. “It’s hard to imagine that the electric fires market won’t keep growing. New-home builders caught in Net Zero areas with pressures to eliminate the use of natural gas are looking for high-quality electric fires as a solution, and that interest will continue to grow.”

European Home is seeing increasing sales of electric fires for hospitality and commercial installations. “These units can be operated all day long; they are Greener and don’t draw room air or need to have the heat balanced. There are fewer safety and liability issues with electric fires. We’re seeing the drive for this market coming from architects. Too many hearth product dealers are missing the boat with this opportunity, still preferring to try to sell large, big ticket gas models to this market.”

Too many of today’s electric fires, are “very male looking” with simple black surrounds and colored lights, but not resembling a real fireplace, says



E40 Corner Style Electric Fireplace from European Home.



50-TRU-VIEW-XL 3-sided electric fireplace from Amantii.

Markham. "We're striving to have our electric fires feature extremely realistic, flickering flames in clean-faced fireplace openings, models that really do resemble real fireplaces."

Amantii's sales of electric fires in 2019 were "better than 2018 and are definitely continuing to grow," according to Brian Richards, president. "We're getting stronger with specialty hearth dealers by offering expensive models that have to be built-in and finished off. Dealers are excited about this since it differentiates their offerings from the cheap 'cash and carry' models at the mass merchant, and offers dealers the additional sales and profits of an installation."

Amantii offers electric fires with suggested retail prices ranging from \$1,000 to \$3,500, with an average of \$2,000. With hospitality and commercial uses for electric fires on the rise, that market currently accounts for a growing 15% of Amantii sales.

"Our goal for this year and next is to strengthen our brand," says Richards. "We are updating our technology and flames. It's a little like the old technology in television sets now being updated to HD." Amantii recently added 18 new models of its Tru-View series, including models that can be set into a 2 x 4 wall. The company's Traditional series now offers sizes to 44 inches wide and 100 inches long.

"A trend today is designers wanting much taller, linear models with big log sets. Another trend is back to logs rather than glass or rocks," adds Richards.

J&R Home Products, an importer of outdoor and indoor living products, including outdoor furniture and heating, saw "excellent" sales growth in 2019 for its Paramount brand of electric fires,

says Donna Lewis, director of Product Development and Marketing. "Although electric fires are just one of the many products we offer, electric models are a growing focus for us. With the current environmental trends, we see sales of electric fireplaces continuing to grow as consumers move to electric models."

While most of its sales go through mass merchants, J&R does sell to specialty hearth product dealers, especially with its commercial line. "We are making improvements to this line, including tweaking the flames, and we plan to add new models to our line to add pizzazz," says Lewis. Hospitality and commercial installations of its Paramount electric fires account for 10% of J&R's electric fire sales.

"We've gotten away from cabinet models, and now feature wall-mount electric fires that also can be built in," she says. J&R tried white surrounds for awhile, but that idea failed and the company is back to offering black surrounds.

Electric fires are selling "very well" for Innovative Hearth Products (IHP), according to Michael Lewis, vice president of Marketing. "This is a growing market, and there is a big potential with electric fires. The technology is getting better, resulting in electric models with more realism and more features."



Paramount Premium wall-mount electric fireplace by J&R Home.

Lewis also thinks electric fireplaces may help with the industry challenges of decreasing incident rates of fireplaces going into new homes. "We've all leaned on the nostalgic appearance of a fireplace, but more recently we've stepped away from a traditional fireplace and gone to more lineal styling that does not remind the consumer of a real fireplace from their past."

"Consumers have become more accepting of not having a fireplace. Now they are more of a luxury item than a necessity," Lewis suggests that electric fireplaces offer easy installation for homebuilders, installations that require no venting or gas lines such as in multi-family buildings.

IHP has only recently gotten its feet wet in the electric fires market; It now offers seven models but is developing new models to gain market share.

"Hearth product dealers cannot compete with the Big Box stores with their cheap 'cash and carry' models," he says. "There is a big difference between the cheap mass merchant models and the step-up models in cabinets or built-in models that the hearth product dealers should offer."

