

Wireless Zone's Sales are Up

WHY AREN'T THEY FEELIN' A *So called* 'DOWN TURNED' MARKET?

According to a study released by the NPD Group, by second quarter 2008, U.S. handset sales had been in decline for a year, and this most recent report indicated the decline was a "whopping 13%" since August last year. So why is Wireless Zone, a premier Verizon retailer, setting sales records? "July 2008 was the biggest month in sales in the company's history," said Wireless Zone VP and COO, Mark Asnes.



One of the Wireless Zone stores located in Hudson, MA

"If you want to know why," he mused, "start by thinking of all of the companies that are thriving

in today's most competitive industries. Chances are they are franchises." His reasoning is that franchising provides what he believes to be a proven business model. Asnes says franchises usually provide advantages like mass purchasing power, brand identification, and customer loyalty not found with other store models. But it hasn't always been that way for wireless.

"For years it seemed like all a dealer needed to do was open its doors and customers appeared like magic. It was a relatively easy business but now - with the competition - the wireless retail business is suddenly a primed environment for what the Wireless Zone franchise has been preparing for over 20 years," he said.

The 20-year history of the Wireless Zone franchise started with a single store in 1988 that was owned by Russ Weldon. It was called The Car Phone Store and "became an instant success".

As the industry exploded, opportunities were plentiful and yet, according to company legend, Weldon knew it would be a challenge to find managers that shared his passion. He was also certain that an engaging customer service was an integral part of what has turned out to be their winning formula and also why he decided that franchising would be the right answer.

of its franchise model. Today, Wireless Zone says they are the largest Verizon wireless franchise in the U.S. with 270 stores. "Our franchise support system includes: store planning, merchandising, exceptional training, warehouse with flexible terms, customer service, human relations, in-house ad agency and ongoing operational field support. Field support regularly visit stores

"July 2008 was the biggest month in sales in the company's history"

Developing a franchising model made it possible for the company's founder to find owner-operators with a vested interest in the success of their locations, "these are the kinds of individuals who get involved in the community and maintain the highest level of customer service," said President and CEO, Kevin Sinclair.

Changing its name to Wireless Zone in 1999, Weldon's company continued its controlled growth while building the infrastructure

to review performance and advertising strategies they discuss best practices, provide updates on technology, and consult franchisees on ways to enhance their business," Asnes added.

Wireless Zone is rapidly expanding in new markets around the country. Its focus however, is more on quality than quantity. "Our strategy is not simply to grow by awarding more franchises," explains Asnes, "we have committed to bringing in high



Kevin Sinclair, President and CEO,
Mark Asnes, VP & COO

by Sandra Sneed

caliber franchisees, while helping our existing stores become even more successful."

But they still remain focused on exclusivity. While many indirect retailers choose to be non-exclusive to carriers, Wireless Zone has made a commitment to stay exclusive to Verizon Wireless. Again CEO, Kevin Sinclair: "For us, it all boils down to a relationship. If we focus all of our energy on selling the best, we have the greatest long-term business opportunity. Our belief is that being non-exclusive creates confusion and ill will. Is the customer really being best served or being led to the carrier that is paying the most at that time? And what about the carrier? How can they trust that a non-exclusive agent won't steer its existing customers to different carrier for a bigger commission?"

He adds, "We have been exclusive for 20 years, and our goal is to remain that way. We train our people on Verizon Wireless products and services. As a result, we are one of a handful of Premium Retailers, and that makes a big difference. We feel we have a great partner in

Verizon Wireless, and they have a great partner in Wireless Zone."

But is Wireless Zone's franchise system more better for people getting into the business or for existing agents looking to convert?

David and Greg Gagnon have been in the cell phone business since 1986 when they started "Authorized Cellular" in metro Detroit. For years they grew their business and were well known for their customer service. However, "we couldn't afford to make the changes necessary to keep up. We realized if we were going to grow, we needed to join an organization," David said. His partner, Greg, added, "It has been an easy transition. We share similar philosophies with Wireless Zone. In addition, we feel as though we are part of a team, the right team. We can now focus on what we are really good at, our core competencies, and that's serving customers." David replied, "The depth of the organization is impressive. And the Verizon Wireless Premium Retailer status was the clincher."

Chuck Rosenthal's story is a little different. After years in

the consumer electronics retail industry, he made the decision to go into business for himself. After six months as a Wireless Zone franchisee, he appreciates other aspects of the Wireless Zone system.

"As a startup business with the rising costs of handsets, credit terms from the Wireless Zone warehouse really help me manage cash flow. Being able to net my purchases from my commissions, and the ability to get product that others can't because of bulk buying power, I really feel I have an advantage. I also really appreciate the level of communication from field support," he adds. "In an industry that is constantly evolving, I know about changes and trends long before my friends who are subagents. This truly gives me an edge over my competitors. There are many intangibles as well, such as my store's personal Wireless Zone website. I know I made the right choice with this company, in fact, I am currently planning on opening a second store in the near future."

"For years, we were viewed as a way to get into the wireless industry, especially in New

England," reflects Asnes. "Today I have more and more agents looking to convert to the Wireless Zone system, literally hundreds of stores. We have the infrastructure to support stores nationally. Our biggest challenge is making sure agents are a good fit, both for us and them. We are in an enviable position to be selective, looking to convert the best of the best, or at least those who want to become the best. Our store owners are our greatest strength, and I can honestly say I think they are just that - the greatest!"



Mark Asnes (center) poses for a picture with store owners, David and Greg Gagnon while at Wireless Zone's training facility in Middletown, CT