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# SMALL-BUSINESS EVOLUTION

**A SINGLE-STORE OPERATION RE-INVENTS ITSELF FOR A CHANGED  
12-VOLT MARKETPLACE BY MICAH SHEVELOFF**

**D**avid Prinz and Jay Iannotti, co-founders of Sounds Alive in Orange, CT, have been best friends since age 12. “Jay has always been the install king,” reported Prinz of his partner and longtime friend. The two originally opened as part of the Boomer McLoud franchise program in late 1999, and transitioned their business to the Sounds Alive name once they felt strong enough to become independent. In 2002, suffering the ills of a choked economy and inconsistent consumer buying trends throughout the mobile category, Prinz set out to explore the viability of adding some wholesale business (car dealer accounts) to his existing work roster. What transpired has altered the way Sounds Alive operates each and every day, and serves to illustrate just how much profit may lie unattended to in your marketplace.

“I kept cold-calling this one key dealer account, a Chevy/Hummer showroom not too far from my shop,” recalled Prinz. “The general manager of McDermott Chevrolet just kept putting me off,” he added. “He kept telling me to ‘call tomorrow,’ or, ‘try next week.’ Each time, I would record the instructions on a file card and mark my calendar, so I would not forget to follow up exactly when he instructed me to. At one point, he mentioned that he was having some problems with his current

aftermarket vendor, and suddenly one day, he called me and said: ‘Here is your big chance! I need a video system in a Chevrolet Suburban. Let’s see how you do.’” Prinz recalled that he impressed the dealership with the quality and efficiency of his

work, and in order to seal up getting any future jobs, that he offered to handle any outstanding warranty claims on work done by the prior vendor. “It closed the deal for us, and we have never looked back,” Prinz explained, “and I didn’t want them to pick up the phone and call my competition for any reason,” he added, clarifying why he decided to handle another company’s warranty problems. “I think they saw a hungry business owner anxious to serve their needs,” Prinz concluded.

Shortly thereafter, all of the salespeople who were working in the Chevy/Hummer showroom were instructed to use Sounds Alive exclu-



**JAY IANNOTTI & DAVID PRINZ, IN  
FRONT OF THEIR ESTABLISHMENT**

sively for future aftermarket electronics add-ons. Prinz and his crew continued to impress the dealership, going to customers’ homes in order to show them how to operate the various systems and getting all of the work done in a timely fashion. The wholesale business began to pay dividends in other ways, as well. “We did almost no video at retail before we started working for this dealership,” explained Prinz. “My comfort level was with high-end audio gear and box-building,” he added. “Many of the trade magazines were talking about video sales and added profits, but we were nowhere with the category. Now, after forcing myself to





understand the products and tuning in to what the customers want, we are cranking out the video systems," Prinz stated. "It is my newfound confidence in the video segment that has allowed us to be successful with it," he added.

The McDermott showroom sells an average of four to five Hummers weekly, and they keep the vehicles in stock and visible from one of the nation's busiest strips of highway (Interstate 95, just north of New Haven). The price of the H2 hovers between \$50,000 and \$60,000, and the four-ton-plus behemoth gets about 12 miles per gallon. "We typically sell these vehicles to business owners, people with more than one car," commented David Yorwerth, a Hummer sales associate at McDermott. Yorwerth had to attend product-specific training seminars at the Hummer factory in Indiana, along with the service techs from the dealership. He added that H2 customers range from the young, single person with a good job to affluent local soccer moms, with about a 70% to 30% ratio of males to females. "It is the weekend car for many families, and husbands buy them to assure the safety of their wives and children," Yorwerth revealed. The eight-cylinder GM-built SUV is designed to be able to drive through two feet of water and climb a 60-degree incline — conditions that today's soccer moms typically encounter on their way to school board meetings. Amazingly, McDermott's H2 customers frequently add thousands of

dollars of aftermarket accessories to their initial purchase, including such items as audio/video systems, back-up cameras, tire carriers, driving lights, and alarm/remote start packages.

## DOUBLED BUSINESS

"Before we added the dealership account, we worked long hours at retail and earned a fair wage," remembers Prinz. "We have since about doubled our total business while only maintaining a few key wholesale accounts. Having the high-

a database full of qualified clients that are primarily interested in the services provided by his company. As an example, Sounds Alive offers both automotive and residential window-tinting as one of its available services, and many of the newly acquired upscale clients have hired Prinz to apply tint film to windows at their homes.