It was an "amazing" sales year with electric fires for **MagikFlame**, a company that manufactures its electric fires in the U.S. and sells consumer-direct through its



Landscape Pro Multi from the Landscape Pro and Spectrum Slim series by Modern Flames.

extensive website, according to Howard Birnbaum, president. "We tried to sell through brick-and-mortar stores, but found that they didn't want to stock the products, wanted free demo models, and really didn't know how to sell premium models and differentiate those models from other cheap products. Since we switched to consumer direct, sales have gone extremely well."

Birnbaum sees "status quo" for the industry in 2020. "The industry appears to be doing well with what it's offering," he says, "so we don't expect anything new from the industry except to make the product cheaper while we continue to innovate."

Birnbaum says that the industry's unofficial sales estimate of 2 million electric fire units a year is "extremely low. And sales of electric fires will increase with states like California and New York making it almost impossible to put in a gas or wood-burning fireplace. Consumers want a fireplace, so their only option in many places is an electric model. But they don't want it to look fake. That's the market we cater to, high-end models at premium prices."

Birnbaum says that while many competitors offer \$600 or \$800 models, MagikFlame's suggested retail prices are around \$3,000 and include features such as 26 flame pattern and color options, fire sounds, touch screen, and smart-phone control. MagikFlame offers inserts that the consumer can install into an existing fireplace, or build-in, plus inserts in mantel packages.

Modern Flames, celebrating its 10th anniversary selling electric fires, had a "good sales increase" in 2019, says Tom Foy, general manager. "We're looking for a really dynamic and fun 2020. The category is growing, but we're also seeing more manufacturers getting into it."



MagikFlame HoloFlame Trinity Electric Fireplace with Mantel Package.

Modern Flames is improving its technology, specifically more realistic flame appearance. "We're positioning ourselves for the future by taking our products to the next level. Today, it's like the new car market that is always offering more features and improvements," Foy says. New features for Modern Flames include built-in WiFi, radio frequency remotes, and models that can be operated with smart phones.

Foy says homebuilders are paying "a lot more attention" to electric fireplaces. "When a builder thinks a fireplace is too expensive, many now are looking at electric models with easier installation and the flexibility to be installed anywhere. We're seeing more interest from renters who have learned that they can take many electric models with them when they move."

About 25% of Modern Flames' sales now are for hospitality and commercial installations. "This is a growing opportunity for hearth product dealers," Foy says.

New from Modern Flames is its Landscape Pro series, offering the options of flush mount, corner, or three-sided installations all in one carton to reduce dealer inventories. The Landscape Pro Multi is 12 inches deep while the Landscape Pro Slim is 6 inches deep. The company's Spectrum Slim is 4 inches deep. Suggested retail prices for Modern Flames' models range from \$650 to \$3,300. Modern Flames also offers a battery-operated electric log set with 12-hour battery operating time and a suggested retail price of \$450.

Electric fire sales have been "outstanding" for **Napoleon Fireplaces**, says John Czerwonka. "Our percentage sales growth in this category last year was in mid-double digits, and we've been setting growth records for the last five years. We've recently added significantly to our portfolio, now totaling more than 50 electric models."

For the last decade, fewer fireplaces have been included in new homes, says Czerwonka. "Electric fireplaces now offer a reasonable solution for homebuilders. Electric fires also offer a solution in areas where natural gas has been or may be banned. I hate it for the gas category, but this is exciting for electric fires," he says.

The company has new builder models in 36- and 42-inch sizes. "These models

are perfect for projects such as high rises and restaurants," Czerwonka says. Napoleon's sales for hospitality and commercial installations are "less than 15% of our sales, but picking up." Wall-mounted electric fires are Napoleon's number one sales category in electric fires.



Trivista 3-sided Electric Fireplace from Napoleon Fireplaces.

