



EXPORT WITNESSES

German exports continue to soar, and German HiFi manufacturers are in on this seemingly unstoppable trend – which was one of the main reasons we started our English-language www.stereo-magazine.com. As witness to this success, in May crowds of international distributors thronged to the „HighEnd“ trade fair in Munich to shop. But which German HiFi manufacturer has what percentage of foreign business – and why is HiFi made in Germany so popular in so many places?

There's a lot more to the annual High End show than attractive presentations for HiFi fans: one of the main reasons most exhibitors attend is to meet up with their international trade partners who come to the Bavarian capital in May. That's why; although High End is open to the public, event organizer the High End Society declares it to be a „specialist trade show“.

In fact, HighEnd has long since passed CES in Las Vegas – which is strictly trade-only – as the audio industry's major annual business meeting-point. Many European components in stores in Hong Kong, Chicago, Moscow, or Ho-Chi-Minh City – the Vietnamese are nuts for

HiFi! – were bought and sold in Munich. Leading the export pack are German manufacturers, thanks to their excellent reputation abroad. Once overshadowed, especially by the big American brands with their historic lead, German companies have carved out their own piece of the pie over the last 20 years. And while „Made in Germany“ does them no harm whatsoever, with German machines and cars helping build the reputation around the world, without virtues such as innovation, convincing sound, and reliability, our home-grown companies wouldn't even get their foot in the door.

The growth of German brands in export markets is mainly due to local

distributors, the system working exactly as it does here: independent specialist HiFi distributors import brands from all over the world and manage them. These companies, which come in many sizes, are much more than mere way-stations: they take care of many things, such as customs formalities and adherence to local regulations and conditions for imported products, all the way to providing user manuals in the local language, repair services, and retailer management.

Top image for German tech

Relationships between manufacturers and their distributors grow over years or even decades, so that every meeting, such as

those during HighEnd, is almost like a family reunion. And, of course, on such occasions buyers also drop in on their English, French, or Italian partners exhibiting and presenting their new stuff in Munich.

That's where some national stereotypes – or perhaps merely perceptions – may come into play: for instance, British HiFi is considered to be especially audiophile and Italian components have exciting design and a certain beauty of sound. And German producers? Well, they're considered to have „typically German“ virtues, such as straightforwardness, technical superiority, and professionalism as well as high-class reproduction.

Manufacturers like Burmester, Clearaudio, MBL and T+A had to fight tooth and nail for this profile, but today they are doing well, and profiting from the „Made in Germany“ label. Many export managers tell us that it would be difficult to overestimate the German reputation in many places, and in our conversations with HiFi sales specialists from all over the world, they immediately made reference to how strongly German cars and machines support the business of Teutonic music machines.

90 % for export

When looking at the foreign activities of German HiFi and High End manufacturers, it's striking how export-oriented many are: for example, hardly any of MBL's production, which was recently further increased, remains in



Small, top quality plugs and sockets made in Essen by connector specialist WBT: CEO Wolfgang B. Thörner has made contact into a science, and his meticulous attention to detail is considered „typically German“ and widely valued on the international stage. ▶



the domestic market. Like analog specialist Clearaudio, MBL exports more than 90 % of its output, while Brinkmann reports that about 80 % of its electronics, turntables and tonearms are delivered abroad. And while the famous horn speakers made by Acapella in Duisburg may be largely absent from German listening rooms, that doesn't mean that production is lagging: more than 75 % of production goes for export.

We shouldn't be surprised: after all Germany is just a (relatively) small speck on the global map, and there's a big world out there, understandably excited by the products of our homegrown HiFi. And yet despite the interest in high-quality audio in many countries, success is never a given: German manufacturers have had to work hard to stake their claim for a position on the world stage.

But for a long time the space was occupied by the well-known names from the US and England, which entered the international market much earlier and had their own segments: the Brits covered the



▲ HighEnders around the world trust in German workmanship and innovation – such as that of Jürgen Reis, the chief developer of MBL in Berlin.

