



Qsonix Chief Executive Officer Jim Alexander shows off the Qsonix digital music system at Alessio, a restaurant in Thousand Oaks.

TONY BIASOTTI PHOTO

Digital jukebox debuts

Qsonix plans move to Ventura County

By TONY BIASOTTI
Staff Writer

Evolution Audio & Video seems designed to discourage potential customers. It's tucked into the back of an industrial complex in Agoura Hills, next to a sheet-metal shop. Its high-end showroom is almost barren, with no hardwood floors, no glass tables—nothing but a home theater system worth more than \$100,000.

On those bare walls, the monitor of the Qsonix Q-100 Digital Music Entertainment System glows in a palate of hard-candy colors. Qsonix Chief Executive Officer Jim Alexander taps the screen a few times and calls up a jukebox that runs from Abba to ZZ Top.

Qsonix, an Agoura Hills-based company with plans to move to Ventura County, sold its first Q-100 at Evolution in February. The first production run of about 25 units has since sold out, and the

company has signed six other retailers, including a few in the tri-county region. Alexander and his team hope to have the system in at least 200 stores by the end of the year.

High-end home electronics is a \$17 billion a year market, and growing, Alexander said. There are about 6,000 stores like Evolution in the United States, and each one is a potential Qsonix retailer.

"It's not just audiophiles," Alexander
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said. "The computer guys are into it, too... People's appetite for technology in the home is growing rapidly."

One of the stores to sign on recently is Sound Trend, a home electronics shop in San Luis Obispo. The store isn't as high-end as Evolution, and the \$5,495 Q-100 is one of its pricier items.

Sound Trend has been carrying the Qsonix system for a few weeks, and while it hasn't closed a sale, most customers love it, said Dana Matthews, a sales manager at the store.

The key to its appeal, Matthews said, is the touch-screen display. It resembles the digital jukeboxes that are popping up in bars, and customers can't keep their fingertips off it.

"All the value in the Qsonix product is in the user interface," Matthews said. "There are similar products that cost \$3,500 to \$3,700, and they work fine, even if the quality maybe isn't as good."

Making the system user-friendly was one of the chief goals of Qsonix's founders, said Vice President of Sales and Marketing Mike Weaver. He started Qsonix in 2003 with two other technology veterans, and they later recruited Alexander as CEO.

"We've entered the market at the high end, and we'll be repackaging this product and developing other products for the lower-end markets," Mike Weaver, Qsonix vice president of sales and marketing, said.

Their first product, the Q-100, holds 500 CDs worth of music at full CD quality, or 3,000 CDs when compressed. Each CD takes about four minutes to copy onto the device's hard drive.

Once the user copies his CD collection onto the Q-100, he can scan the album covers, browse by artist, song or genre, set playlists, and play music in two separate areas.

Matthews said the sound quality is very good, but not up to the standards of his store's most demanding customers.

"For most people, it would be more than adequate," he said. "For an audiophile, I think it works in combination with other equipment."

Weaver said Qsonix plans to release software updates that will allow users to play music downloaded from the Internet.

Qsonix is also planning to release a

Qsonix

Headquarters: Agoura Hills, with plans to move to Ventura County
Employees: 4 full-time, 4 part-time
CEO: Jim Alexander
Founded: 2003; first product released in 2005
Product: Qsonix Q-100 Digital Music Entertainment System; retail price: \$5,495

Source: Qsonix



scaled-down version of the Q-100 that will retail for around \$1,500 to \$2,000, Weaver said.

"We've entered the market at the high end, and we'll be repackaging this product and developing other products for the lower-end markets," he said.

Alexander and the three founders are still Qsonix's only full-time employees. There are also four part-time workers,

and the manufacturing is contracted out to a facility in Chatsworth.

As Qsonix grows, it will move out of its 2,000-square-foot headquarters in Agoura Hills.

Weaver said the company is already looking for a new office, and he's "98 percent sure" it will be in Ventura County. The executives all live in the Conejo Valley.

Seventy percent of the first sales have been for home use, but Alexander said he thinks that eventually, half of his customers will be bars, restaurants and other commercial locations.

"It's a great idea; it's like a big iPod," said Jay Anthony, the general manager at Alessio in Thousand Oaks, one of the first restaurants to install a Q-100. "Everybody here loves it. We can play something soft in the dining room and something a little louder in the bar, and even a moron like me can figure it out."