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## **Valley News**

### **HOME THEATERS: NOW SHOWING**

By WARREN JOHNSTON, *Valley News* Business Writer

Plainfield — Actor Owen Wilson crouches behind rusted equipment in the ruins of a deserted factory. A child's laughter bounces eerily off the roofless brick walls. A dog's bark echoes in the distance.

Two hostile soldiers appear. Wilson is off. He runs past rusted barrels and discarded equipment. And he jumps over trip wires in this scene from *Behind Enemy Lines*.

A loud ping pierces the air. The wire snaps. The explosion rocks off the nine-seat theater's red velour walls. The rumble rolls through the loud speakers. The floor shakes.

This all takes place in the air-conditioned comfort of home theater in Plainfield, and all that's missing from the experience is the smell of popcorn.

This \$350,000 home theater is extraordinary, but similar or less-expensive versions are becoming more and more common throughout the country and in the Upper Valley.

After three years in the doldrums, the audio and video home entertainment business is booming worldwide and by 2008 is predicted to reach \$680 billion in the U.S. alone.

The Plainfield home theater occupies one room in a "totally wired" house that sits high on a hill overlooking the village below and Mt. Ascutney. The unobstructed views unfold off a deck that sports a hot tub and stainless steel grill and stretches across the back of the two-story second home.

Outside the front door, a small keypad heralds more than the expansive living space and the well-applianced kitchen. It's the key to the nerve center of the house. It controls the heating and air conditioning, the lights, the telephone, the televisions and a sound system with multiple speakers in every room as well as the 20 speakers on the outside.

The whole-house system is the brainchild of Jon Roof, the operator and partner in Plainfield-based IAVC (Intelligent Audio Video Consulting). The house is the firm's demonstration model and is available to be toured by architects, builders and customers with expansive entertainment needs.

Inside there are more keypads and a touch-screen remote control that can check e-mail, keep an eye on the security system and practically everything else while residents relax watching the latest Hollywood offering or listening to a favorite tune.

The system can be linked to the Internet for those summer residents who want to adjust the indoor temperature or check the security cameras of their Upper Valley homes while they are wintering in Florida.

“It can eliminate having to hire somebody to come check on your house while you are away,” Roof said recently. “They can crank up the heat when it’s going to be really cold.”

The home theater is equipped with five inches of soundproofing on the walls, ceiling and door that keeps sound in as well as noise out. The screen descends noiselessly from the ceiling. The remote offers thousands of titles and has the ability to select dozens of scenes from each movie.

Roof spent two years getting the sound system just right -- wiring it so there is a full range of sound from every speaker. That’s why the dog’s bark and the child’s laughter are vivid and real. The red velour walls and red lights enhance the visual experience, he said.

### **A Nesting Thing**

Although the house with its \$350,000 electronic system is closing in on the ultimate sound and visual experience, other high-end, full-house entertainment systems are becoming more significant part of the lives of many Upper Valley residents and second homeowners, Roof and other area businesses say. What’s happening locally is part of a trend that’s affecting sales across the country.

Nationwide consumer electronics retail sales are expected to reach a new high in 2004, growing 8.1 percent over last year to \$100 billion, according to recently released figures by the Consumer Electronics Association, a trade group that represents audio, video and mobile electronics makers.

Sales are being lead by the increased popularity of high-definition televisions, which are being purchased by one in every four television buyers, an analyst with CEA said in an Aug. 25 news release.

Approximately 13 million DVD players were sold in the United States in the first half of this year, a 25 percent increase over the same period last year, CEA says.

A total of 62 million households in the country now have DVD players.

The recent explosion of interest in home entertainment is a result of several factors, said Hans C. Brechbühl, director of the Center for Digital Strategies at the Tuck School of Business at Dartmouth.

“I see a couple of things coming together,” he said. “The economy is bouncing back a bit, but during the time when the economy was down, consumers started investing in their homes. It’s really a post-9/11 thing. It’s a nesting environment. People are more focused on their home environment.”

“Two, people have much better (online) access in their homes than they used to. ... It’s really unbelievable how much more wired we are today than a few years ago,” Brechbühl said.

“Three, digital technology is on the verge of being robust and to be reasonable enough that people are starting to have access to it. Also there are enough digital components -- three years ago even if you had a digital TV, you wouldn’t have enough things to hook up to it,” he said.

Those three factors are making it possible for consumers to have a total media experience, Brechbühl said.

In addition, there now is enough content -- digital movies and music -- headed in a more multimedia way. The same players play both, he added -- a point noted in the CEA study, which says that in the first six months of this year, U.S. consumers bought 649 million DVD titles.

### **Upper Valley Growth**

In the Upper Valley, Roof has tapped into the growing consumer electronics market by working with builders, architects and homeowners to wire new and existing houses to accommodate the future. Although some other businesses offer similar services, Roof says IAVC is the only one with a model house that demonstrates the equipment in a residential setting.

Electronic Superstore in West Lebanon also sells and installs the equipment, owner Mallory Parker said recently.

