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# Room with a view



Sitting comfortably at  
Majik House

Showrooms are a common feature of the automotive market, where the power of experience is a well-known aid to selling.

Kitchen and bathroom installers have also adopted the showroom – or in some cases, the show house – as a route to market. However, the CI industry has been slower to realise the benefits of creating dedicated display space, an oversight that is now starting to be addressed.

Carlo Natale, president and CEO of Domotica Più, a CI consultancy and home automation specialist based in Vigevano, Italy, thinks that being able to demonstrate a product or system is a vital part of the business.

“Can a well-designed showroom help a manufacturer or distributor better explain the features and benefits of a product? Absolutely yes, but you need to distinguish between the roles and the targets of manufacturers, distributors and system integrators.

**‘We found that if we got customers through the door they were much more likely to make a purchase with us’**

Fraser Stride, Finite Solutions

“I believe that any specialised system integrator or professional installer will agree on the fact that if a customer can touch with his own hands and see the benefits of the application in which they are interested, he will immediately confirm the sale. I also believe that manufacturers should help distributors to better demonstrate their product lines. This will result in better and more professional partners to broaden the manufacturer’s message,” says Natale.

“In simple terms that means that there is a need for different types of showrooms for different target markets: manufacturers and their distributors need ones dedicated to their installer professionals, and these professionals in turn need showrooms for their final customers,” adds Natale,

What can a well-presented showroom bring to a custom installer’s business?  
**Anthony Clarke** investigates



Pic: Courtesy Finite Solutions



Pic: Courtesy Finite Solutions



Pic: Courtesy Majik House

## HOMETECH

Douglas Mackenzie is the marketing director of Hometech, a high-end system designer and installer with offices and showrooms in both London and Glasgow. "I've never sold anything without first running a demo," he explains, "but we're not a typical custom installer – our business is mixed between high-end clients and developers. For example, we'll design and install the cabling for a developer and then we'll sell the additional kit from a show house on site.

"We're currently involved with a development in Croydon that's made up of 200 units and in there, there's a marketing suite. So once someone has agreed a sale we'll invite them out to the show home to explain what's on offer.



"The average buyer might think that £500 would buy them a system but after they've met us they'll spend between £5,000 and £10,000 on equipment. Once people have experienced the 'wow factor' they don't want what they can get on the high street," reckons Mackenzie.

"At any one time we'll have up to 20 on-site marketing suites open

up and down the country and it's a given that our involvement helps developers sell their properties.

"In essence, we're being used as a sales tool. For example, if you buy any of the apartments in one of the developments where we're working, the developer will give you between 10 and 12 thousand pounds' worth of Hometech kit. That's where the marketing suite also works when



times are tough – developers can say, 'Do you like what you see? If so, we'll offer you it, provided you reserve the suite.' And I see this approach increasing next year."

Mackenzie is therefore certain that being able to show prospective clients what's on offer is an essential part of the Hometech business: "Without our marketing suites, we couldn't exist," he concludes.

CASE STUDY

who opened his latest show house in southern Milan in November.

Fraser Stride, marketing director of Finite Solutions, an integration company based in Yorkshire, England, agrees with Natale. His company's first show apartment was so successful that the decision was made to create a top of the line show home.

"Originally we had a show apartment in Leeds city centre. It probably had around £30,000-worth of equipment installed in it, such as a drop down projector screen and some multi-room audio," he explains.

"We found that if we got customers through the door they were much more likely to make a purchase with us, rather than go somewhere else, because the apartment gave us the opportunity to build up their confidence in what we could offer. What we also found was that if we let customers play with the equipment then they'd spend a lot more money.

"It wasn't a pushy up-sell," continues Stride. "All we had to say was 'this is what you can do' and the response was generally 'we'd never even thought of that'. And because the apartment was all laid out in a very nice way, and looked good, it meant that when someone brought their partner around, whoever it was that was leading the purchase didn't need to try so hard and convincing the wife or husband that it was a good idea."

### Up-selling and down-selling

There was, however, a problem with the apartment – the level of the equipment that could be installed. "We were up-selling some customers from, say, a £10k budget to a £25k spend but the problem was that if people had more than a £50k budget, we were reluctant to take them there because there was actually a risk of down selling," Stride explains.

