



Halls of power

Adam Hall has built its name on supplying the peripheries for the pro audio market, but has been flirting with MI and audio proper for some time now. With Andrew Richardson now installed as UK company's managing director, **Gary Cooper** asks how it should be viewed in today's market ...

PA equipment might not be at the, shall we say, sexy end of MI, but there's no doubt that it is, for anyone who performs live, absolutely essential. It is also a good source of profitability, given the relative scarcity of retailers that stock and sell it in any depth.

Adam Hall, one of the longer serving companies in the market, is keen to see retailers take another look at the sector – and in particular at the LD Systems product ranges – says the company's MD, Andrew Richardson.

Gearing-up for a renewed push at the UK market, Adam Hall has been through personnel changes lately, resulting in Richardson, with a sales background with the highly professional RS Components, casting a fresh eye on the way it does business and what its customers want from a supplier.

Adam Hall remains, in some people's minds, best known for its huge range of flight cases and accessories – not by any means business it wants to ignore, but not all it wants to be known for either, Richardson says.

"People have tended to associate Adam Hall in the past with flight case fittings,



Andrew Richardson:
Changing the profile

accessories, stands and products like that, so we're seen as a good reliable source for this but perhaps not so much for the products that we are now doing very well within Europe and which we're trying to accelerate the growth of here, particularly LD Systems."

The problem facing LD Systems, the company believes, is that it is perceived by some in the trade to be an entry-level brand, which in terms of price, it is, but not in its quality, which Richardson says is considerably better than people expect.

This is the perception that Richardson and his team have set-out to overcome.

"LD Systems is, in fact, priced extremely competitively, but when people actually hear it their reaction is inevitably, 'Crikey! This sounds good.' It's not that they were expecting it to be poor quality, but they just weren't expecting a product in the LD Systems price bracket to sound quite as good as it does.

"In particular, products like the Dave systems (the Dave, 10, 12 and 15) people who do an A/B comparison with other products – even some of the best known up-market ones – often realise they prefer the LD sound."

This could hardly be better timed, given the current shortage of money in customers'

pockets and Richardson feels that if retailers sell the range on features, quality and benefits, rather than price, they will find the margins very attractive.

Of course, he would say that, wouldn't he? (to coin a phrase). But

when you take a step back and look at what is on offer, he has a point – not least with the sort of guarantees Adam Hall is offering: two years on LD Systems products and three years on the LD Premium range.

Richardson's current drive is to establish an effective dealer network across the UK. "We're particularly looking to establish a network that is strong on customer service and that means

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reaction as been one of gratitude. They had simply lost sight of the margins – a potentially fatal flaw in these difficult times.

“A lot of price-matching on the internet is driven by price-matching software, which can lead to genuine mistakes, but I would categorically say that a lot of my retail customers have made a key change in where they stand and are starting to say they need to make proper margins on what they are selling.”

This, too, matches what the industry is saying – on and off the record – to *MI Pro*. It is not, retailers say, that they will no longer cut prices, but that they realise they cannot survive on the sort of margins that were starting to become a dangerous norm a few years ago.

MAINTAINING CONTACT

“I’m seeing this increasingly from our customers – even some of the traditionally worst culprits, even they have made this change. But the way to maintain it, in my opinion, is to keep regular, good, face-to-face contact with customers. I can’t do that with a network of 4,000 customers, but I can with a small network of retailers across the country, which is committed to the products.”

Which brings us to the end-user and what he or she decides could be worth looking at when they go shopping. As we have said before in *MI Pro*, PA is a problem area. MI customers in search of anything from guitars to drums to the most esoteric digital recording software, are well served with consumer magazines guiding them with features, reviews and advertisements – but since the demise of *Performing Musician* just over a year ago, the UK now has no effective coverage of a product area which, to be fair, even many retailers have scant knowledge of. In short, how does Joe or Josephine Soap, realising they need a PA system, know where to begin?

For brands that are already established in the MI market through instrument or backline sales this isn’t quite as big an obstacle, but for companies that only make and sell PA, it can be a mountain to climb. There is no point

advertising the products in drum or guitar mags, so how do they drive consumers into shops, asking about their products?

“This is a problem and it’s something we are working on,” Richardson says. “People increasingly research purchases on the net. We can certainly make the dealer network prominent there, so consumers can find their local dealers,

both pre-sales as well as after sales support. We want to create a situation where if a customer has a question, he can find a network of dealers, well spread across the country, where he can get the help and advice he needs. I don’t want it to sound as if we haven’t got dealers who can do that already – we have – but we want to add to that network and build on it.”

For that sort of relationship to work, Richardson realises, those retailers need to know they can make margins on the product and here we come up against the problem readers will know only too well – box-shifters who will undercut prices, in an age where most people buying most products research prices online before they buy.

THE CUSTOMER IS ALWAYS BRIGHT

“I think customers do value after sales service. Not all of them, but many do,” he says. “To give you an example, when I want a new TV, I do what everyone else does: I go online to see what it costs, read reviews and so on. Then I have to make a decision.