COMMENT



LEO TARVAINEN
Sales in Finland

» German HiFi is great and innovative, while US manufacturers currently seem to have run out of ideas, and at the same time their products are becoming more expensive. The weak Euro makes ‚Made in Germany‘ affordable, and not just for home audio: I have a Burmester system, in my new Mercedes and, while it wasn't that expensive, it sounds great. For me, the Germans are the winners in the competitive world.«

German High End stars like Burmester's preamp icon 808, here in a gilded Mk5 version, cause fans from all over the world to get sweaty palms. ▶



COMMENT



JUN I. PARK
Daa Wong Inc.

» We have been selling speakers by Audio Physic in South Korea and really work hard on it: after all, nothing happens just by itself. The HiFi preferences of my countrymen are split across the generations: older people are biased against a „German sound“ and thus prefer British brands, but younger people who are not as defined by prejudices are thrilled by the quality of the German top brands – Burmester and MBL are given highest grades – as well as their sound.«

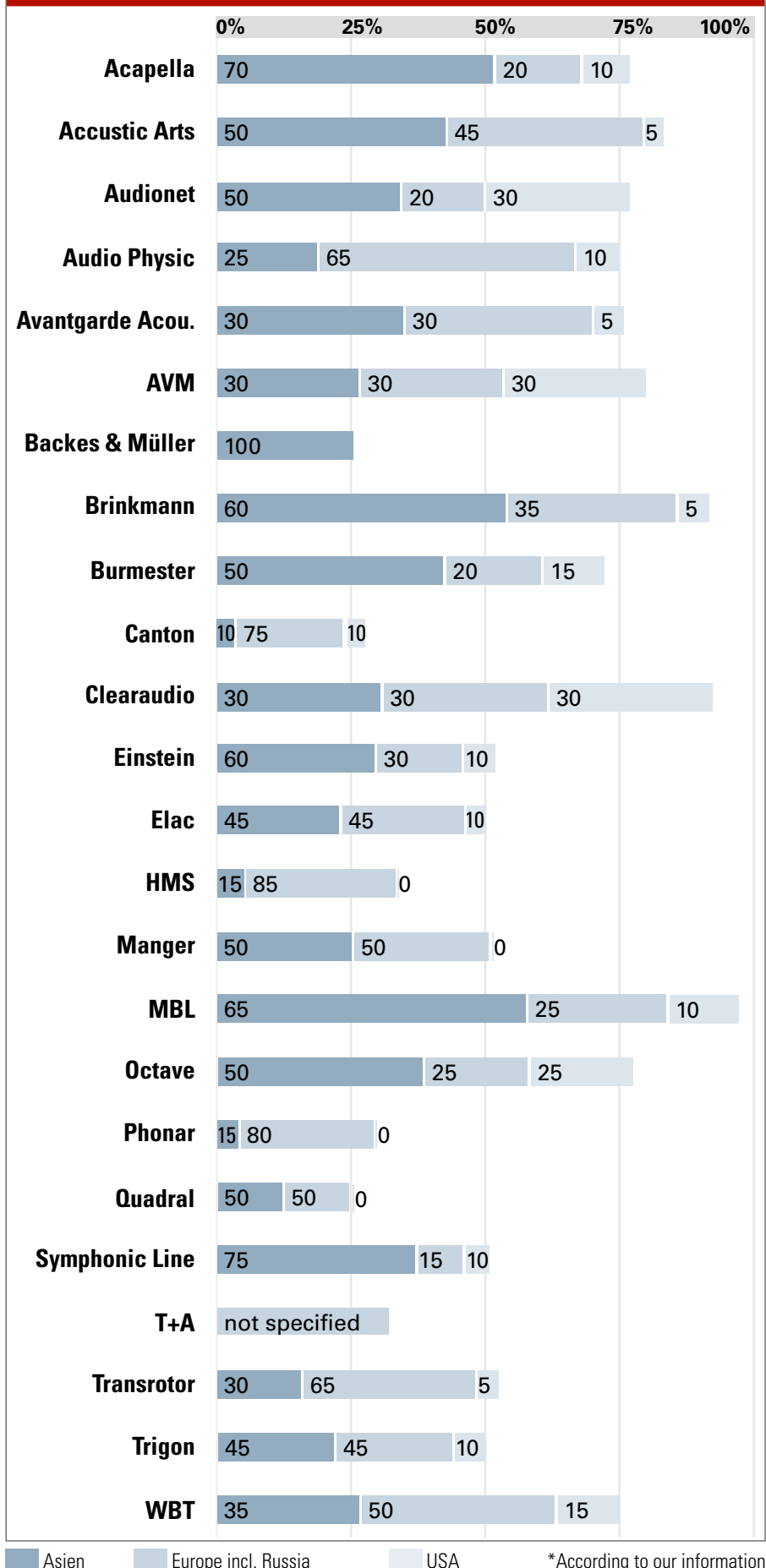
‘affordable audiophile’ market with brand such as Arcam, Celestion, Cyrus, or KEF, while those more interested in the high-end went for American specialists like Krell, Mark Levinson, McIntosh and JBL.