One benefit of becoming quite busy is having the luxury to be more selective when booking installation work. "I no longer do installations of gear not purchased from our store,"

reported Prinz. "I don't have the time or desire to deal with that customer, and most of those jobs lead to headaches," he explained. Nearly half of all billed labor at Sounds Alive is now attributed to dealer work. "I have eliminated the low-profit nightmare customer, and pretty much doubled our gross sales," said Prinz happily, while acknowledging that when there is a scheduling conflict, his key dealer accounts come first. The critical changes at Sounds Alive have come as a result of balance.

Prinz has found a way to increase profitability by focusing on what he knows best at both the retail and wholesale levels, and the increased volume of work has naturally pushed the less-fruitful jobs to the bottom of the priority scale. At retail, Prinz still does well with radio and amplifier sales, as well as alarm and remote starts in season. "I have always had somewhat of a natural sales ability," Prinz explained. "I have not had a lot of formal sales training, but I close sales successfully at a high rate. I suspect that much of that can be attributed to personality. I look for what the customer's objections are, and overcome them in order to get the sale."

In addition to McDermott Chevrolet/Hummer, Prinz does work



**HUMMERS: THE VEHICLE OF CHOICE  
FOR MANY OF SOUNDS ALIVE'S  
BEST CUSTOMERS**

end clients such as the Hummer owners has forced me to address the adult customer, speak to them professionally and earn their repeat business. I leave a business card in the glovebox of each and every car we do, and it has brought us tons of work," related Prinz. The new relationships, both with the dealerships and their individual clients, are priceless assets for Prinz and Sounds Alive. At the dealer level, the staff at McDermott is enamored with the service they have received from everyone at Sounds Alive, and they take good care of their valued new supplier. "They pay me immediately upon completion of a job," related Prinz, who realizes his good fortune in having such an account. At the consumer level, Prinz is accumulating



for a nearby Buick showroom. "The American cars are technically less intimidating, less time-consuming than many of the foreign makes such as Lexus. It is what we know, it is our niche, and I am happy to have that business," Prinz stated. "I use a Peripheral adapter when doing an A/V system in a Hummer with ONSTAR, and there is even one for the steering wheel controls and yet another interface module for the Bose system, so everything works perfectly for the customer when installing an aftermarket radio," he said. Sounds Alive has outfitted more than 50 Hummer vehicles for McDermott, with such options as in-dash, headrest, and overhead video systems in addition to audio and security/remote start systems. "We pick up and deliver most of the dealer cars we do, and complete the



**IANNOTTI,  
AT THE WORKBENCH**

installations in the comfort of our own facility," said Prinz. "Occasionally, we will perform a simple head-pop or something on-site, if the dealership calls last minute, and we do quite a bit of window tint on the road," he added. Although partner Iannotti is the "install king,"

Prinz has an installation background as well, with a degree in electronic technology. "It is great to have the installation experience out on the sales floor, with a vision for what is possible and what is not," said Prinz. "The technical knowledge is an added value to the customer. I don't have to guess or continually interrupt one of our installers in order to design a system for them," he explained. It is not uncommon

for both Prinz and Iannotti to be busy in the five-car installation bay, leaving a salesperson to cover the storefront while they work out back. Currently, Sounds Alive maintains a staff consisting of one full-time installer and one part-time salesperson, in addition to Prinz and Iannotti.

Another valuable relationship that Prinz has established for Sounds Alive is with a regional marine dealership that sells high-end speed boats. "We do about 20

boats a year for that account, and some additional show systems in craft headed for the big boat shows," said Prinz. The relationship has even led them to do some work at a local marine manufacturer called Outer Limits, and the client list continues to grow for Prinz through these valuable customers.

## **FINDING NEW REVENUE SOURCES**

Independent mobile electronics retailers across the nation have expressed concern about many aspects of the industry, such as consumer apathy, OEM-interface issues, and aggressive competition from regional and national chains. The tale told by David Prinz at Sounds Alive is a useful reminder that there are often potential sources of revenue right under our collective noses, and that a balance between retail and wholesale business can serve to provide a degree of seasonal stability. Dealership clientele is found business; it establishes ties to consumers without an advertising price tag. It provides an opportunity for retailers to strengthen their own brand image on a local basis, and sets a course for a successful future by creating relationships that lead directly to a consistent workload and increased profitability.



**A ROBOT-LIKE SHOWROOM DISPLAY**