

May/June 2008
Volume 7 Issue 2

Recent and Upcoming Events

May 18, 2008

Brooks Berdan
Monrovia, CA
Alexandria Series 2 Event
with Jerron Marchant
and Trent Workman

May 22, 2008

Sound Environment
Omaha, NE
Debut of Thor's Hammer
with Alexandria Series 2
at Music Matters Event
with John Giolas

May 28-29, 2008

Esoteric Audio
Phoenix, AZ
Thor's Hammer and
Alexandria Series 2 Event
with John Giolas
and Trent Workman

June 11-12, 2008

Ovation Ultimate
Indianapolis, IN
New Store Opening Event
Featuring
Wilson WATT/Puppy 8,
Sophia and Duette
with Peter McGrath

June 18-19, 2008

Definitive Audio
Bellvue, WA
Home Theater Event
Showcasing
Thor's Hammer, MAXX 2, and
New WATCH Products
with John Giolas
and Jerron Marchant

WILSON[®] AUDIOFILES

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“Synthetic Authenticity”

by John Cloud

Not long ago I found myself in a Hermitage, Tenn., supermarket studying a bottle of something called All-Purpose Bourbon-Chicken Grill-n-Dip. At the bottom of the label were the words AUTHENTIC FOOD COURT FLAVOR.

It seemed like a joke at first. A sauce surely can't be authentic if it tastes of a food court and not, say, of your mother's stove. But it wasn't a joke. Promoting products as “authentic” is serious business these days. You will notice the word and its variants being used to sell just about everything—Stoli vodka (whose new ad campaign urges you to “Choose Authenticity”), Kool cigarettes (“Be Authentic”), the now expired presidential campaign of Mike Huckabee (who called himself an “authentic conservative”), the website Highbrowfurniture.com (“Authenticity. Period.”), the Claddagh Irish Pub chain (which claims to have an “authentic ‘public house’ environment,” whatever that is) and the state of Maryland, where “even the fun is authentic.”

Legendary business consultants James Gilmore and Joseph Pine II have written a book about what all these claims mean. In *Authenticity* (Harvard Business School Press), they argue that the virtualization of life (friends aren't friends unless you “confirm” them on Facebook; reporters are now all bloggers, and vice versa) has led to a deep consumer yearning for the authentic. America has “toxic levels of inauthenticity,” Gilmore and Pine argue: most of the e-mail we get is fake. It's so difficult to reach a real person via an 800 number that we had to invent a heretofore unnecessary locution—real person—to describe the entity we are trying to reach. People live fake lives in Second Life. Corporate deceit reached epidemic levels after the dotcom bust. Depending on your politics, you might add that there were no WMD.

Gilmore and Pine run an Aurora, Ohio, consulting firm called Strategic Horizons that has an almost cultlike following in the business world because of their ability to accurately predict consumer sentiments. Nine years ago, in their first book, they argued that businesses had to start selling experiences—not mere products—in order to survive the new economy. The Experience Economy: Work Is Theatre & Every Business a Stage made the case that goods and services were being so thoroughly commoditized by Wal-Mart and the Internet that companies would fail unless they could create such diverting shopping experiences that customers would pay more for the same stuff they could buy for less elsewhere. The book helped explain the success of Starbucks, which sold not just coffee but an Italian coffeehouse experience. The Geek Squad was another example: the company thrived by staging computer repair as theater. Its repairmen arrive at your door literally in costume. The Experience Economy became a sensation in business circles.

Gilmore and Pine write as much about culture as about business, and their new book on authenticity has crystallized the interaction between self and commerce in the current era the way The Experience Economy did for the late **(Cont. on pg. 2 as “Authenticity”)**

Authenticity (Cont. from pg. 1)

1990s. The aura of inauthenticity around some brands is killing them, Gilmore and Pine say. Just look at Sharper Image and all its shiny gewgaws—or Lillian Vernon, which sells tacky jewelry and fake “Forever-Fresh” daisies. Both companies filed for bankruptcy last month. “What [consumers] buy must reflect who they are and who they aspire to be in relation to how they perceive the world—with lightning-quick judgments of ‘real’ or ‘fake’ hanging in the balance,” Gilmore and Pine write.