True, in many places not much has changed much, but the Germans are now in the game – and leading the pack. One important factor for this– although no-one we spoke to could quite explain it – is that the reputation of the American top dogs has somewhat lost its luster of late: the old idea that HighEnd meant ‘born in the USA’ just isn’t as true as once it was.

This didn’t happen by itself: German providers are present everywhere, and If you go to one of the large HiFi trade shows around the world you will reliably run into not just representatives of the German manufacturers, but in many cases the company bosses. You see, even in the age of e-mail and Skype, personal contact is still important, and especially in Asia

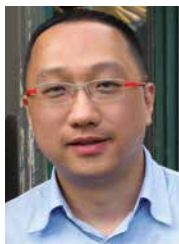
An overview of important German manufacturers shows how many of them depend on „export“: while Canton is mainly active on the domestic market, where it is market leader, MBL and Clearaudio sell almost exclusively abroad. German industry as a whole sells mainly to neighboring countries in Europe, but HiFi manufacturers mainly target Asian customers, with the rest of the export sales mainly coming from the „rest of the world“, such as the Middle East and Australasia. ►

EXPORT SHARE AND MARKETS OF GERMAN HiFi MANUFACTURERS*



Asien Europe incl. Russia USA *According to our information

COMMENT



"JUNGLE" THSU
Taiwan Audio
Association

» German components are as popular in Taiwan as cars by Mercedes or BMW. Quality is the most important, and ‚Made in Germany‘ is automatically associated with the highest standard. Looking at German innovations, one can immediately see the technical approach, and while former top dogs like Mark Levinson are not so present any more, German brands are filling these niches. Is their sound superior? Depends on the manufacturer...«

COMMENT



LEO PENG
Project Manager
at Unicorn

» The Chinese are big fans of HighEnd audio, but wealthy people don't want domestically-made devices, so ‚Made in Germany‘ still enjoys a strong reputation. However, it's important that the products are actually made in Germany, not Far East goods labeled with famous brand names.«

COMMENT



PER SUNDELL
Swedish HiFi
journalist

» German HiFi brands are generally held in high regard in Sweden, not least because quite a few American brands traditionally strong here are going through a rough patch. German HighEnd is first class: it looks good and is also considered reliable – just like your cars«

the admiration and respect for German company founders is enormous.

, people like Jochen Råke of Transrotor are passed around like celebrities among customers who are so proud if the master touches their record player with his hands – and delighted if he maybe tightens a screw here and there.

