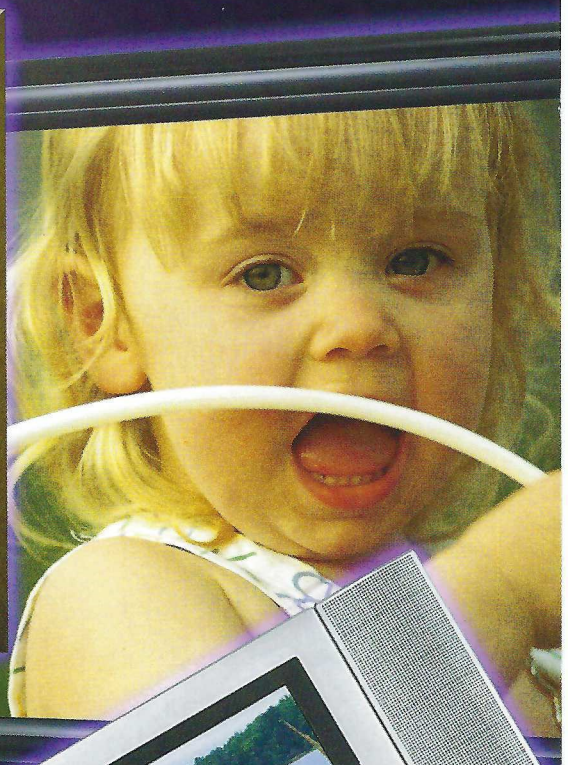


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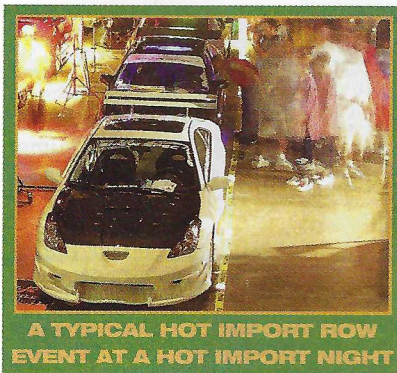
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HOT IMPORT NIGHTS Hits BOSTON

Vision Entertainment's Hot Import Nights (HIN) is an event that combines the feel of a nightclub with a gathering of the "tuner" scene — customized cars featuring performance, cosmetic and electronic upgrades. There is a points-based competition and a host of exhibitors in a convention-like setting, complete with extremely loud music and flashing lights. Boston's Bayside Expo Center was the chosen site for the first-ever Hot Import Nights to grace the New England area.

"It's a great event for both consumers and the CE industry," said Rob Lopez, national marketing manager for Panasonic's car audio division. Panasonic shared a huge booth contracted by Circuit City in support of the retailer's efforts to reach out to the diverse demographic that attends HIN events. "It's an ideal situation," said Lopez of the arrangement. "We prefer to align ourselves with a vendor at an event such as HIN so that once we have created demand for our products, we can drive consumers to an outlet where the merchandise is available for sale," Lopez explained. "It has been very effective for us, and it's directly attributed to our success with Circuit City," he added. Lopez feels that the HIN event is strong partly because attendees cover a larger age range than traditional car audio competitions and the percentage of female attendees is also up at HIN. Steve Mullen, a spokesperson for Circuit City, agrees that HIN provides critical visibility: "It is our objective to get our new assortment of car customization items (shift knobs, neon, etc.), as well as exposure for our Roadshops (installation facilities) in front of a young male audi-



A TYPICAL HOT IMPORT ROW
EVENT AT A HOT IMPORT NIGHT

a good response to our presence at HIN. We're very encouraged."

JBL, Infinity, and Harman/Kardon are brands that have also had success exhibiting at HIN. "As a key sponsor, it has been very good for us; the events have been packed," reported Chris Dragon, vice president of brand marketing for Harman's Mobile Division. "HIN attracts the richest vein of consumers inclined to buy car audio. This demographic account for about \$3 billion spent on their automobiles," said Dragon. "We do promotions with retailers, after-show direct mail to attendees, and e-mail blasts (direct mail and e-mail only with authorization from consumers)," Dragon added. "We have been very pleased regarding our dealings with Vision Entertainment." He said that Harman will have a presence at all 23 HIN events this year.

"The consumer electronics companies are currently playing a huge role in the success of HIN," reported John Russell, vice president of marketing at Vision Entertainment. "We started in 1998 with almost zero participation from the CE companies, when many of our attendees and registered competitors still had the stock stereo in

their cars," added Russell. "We've seen a dramatic increase in our group's interest in electronics products since that time." HIN currently sponsors the Ice Award, presented to the competitor with the "coolest in-car entertainment system." Additionally, the electronics gear counts toward the overall point scoring at HIN, and there is an Ice Award winner at each event. Exhibitors at the Boston event ranged from CE retailers of all sizes to manufacturers of electronics, intermingled with booths inhabited by car-makers, tire manufacturers and other performance and cosmetic accessory companies. "The event creates a bridge between the tuner market and the car audio market," observed Lopez. "The common thread for these enthusiasts is their automobile," he added. "Our attendance at HIN has allowed us to better understand new and future trends, and this information is directly reflected in product design. Car audio manufacturers are competing with the tuner companies for this segment's disposable income," stated Lopez. "It's our responsibility to create more synergy between our products and the tuner market, improving both the entertainment and performance value we bring to this consumer."

"The participation of mobile electronics companies has been great for HIN. It makes our entire industry (import tuner market) a bit more broad-based," explained Russell. "We'd certainly like more companies within the CE category to participate. They help make the Hot Import Nights a better event." He noted that attendance in Boston was "near capacity....We are definitely going back," he said.