Behavioral Economics

Standard economic theory assumes that buyers are rational creatures who observe supply-and-demand laws. For centuries, this model worked pretty well to explain most economic activity. Two hundred years ago, agrarian Americans decided whether to buy a hoe mainly on the basis of whether it was available and affordable. But in the past 20 years, a school of behavioral economists has emerged to point out the obvious: consumers with higher living standards often make stupid, irrational decisions. We don’t simply look at price and quality; we decide how we feel about a refrigerator or even a pair of socks before we buy.

Authenticity is a way of understanding this concept. Some see the iPhone as a silly pose; others find Apple products genuine because of their unique design and “Think Different” posture. Gilmore and Pine give a name to this ephemeral dimension of consumer behavior: in addition to the established dimensions of availability, price and quality, we are buying according to authenticity. If Gilmore and Pine are right, the dominant business polarity of the past decade—online vs. off-line—is irrelevant. The crucial factor dividing success from failure in the next few years will be whether a business is perceived as real or fake, authentic or inauthentic.

So how can companies deliver authenticity? What businesses will survive our jaded new form of capitalism? Gilmore and Pine offer two approaches.

First, companies can strive to be transparent and exactly what they say they are. Chipotle Mexican Grill—“Food with Integrity”—goes for this approach, as does Honest Tea, the clothier Anthropologie, and Ethos water. These companies use the holier-than-thou strategy. Chipotle, for instance, serves meat only from animals that have never received antibiotics. But striving for complete authenticity can be dangerous. If tainted meat is found in a Chipotle outlet, the reaction could be something like what happened when JetBlue—which claimed to be the passenger-friendly airline—stranded travelers on runways for hours during a February 2007 snowstorm. JetBlue’s stock price has fallen from about \$12 a share to about \$5 a share. Gilmore and Pine note that “being perceived and branded as authentic puts a bull’s-eye on your back.”

The best strategy for many companies is to openly fake it, to poke fun at their marketing excesses and admit their inauthenticity. A good example: last fall Verizon (a Gilmore-Pine client) “advertised” on 30 Rock with a product placement in which Alec Baldwin and Tina Fey extolled the virtues of Verizon phones; Fey then looked at the camera and said, “Can we have our money now?” Another example is Dave & Buster’s, the restaurant-arcade chain. Dave & Buster’s doesn’t pretend to be a real arcade; it’s a place where adults can drink a martini and play with little toy basketballs. And it’s thriving.

For the average U.S. company, Gilmore and Pine have simple advice: think less about where to put ads—ubiquity is killing advertising’s power—and more about how to shape the places customers interact with their products. Example: REI, the outdoor-gear company. In 1996 REI opened a flagship location in Seattle with a climbing wall and a walking trail. The climbing wall isn’t some little display—in fact you have to pay to use it. The location also features a meeting space for local nonprofits. The store was more ambitious than any other the company had built, but it has become the

city’s No. 2 tourist attraction after Pike Place Market. Consumers bond with REI’s goods in a way they never will with an ad. True, only 1.6 million people a year visit the REI store, but Gilmore and Pine reason that creating 1.6 million knowledgeable customers will be more lucrative than reaching 5 million with an ad campaign: “Stop saying what your offerings are through advertising and start creating places—permanent or temporary, physical or virtual—where people can experience what those offerings, as well as your enterprise, actually are.”