Without this enthusiasm in the Far East, quite a few German manufacturers would only be worth half as much, so In Japan, China, Korea, and Taiwan, the phenomenon which in the end defines the success

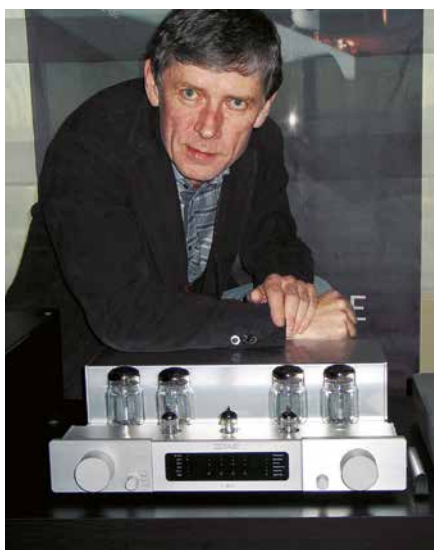
of German products becomes more pronounced: that combination of top quality, a certain manufacturing system and „faces“ to “front” these claims in a credible manner.

One of the first such “faces” was Dieter Burmester who died in August 2015: he became an industry figurehead not just here but also on the international stage, blazing the trail with the eye-catching design of Burmester components, their unique chrome fronts initially helping define the image of „German HighEnd“.

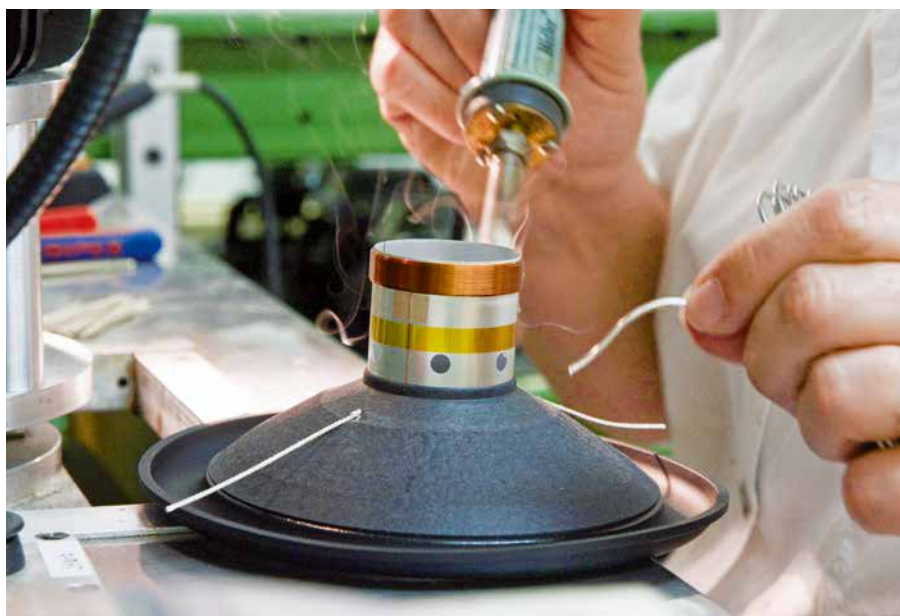
The Berlin company had rapidly noticed what others joining later would also soon realize: compared to some of

the monumental pieces of the US high end, their smaller – but excellent – devices were sometimes not taken seriously. Thus the appearance of the likes of Burmester's 909 amp or its man-high “Reference Line” speakers wasn't simply a sign of increasing confidence and greater ambition, but also a pragmatic move to meet the demands of those markets which apparently love this kind of megalomania.

That's not just the case in the US: in Asian countries things can get even more extreme, and it's impossible to make products too lavish – or too expensive. As some manufacturers report, no matter what craziness you offer, there's always



▲ Personal commitment is important in the international HiFi business, and in many cases, company bosses themselves attend overseas events: here's Andreas Hofmann of tube specialist Octave during a CES show in Las Vegas.



▲ For many German manufacturers it pays to produce as much as possible in-house, even if labor is more expensive here – at least for the upper-range products. „Handmade in Germany“ – such as here, with voice coils being soldered at Elac – is very much in demand, and allows companies to grow all over the globe.