Despite its drawbacks, the apartment was working really well for Finite Solutions, so the decision was made to repeat the idea with a grander vision. "We thought, let's do it on a much larger scale so that we can demonstrate for a variety of different pockets and win over customers with larger budgets," says Stride.

"The conclusion that we came to was that we needed to go big but given the type of customer base

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CEDIA is an international trade association which represents the residential custom installation industry and has a global membership of over 4,000 companies.



Pic: Courtesy Majik House



Pic: Courtesy Majik House



Pic: Courtesy Domotica Più

that we wanted to appeal to it needed to be somewhere that was grand as well.

“One of the benefits of being up in Yorkshire is that property’s a bit cheaper than it is down south and so we able to buy a very grand house, albeit one in need of a lot of renovation work,” adds Stride. “In the end we installed around £300,000-worth of kit – every room’s got some kind of cool technology in it.” [See Case Study on p19 for details]

Some 170 miles south of Leeds in Bishops Stortford, Armour Home has just completed a refit of its HQ showroom. “We’ve just gut-

Majik House, and MD Tim Burrow is happy to acknowledge the domestic nature of its origins. However, with a focus firmly on the future, Majik House has a sophisticated showroom – just a year old and the third base the company has had since its inception.

“We do very little advertising,” explains Burrow, “as nearly everything we do is through referred work from an existing client. We’ve been in this market for 10 years now and we’ve a lot of completed jobs out there and satisfied customers. Coupled with that, we do our own mail shots to clients, friends of clients and contacts that we know about, and we get these people in for events – musical evenings, film nights, etc.”

#### Hen nights as promotion

“We also offer the premises up for parties or for a group of girls to come and have a hen night. We have our own people and partners who will offer massages, facials – the sorts of things that will bring women in and want to use the venue. We’ve even got our own chef,” Burrow adds.

“These types of events promote us dramatically to areas where we normally wouldn’t have contact because all those girls go home and tell their husbands and partners. And if we’re going to be promoting the showroom in that way it’s got to be fitted with best equipment and be pristine.”

The facility is also used, daily, to show existing clients new products. “It’s turned out to be the most valuable sales tool we’ve ever invested in,” claims Burrow. “It’s not the first showroom we’ve had – that was my house. That was all done by appointment, a system we still use. The door’s never open and if someone comes along unannounced we’ll turn them away and get them to book a time. We use that as the first filter – it weeds out people who aren’t really interested.”

The current showroom combines lighting control – internal and external – and home entertainment integration. “It all works,” continues Burrow, “there’s nothing here that’s static. And without a shadow of a doubt it’s integrated control that really catches the imagination of our visitors.”

“When people walk through the door here, you can see their faces change – they obviously know it’s not going to be cheap their eyes light up and it’s then that you can tell if you’ve got a sale. After that it’s just down to how big the sale is going to be.”

Burrow is keen to stress the importance of the showroom as an aspirational sales environment. “We will always be able to show people more than what they can afford – you’ve got to have it all or else you can’t sell up. For example, we’ve got cinema chairs in here which are £10,000 each and we sell very few of them but we do will sell derivatives of them.

“What makes us different is that we try to encompass as much of the house as possible – we want to do that more than just sell a cinema systems,” he explains. “That way we can install systems that can be upgraded and when that becomes possible we invite a customer back to see us. This helps build sales and

## ‘We also offer the premises up for parties or for a group of girls to come and have a hen night’

Tim Burrow,  
Majik House

ted the place and put in a whole bunch of new products. It now looks a lot nicer and a lot brighter than before,” confirms the company’s PR manager Steve Reichert, who explained that the facility serves four core functions.

“One is purely as a showpiece that lets visitors see that we’re a pretty serious player with many more brands than they’d previously thought. The second use is for us to sell products to installers. Third, we use it for our own staff for product training and how it all goes together. And lastly, we are perfectly happy for our customers – the installers – to bring their clients in, because quite a lot of installers can’t demonstrate everything.

“Increasing numbers do have a showroom or a demonstration area but they can’t present it all,” Reichert qualifies. “Back in the day, a lot were working from home or small industrial units, which were storerooms plus offices and even now space can be limited. I don’t really want to encourage it but we can open at a weekend if a customer can’t make it at any other time.”