Fake-Real

But what if you sell screwdrivers or bug spray? It may not be possible to create a “place” that offers an “authentic experience” that anyone would want. (“Tighten screws all day!” “Tour the mosquito museum!”) Actually, once I began to think like Gilmore and Pine, I found myself coming up with seemingly authentic experiences for even the most insipid products. Sell tools? Cover a huge wall with construction materials so customers can try the tools in the store. Bug spray? Try it on a roach. Little boys would love it. Gilmore and Pine understand that in an era when even Wal-Mart is selling organic mesclun and gourmet coffee, people want their purchases to elevate them, to transform them. They want products to connect them to history or to a cause (how many products are “green,” “raw” or “eco”-something?). They don’t want to cook, but they do want the package on the manufactured food product to say USDA ORGANIC. Does all this striving for authenticity make us more fake or more real? Gilmore and Pine offer a third option: “fake-real.” Economic offerings don’t have to be exactly what they say they are (Canyon Ranch isn’t really a ranch; The Daily Show isn’t really a news show), but they must be true to themselves (you actually can transform yourself at a spa; you actually can learn something from The Daily Show). Today you are authentic when you acknowledge just how fake you really are.

Excerpted with permission from *HiFi Critic* March/April 2008

“Wilson Duette on the Road”

“Martin Colloms assess what might well be the ultimate Stand-Mount—extravagantly priced but equisitely built, exceptionally flexible and obsessively specified....”

“Wilson Audio is no ordinary loudspeaker maker, and the Duette is no ordinary loudspeaker....David Wilson makes no excuses with this *Duette*. He has simply set about making the finest compact or bookshelf speaker he can, with no ifs or buts.

“The *Duette* is a powerful yet compact full range loudspeaker with as little engineering compromise as possible, targeted at near wall siting despite its known limitations....

“Were that all loudspeakers built as well as this one.

“...I heard a convincing, generous, enveloping and focused sound field of fine bandwidth and exceptional dynamic range....Later I popped over to Henry Wood Hall to hear them monitoring one of Tony Faulkner’s recording sessions, and was impressed by their dynamic and vibrant replay, and their grip on the live acoustic....

“Near the wall I have to admit that it sounded much better than I expected, and after an hour or so it actually became quite convincing.

“The *Duette* sounded even and well blended, highly articulate and with the sort

of natural expressive dynamics that are usually the preserve of much larger speakers. It informs you how well a musician is playing, revealing nuances of timbre and expression, along with upbeat tempos and fine timing. This is certainly an involving reproducer which reaches into the heart of performances....

“With the boundary gain in place the bass sounds free and uncompressed, and extends to 40Hz at good power—better than a number of larger floorstanding designs.

“...From one viewpoint the *Duette* may be regarded as a masterwork, helping to define the potential and possibilities available from a properly designed, almost perfectly optimised compact loudspeaker....

“Incidentally I tried those two near identical umbilical cables provided with the *Duettes*, and was not at all prepared for the outcome. I was most sceptical about the need to have two, and while not great, the sonic differences were audible, and quite appropriate to the professed requirement....

“In the UK this is an undeniably costly design, yet one built and finished to an exceptional standard, and it is hard to put a

price on such excellence.

“These very good, compact stand-mounts designs have a special voice and deliver their most natural sound when used as intended quite near a wall, so they have a special part to play as unobtrusive high quality speakers for more difficult room layouts. Here the *Duette* is as good as it gets, and is well capable of delivering the goods in a system costing as much as £40,000.

“I enjoyed its considerable transparency and retrieval of fine detail, its healthy bass power and extension, and the fine sense of drive and involvement. It’s relatively easy to drive, efficient, with a natural and neutral tonal balance and very sweet treble. Many valve amplifiers will sing nicely with it.”

Audio Natali’s Hi Fi Di Prinzi Hosts Show in Chieti, Italy



From left, Emanuele Fronteddu (Distributor Audio Natali sales), Peter McGrath (Wilson Audio), Mino Di Prinzi (Owner Hi Fi Di Prinzi), Luca Natali, Sheryl Lee Wilson, David Wilson, Alioscia Serafini (Owner Hi Fi Di Prinzi).