“I know that if it goes wrong, I’ll want to be able to get service. Living in Ipswich, I’m not going to buy from a dealer hundreds of miles away, but I’m willing to drive some distance to find a retailer that has one in stock and I’ll say to him that I don’t expect him to match the lowest price I can find on the Internet, but maybe to meet me somewhere along the way. That way, I get the product at a price I think is

reasonable and yet come away with the feeling that I have local support if I should need it.”

Richardson goes on to make a point which is increasingly being heard in the industry – occasions when a retailer can be found selling a product for a sum he doesn’t even realise is too low, due to price-matching competitors online.

Several distributors have raised this issue with *MI Pro* recently, some with tales of having encountered shops inadvertently selling below cost price, either because they were using price-matching software or because they just weren’t keeping their eyes on the ball.

Richardson says he has seen retailers doing this, and when he has drawn it to their attention their

LD Systems PA is climbing the mountain to establish the reputation it deserves





which can then demonstrate the products to them. With the review situation – and that is an important area, I agree – we inform potential customers where they can find reviews and we also stockpile those and send them to retailers. This means when customers come into the shop and say 'what about this product?' they can direct them to the reviews."

But where does one find reviews of 18-inch subwoofers, for example?"

"It is difficult, but there are more and more forums online into which you can inject comments – though it is a bit underhand and I don't like that. Or, as we do, you can encourage people who like a product to post a genuine review of it online. We have an LD Systems Facebook page and the idea behind that is, as the fan base grows – and we have 1,000 users already – they can start posting online reviews and we could reward them for contributing to that. You're going to see a lot more of that sort of marketing taking place."

Despite his appreciation of the power of the internet, Richardson remains a great believer in the traditional relationship with dealers. In his opinion, it is only by spending time with the people who actually have to represent LD products to the public, that he can help explain just what it is they are trying to sell and why it is as good as he believes it is.

"It's far too easy for sales people to go 'tap, tap, tap' on a keyboard, rather than actually talk to people and it's talking to people that matters – particularly establishing a relationship with the guys who are selling your products.

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"I don't see any alternative to building a proper professional relationship with retailers – that is an essential."

A key component of the message Richardson and his sales team want to get across is about LD Premium.

While the basic LD Systems range appeals to entry-level buyers, LD Premium is aimed at higher-end users and is equipped with higher-end drivers, quality finishes and stretches from standalone active and passive speakers up to line arrays.

As he points out, stocking the LD brand gives retailers a range of products that will cover all options, from complete beginners' products to full, pro systems.

Despite the current focus on LD, Adam Hall also has a very interesting catalogue of other products, including the prestigious Palmer guitar effects and accessories range, and the US-produced Eminence speaker line.

Eminence is another specialist area where dealers who get involved can carve-out useful niches for themselves, as sources of information and advice for end-users are few and far between.

So how does Richardson feel retailers should see Adam Hall, today – primarily as a source of PA, or is it wider than that?

"It's really as a one-stop shop. The portfolio of products has grown significantly over the past few years and may yet grow again. So, for



example, we've recently added Faital Pro, a very high-end speaker brand from Italy. Faital Pro, incidentally, compliments Eminence – they are in different market areas.

One aspect of the back-up prospective Adam Hall retailers might not be so aware of is the resource that exists in Germany, where the company's head office is based.

There, a team of product designers and specialists is on hand to offer a lot of support and, Richardson says, it is a service above and beyond the call of duty– with specialists available out of hours, too (useful for Friday and Saturday panics).

There is also the backing of a huge logistics facility in Germany, completed just a couple of years ago, from which deliveries of any products not currently in stock in the UK can be quickly made. In fact, whether it is held in the UK or Germany, a retailer should be able to get more or less any LD product within a few days, Richardson says.

SOURCE, SERVE AND BACK-UP

"The way I see our business now is that it must be about communication and service. As I said earlier, customers have decided they need to make proper margins to keep their businesses going. To make that work, they must also have good products, because there is no point selling something unless you get decent back-up.

"Retailers can come to us for a whole variety of products. We've got a massive European logistics centre, which we plan to utilise more and more, so with the network of dealers that we are building (with a close eye on retail pricing) we will also provide the retailer with a product where he or she can make a good margin. It's an on-going process.

"There will always be examples of customers that advertise products at very low prices because some businessmen are like that. All we can do is promise we will try to manage that. You can't price-fix, it is totally illegal, but if everyone understands what we are doing and sees that we are making good our promises, then I think we can build a very effective network."

Richardson is a man on a mission. It's not that Adam Hall hasn't had a significant presence in the UK before, but now it is being driven by a different set of more finely-honed business ideas, based around concentrating on what the company does best and working with a tight network of committed retailers. These, in turn, are benefiting from more direct contact with Adam Hall's UK people, backed by the extensive support and logistical strengths in Germany.

The message that comes across from all this is that Adam Hall has undergone a quiet revolution. If the company's plan works, retailers willing to get behind the LD brand stand to be the beneficiaries of tremendous support in an area where there is often little competition and considerable potential for increased sales and margins.

In the current economic conditions, that has to be music to the ears.