The showroom has an additional, unintentional, benefit, adds Reichert: “Many people come here for training at the Armour Academy and they tend to walk through it several times a day, on their way to the breakout room where the lunches are held, or off for a cup of coffee. And while they’re walking about quite a lot of stuff on show will catch someone’s eye. Hopefully, they’ll then ask about what they’ve seen.

“However it’s used, in the end it all boils down to us selling products,” Reichert affirms.

One of the companies that started life in someone’s home is



**FINITE SOLUTIONS**

On the 1 December, almost exactly a year to the day since Finite Solutions purchased the property, the company opened its first high tech show house. The 4,000sq/ft Victorian building in Yeadon, Leeds, needed extensive refurbishment and according to the company it is now the largest show house of its kind in the UK,

offering visitors the chance to experience the latest high-end home technologies.

"Down south everyone's understanding of home systems is based upon what they've seen at their friends' houses, but up north there are fewer people with kind of stuff so this house will really benefit us," says marketing director Fraser Stride.

The scheme was a massive undertaking and in order to minimise outlay it was decided that the cost burden of the refurbishment should be spread. "We partnered with other companies for the project – it's our premises and we own it but we gave other companies the opportunity to contribute," explains Stride.

"We brought a landscape gardener, an architect, an artist, bathroom designer, a stonemason

– they all contributed to the refurbishment of the building at a very low cost on the basis that we'll be getting a lot of wealthy clients through the door and share marketing and database information."

So what's in the finished show house? Well, there's a dedicated basement cinema, complete with an 8ft Screen Research screen, Runco projector and B&W/Lexicon electronics. There's also a hidden cinema room, which showcases some of the latest concealment technologies, including a Future Automation hidden panel mechanism and projector drop, Kef dropdown speakers and Loewe LCD screen.

There are Blu-ray and DVD servers and Sky-HD distributed throughout the property through Smart-e with Crestron control in each room, and in the bathroom



there's the latest Aquavision mirror TV combined with Rako mood lighting.

The lounge cinema uses Artcooustic speakers (high-end speakers disguised as artwork), Arcam electronics and Crestron Control. There's multi-room audio accessed through Crestron in-wall touch screen controllers and TV interfaces, and for dedicated

listening there's the Linn Listening Room – a room dedicated to enjoying music through Linn DS and Linn Majik speakers.

The house features Crestron touch screens, which control all the audio/visual and automation systems, and to top it all, there's integrated security systems, which includes gate entry control and CCTV cameras.



Pic: Courtesy Majik House

generate business. In fact, when clients are first in our showroom we start to talk to them about our continuing support for their systems, and it's at that point that we'll sell them a maintenance contract, which provides peace of mind."

**Experience and investment**

Burrow says that the order books for 2009 are already looking very good: "We've got more than we've ever had and looking ahead to next years things have never been better."

However, Natale warns that the

size of an installer's business should dictate the scale of the showroom operation: "The competition between installers suggests that we should all be looking to develop showrooms and display space but only the most experienced professionals are likely to achieve a good return on the money."

Stride isn't so sure: "The reason why the industry hasn't adopted showrooms more so is partly because of the cost of investment but also because the major players, in places such as London, have built their trade through referral and they don't therefore feel display space is necessary in order to sustain their business. Whereas if you look at some of the new players, if they want to build their business quickly then the showroom is an essential.

"All you'll need is a few companies taking this route to increasing market share and I think you'll see a lot of dealers follow suit."

"A showroom or show house will become an essential part of the business as it's simply not fair on the customer who is thinking of spending a few hundred thousand pounds if all you do is just show them some nice photos."

And there's an essential element to making the investment work, says Natale – staff. "You can often find ways to balance your showroom investment but you must have skilled and reliable staff to demonstrate it, otherwise you'll end up with a wonderful showroom without the skilled human input to make it work.

"In a time of recession it is worth investing to be prepared for when things swing back," adds Natale. But the investment in a showroom isn't a one-off as Barrow explains: "The maximum life of that sort of facility is five years – no more. After that time you'll have to pull it to bits and freshen it up. In that respect it's no different to a house." **RSE**

**'Only the most experienced professionals are likely to achieve a good return on the money'**

Carlo Natale, Domotica Più

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