Czerwonka sees the technology in electric fires rapidly increasing with new innovative features. "You now can control your fire with your handheld device, and some of our models will include charging stations," he says. "Plus, we're featuring more flame colors and better ember media." Napoleon now includes both logs and crystals in the same carton, giving the dealer and the consumer their choice, or even mixing both. New models from Napoleon include 220-volt connections if the homeowner wants to hardwire the unit for greater heat output.

Napoleon's CLEARion Elite electric fireplace was the Electric Products winner in the 2019 Vesta Awards. The first two-sided, see-through electric model, the CLEARion features the see-through option, but with a push of a button the fireplace back wall becomes opaque to show the unit as single sided.

"Electric fires are our fastest percentage of growth category," says Czerwonka. "I

am floored at dealers who are not selling electric fires. They have to play at higher price points than the Big Box stores, but I recommend they also show a \$500 model to give the customer a chance to compare the cheaper models with the higher quality ones with more features."

Regency Fireplaces is another newcomer to electric fires, having entered the category a year ago. "This now is a necessary segment of the hearth products industry," says Glen Spinelli, president. "These are products that open up sales opportunities with millions of homes where wood- and gas-burning appliances are not an option. Dealers that do not carry electric fires are missing out on those sales."

Spinelli sees the electric fire category growing. "As an example, five years ago no one offered electric cars. Now most auto manufacturers are offering electric cars, and expanding their lines as consumer demand increases."

Although a newcomer, Regency already is expanding its line from its current four high-end, linear, contemporary models with suggested retail prices from \$2,000. "We are offering our dealers models that require installation to support those dealers with opportunities to increase the

sale instead of the 'cash and carry' models found in the Big Box stores," he says.

Although **The Outdoor GreatRoom Company** (OGC) primarily focuses on products for outdoor living, it had a "good" 2019 sales year with the indoor electric fires it offers, "and those sales are increasing every year," says Joey Shimek, vice president of Sales. Differing from most manufacturers of electric fires, OGC concentrates on electric fireplace inserts. "While we do offer linear wall-mounted models, inserts are our biggest sellers. They are perfect for the millions of older brick fireplaces where heat is not needed," Shimek adds.

The electric fires market will continue to grow in 2020, Shimek says. "People now are looking for electric fires. Today's models are better looking, affordable, and can be installed or placed anywhere. Homebuilders see electric fires as less expensive than gas fireplaces, so the builder market for electric fires also will continue to grow."

The Outdoor GreatRoom Company now offers 15 models of electric fires, including its inserts and linear, built-in models. Inserts are available with 36- and 42-inch surrounds, but the company also offers custom-sized surrounds.

Twin Star Home had a "really great year" in 2019 selling its Classic Flame-brand electric fires, according to Lisa Cody, vice



29-inch Electric Fireplace insert from The Outdoor GreatRoom Company.

president of Marketing. The company is known for combining its Classic Flame electric fires with its Twin Star Home furniture, but it also offers wall-hung and stove electric fires. "We've been successful because we know what the consumer wants, says Cody. "To stay ahead in this fast-growing market, you have to pay close attention to consumer needs and design trends, and then innovate from there."

Twin Star is "doing well" with its TV-stand furniture featuring an electric fire and including Bluetooth speakers and remote controls. It soon will introduce its Cool Glow TV-stand furniture model with its electric fire offering heat but also able to be switched to oscillate cool air for year 'round use. The company also offers its Classic Flame Pro line aimed at homebuilders.

Keying into the consumers' desire for home safety, most Classic Flame models now feature patented SaferPlug Fire Prevention Technology with a distinctive green plug that monitors temperature changes and automatically powers off the unit if it detects an unsafe condition. Twin Star's patent-pending SafeSensor automatically shuts off the heater if something blocks the heating element.

It's the largest and fastest growing category of hearth products. Homebuilders are eagerly looking at these products to solve their problems and to continue to offer a fireplace in a new home.

Sure, mass merchants sell cheap models. But the market is moving toward high-quality, full-featured, higher-priced models only offered through hearth product dealers. So why wouldn't every hearth product dealer begin offering electric fires? That seems like a no-brainer.



Twin Star Home's Media Mantel with ClassicFlame PanoGlow Electric Fireplace.