COMMENT



VANCE DANG & SINH NGUYEN
Nguyen Audio

» In Vietnam there are many HiFi and HighEnd nuts, and German manufacturers are held in high regard, to the point where it's possible they will push out the American former top dogs. Younger people like Europe, and while they look towards England, they also turn to Germany. We can see that very clearly as dealer for Audio Physic and AVMS, and if your quality stays top, „German HighEnd“ will continue to be a winner.«

someone to ask „Don't you have anything larger?“ MBL is perfectly positioned for this with its „walk-in“ power amps and eye-catching components. In Asia, where the desire for showing off seemingly has no limits, devices in black with prominent golden logos fly off the shelves. If they even fit on the shelves in the first place... Transrotor's head of marketing, Dirk

Räke, son of company founder Jochen and responsible for the export business of the company, noticed during visits from Asian customers that they are often generally Europhiles, at least in their purchases: „They not only get a nice German record player but their kitchen, furniture, car, watch, silverware, and dining set are also all from the old world.“

„We feel deep respect for European culture“, seconds Hiroyuki Machida, who works for Teac's HighEnd brand Esoteric, the distributor of Avantgarde Acoustic's horn speakers in Japan. In addition to who also notes that many Japanese love classical music, with concert tours by European orchestras received triumphantly. That Bach, Beethoven, and Mozart are Japanese favorites means a country that produced such composers – and also the Berlin Philharmonic Orchestra – is trusted to have some sense for the „right“ sound.

A reputation to defend

So German HighEnd providers can ride on the shoulders of cultural and industrial renown, but a good reputation is fragile and needs to be protected. That's easier said than done in a globalized world, and certainly applies to the HiFi industry,

„TOP SOUND – AND CRAFTSMANSHIP“



For more than 20 years, **ROBERT HAGEMANN** has been managing overseas sales for leading manufacturers including Dynaudio, Burmester, and Audionet.

STEREO: What's responsible for raising the international profile of German HiFi and HighEnd equipment?

Hagemann: It's to do with independence, in combination with first-rate craftsmanship and a top sound. The HiFi industry followed in the wake of the Germany's outstanding reputation for machine and car manufacturing, and was thus able to establish itself next to those manufacturers from the US or England appreciated for their audiophile character.

The German were late bloomers but have exploded onto the scene now. Why is that?

US and UK companies are different from their German counterparts: they immediately tackled international markets, whereas our small- and medium-sized companies often took longer.

Why is HighEnd equipment from Germany so popular, especially in Asian markets?

In Asia, for instance in Taiwan – which is the most HiFi-obsessed of them all – but also in China, Indonesia, and for a while now in Vietnam, HighEnd systems are considered a status symbol, in contrast to the way things are here. In those markets you show off your system to your guests with pride, much as you would a luxury car or an expensive mechanical watch. In addition, listeners are excited about aesthetic stimuli such as sophisticated craftsmanship (where American products could never match German ones) and of course high-level sound reproduction. In many places, the way a HighEnd system offers a sensual immersion into enchanting soundscapes is valued as highly as we would view cuisine from a star chef.

What's more, there's also a certain degree of brand fetishism and the desire to own something special: customers don't want mass-produced products, much less if they are produced in their own country. That's why the image German High End manufacturers embody, with their love for the smallest detail, is so popular there.

COMMENT



NATALIA STASKOVA & GRIGORY KANYGIN
T-Ar

» Due to the crisis, the Russian market is currently difficult – but, in general, German HighEnd is more present in Russian than products from the USA. You guys simply make more robust products, and the promises of quality and reliability are kept. HiFi from Germany is therefore number one in the world for Russia.«

COMMENT



GORAN SASIC & CHRISTOPHER STROM
Radiance Audio Visu

» Just touching German products is something special and, in Australia, German cars really help advertise your HiFi industry. We trust that „HighEnd made in Germany“ products really are developed and produced in Germany and, if it stays this way, the success curve will keep going up.«

where cheap labor is available in developing and emerging countries. With those cost advantages, it's no wonder that many cabinets for German speakers are made in China, which is able to deliver quality you could once only get in Europe, but at a much more a reasonable price, and the same is true for electronic components.

Saving cost and effort without endangering the „Made in Germany“ label is a path manufacturers need to tread with care and caution, but then a Mercedes also comprises parts made all over the world. The trick is in ensuring the finished product meets world-class standards.

Matthias Böde