In a picturesque village 150 miles due east of Rome via rugged mountain passes, one would hardly expect to find one of Italy’s premier high-end audio shops, but that’s exactly what the Wilson’s found in April as they assisted distributor Audio Natali stage a Wilson show at the Hi Fi Di Prinzi dealership in Chieti. The immense facility boasts 12 specialized listening rooms in which to experience music or theater using state-of-the-art equipment.

Wilson Audio Adds New Domestic Dealer

Hi Fi Hawaii became Wilson’s newest Domestic dealer in February 2008. Prior to receiving his initial loudspeakers to display,



Trent Workman, Shane Drew, Belltone Jackson, and Dave Calas at HiFi Hawaii on Oahu.

owner Shane Drew travelled to the Wilson Audio facility for a factory tour. He was able to participate in several training and listening sessions while in Provo, including materials demonstrations, familiarization with the Wilson Audio Setup Procedure, and some A/B comparisons.

When Hi-Fi Hawaii’s first shipment of Wilson products arrived in Honolulu, Trent Workman and John Giolas were on hand to assist with setup and do further training for both Shane and his staff.

Wilson highly encourages all new dealers to visit the factory for training. Established dealers are also encouraged to participate in dealer training, especially for new sales staff working with Wilson product. This training is done both at the Wilson facility in Provo and at the dealer’s showroom.

Dealer Training in Hong Kong

Setting up a new Alexandria X-2 Series 2 in a new showroom took Trent Workman and John Giolas to central Hong Kong in April.

As is typical in a visit to a dealer showroom, the sales representatives from Wilson Audio completed an acoustical evaluation of Jadis Electronics' new listening room and offered suggestions for improvement. Patrick Hsu and his staff were trained in setting up Wilson products, including the Series 2 Alexandria. Dealer training can also include coaching on presentations and demos involving Wilson products - tips gained through years of experience and proven useful by other successful Wilson Dealers.

A showroom visit from the Wilson sales team can last from one to three days, depending on the work to be accomplished and the number of staff personnel to be trained.



Patrick Hsu, Managing Director of Jadis Electronics, Ltd., Wilson's distributor in Hong Kong, discusses his system components with Trent Workman as they finalize setup in Jadis' new listening room.

New Viet Nam Distributor Introduces Wilson Audio in a Noteworthy Way



Announcing that Wilson Audio will be distributed in Viet Nam for the first time was a historic event. Hòa Phúc Audio Equipment Company rented four convention rooms in an upscale hotel and invited all of their dealers, the dealers' personnel, and the press, including a local tv crew that filmed the event. Alexandria Series 2 was debuted for crowds up to 80 people. WATT/Puppy 8 demonstrations were given for forty people at a time. One room was dedicated to a static display of all the equipment the distributor handles, including other Wilson products. Another room was set with tables and press kits for everyone. It was here that Trent Workman and John Giolas, through an interpreter, addressed attendees.

St. Petersburg's Ultima Visits Wilson Audio



Dmitry Matyshau, president of Ultima Audio in Russia, Maxim Semejkin, chief editor *Audio Magazine*, Ruslan Taraso, journalist *Salon/AV*, and Dmitry Philippov of Ultima Audio.

In April 2008, Ultima Audio staff visited the Wilson factory for training. Like many international distributors, the group planned extra time in order to see some of the famous red-rock country in southern Utah, including Bryce Canyon. Dealers also enjoy touring the sights in Salt Lake.

Audiac Hosts High-End Show in Amsterdam

Along boat-lined canals where the buildings are sandwiched together, Audiac stands apart - literally. The architecturally unique building was originally a windmill that has been added to. According to Dave Wilson, the asymmetrical rooms contributed to incredible sound for the high-end show in April. Wilson debuted the Alexandria Series 2 with Transparent and Ayre. Representatives from those companies, Mark Levinson and Revel were also in attendance.



Pictured from left are David and Sheryl Lee Wilson, Bert Bauzin (Audiac Owner), and Peter McGrath (Wilson Audio).