“We do everything from a simple installing of a flat screen TV to full home theater. We’re doing the pre-wire of homes. It’s a growing part of our business,” Parker said. “Our customers run the gamut from smaller homes to multimillion-dollar homes. We’re doing primary residences and some second homes,” Parker said.

Roof said much of his work is coming from the ranks of second-home owners, although he also works with many local customers. “The technology has changed. You can’t just hook up your speakers any more. The products are making professional installation necessary. Now, there are a lot of factors to consider,” Parker said.

In its 2004 annual report, Best Buy, which has a store in West Lebanon, says the retailer plans to get into a similar installation phase of the business like the one being offered by IAVC and Electronic Superstore. However, the service is not on the agenda in the Upper Valley anytime soon, local employees say.

Through its “Network Home Solutions” program, Best Buy is developing “relationships with new customers -- builders -- to offer homebuyers base-structured wiring and/or wireless network packages ... to connect all of their entertainment devices into an easy-to-use, versatile system,” the report says.

The company says it’s working with “10 of the nation’s top builders to offer this package in three markets.”

During the fiscal year 2005, Best Buy also plans to go beyond just installation and repair to offer subscription services for broadband Internet access, cellular telephone service, entertainment content delivery, such as cable, satellite television and satellite radio, and magazine subscriptions, the report says.

In West Lebanon, the store sells the products and recommends contractors to do the installation, although some work is done by the store’s “Geek Squad,” said employee Scott Blanchard.

At the Camera Shop of Hanover, Oscar Romero sells high-end audio and video equipment, which has become a significant part of his business. He has speakers that range from desktops at \$300 a pair to Nevada-based Wisdom Audio’s offering at \$1 million a pair.

“You can tell the difference (between the two), but there’s definitely a law of diminishing returns. You don’t get as much bang for your buck,” he said.

Romero just sold a pair of bottom-of-the-line Wisdom speakers to a local resident for \$22,000, he said. “He had some good speakers but wanted to upgrade. These are really great speakers.”

The majority of the store’s business comes from the Upper Valley, but occasionally customers looking to save on taxes will come in from the Boston area, he said.

Most of the high-end audio equipment he’s selling is going to local residents, Romero said, adding that his customers for home theater equipment are second-home owners at prices that range from \$4,000 to \$12,000.

## **Early Interest**

Roof takes pride in his work and considers himself a craftsman in a rapidly changing world of technology.

He grew up in Woodstock and developed an interest in electronics at an early age. He bought his first system when he was 13.

Later, during his four years studying business administration at Johnson State College in Johnson, Vt., Roof put together systems, used them for six months and then sold them. “I didn’t make any money, but I got to use some of the latest stuff on the market for a while.”

After leaving college, he worked as an installer for three years before going out on his own in 1999. He started in Quechee, and it wasn’t easy to survive.

“It was hard to get companies to sell to me. I had to go through a distributor. They wanted to see photos of my work, and they wanted me to have a line of credit. It was a long journey to here,” the 31-year-old Roof said.

While installing a system in the home that has become the model house for IAVC, Roof impressed the owner with his abilities. The owner became his silent -- and unnamed -- partner, he said.

Roof now has two employees and operates out of an office and display room over a garage on the grounds of the Plainfield house.

He was reluctant to discuss his sales volume, but he said that he hoped to triple last year’s figures now that he has added to the staff.

“Last year, I was doing it on my own. I was consulting and installing, and I did pretty good. Now, I have some help.”

Although the high-end, complete systems are something that Roof says he enjoys, the bulk of his business is the much smaller systems, which range from a few hundred dollars to a few thousand.

“We don’t want people to think that we don’t want to do the smaller jobs. Those are the ones we like to do,” he said.

IAVC is the New Hampshire and Vermont representative for Integra Research, the company that produces the heart of model house’s audio and video system. Roof also represents Russound, which develops the control keypads out of its Newmarket, N.H., office, and the firm sells NHT speakers, he said.

## **The Future**

Ten years from now, the wired systems being put in by Roof and others will probably be obsolete, Brechbühl said.

“There will be a media that is much more distributive throughout the house. It will be almost the same thing that has happened in computing. We’re no longer tied to a desktop computer and a wired connection. We now have wireless laptops that we can take almost anywhere,” he said.

In 10 years, multiple content will be offered on the same system and the same device, Brechbühl said.

For example, there could be a one-touch screen or monitor on the wall in the kitchen that would allow users to determine what’s in the refrigerator, listen to music or watch a favorite television show while cooking on a stove monitored by the computer, he said.

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And there will be a miniaturization that “will allow your child to walk around the house watching the same thing you are on a hand-held device,” Brechbühl said.

The future is beginning to arrive. Best Buy already sells a wireless keyboard that will convert any television into a computer with Internet and e-mail access for \$99, West Lebanon employee Neil Hartman said.

And then there’s the flat-screen TV on the door of the refrigerator that sells for \$3,000.

But it’s only a television.