

# Little company finds a big voice

## Consumers state liking for USB models

By Jefferson Graham  
USA TODAY

WESTLAKE VILLAGE, Calif. — The market for microphones is down in the U.S., a victim of the recession.

But Blue Microphones, a small business based here, is thriving by focusing on a different type of microphone customer: the consumer.

The digital age has brought the ability to record music at home, create audio podcasts for the Web and produce homemade online videos with narration. To capitalize on this new market, Blue and other companies are offering less expensive, easier-to-use mikes for non-professionals. These USB models plug directly into Apple or Windows computers, and don't need drivers or separate sound mixers to operate.

Business is so brisk that Blue estimates it will reach \$18 million in revenue this year (up from \$10 million in 2009) and sell 170,000 consumer microphones, up from slightly more than 100,000 last year. That may be a piddling amount for audio powerhouses Shure, Audio-Technica and Sennheiser, but it's substantial for Blue. Its workforce has expanded to 40 employees from 10 in 2009.

Blue's Yeti microphone — which sits on a platform and looks like it belongs on a talk show — is No. 1 on Amazon's chart of best-selling microphones. The success of the mike, launched earlier this year, took the company by surprise. "We didn't see it coming," Blue CEO John Maier says. "We're having a hard time keeping up with production."

The company developed a following by engineering colorful, playful products, such as the retro round Snowball microphone and the miniature Mikey, which clips into iPhones and iPods, and can be used when adding audio notes or recording live music.

Blue's eye-catching designs got its products into consumer stores such as Apple and Best Buy, and "really opened our eyes to what an interesting consumer market is out there," Maier says.

### Professional sales down

Sales of microphones — most of which target the professional market — fell in 2009, to \$388 million, from \$465 million the prior year, according to industry publication *Music Trades*.

The consumer market, however, has fared much better. Sales of USB mikes are up slightly — a fact not lost on Blue competitors, who offer their own stable of USB microphones.

Now that most people own or have access to a computer, "recording has morphed into computerized recording," says Tony O'Keefe, vice president of mar-



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**Success on a stand:** Blue Microphones chief technology officer Brian Biggott with the Yeti, atop Amazon's chart of best-selling microphones.

keting for Solon, Ohio-based CAD Audio, which focuses on the professional market. CAD added four USB microphones to its portfolio, driven in part by demand from recording artists who wanted to travel with smaller devices for recording on the road.

Audio-Technica got into USB mikes after it saw Apple demonstrate its GarageBand software at a trade show. "We realized we had to find a way to get a mike into that computer," says Gary Boss, director of marketing. Its AT 20202 is No. 2 on Amazon's microphone chart.

### Seeking a larger market

Blue Microphones, founded in 1995 by musician Skipper Wise and acoustics engineer Martins Saulespuren, started out servicing the pro market. The shift to consumers came shortly after the company was sold to Transom Capital Group in 2008 and launched the \$99 Snowball mike. (The founders are still involved

with the company.)

Blue "had some unique technology that we felt could be applied to much larger markets than the company was playing in, like voice-over-IP and home recording," says Russ Roenick, managing director of Transom Capital.

When the firm acquired Blue, Roenick became CEO and installed Brian Biggott as chief technology officer. Since then, sales have doubled. Roenick, who left the CEO post after a year, attributes that growth to strong products and word of mouth. "We don't advertise, except to the trade," he says. "Our customers don't know they want a microphone. Then they see it in the store, and they gravitate toward (it). The in-store experience really hooks them."

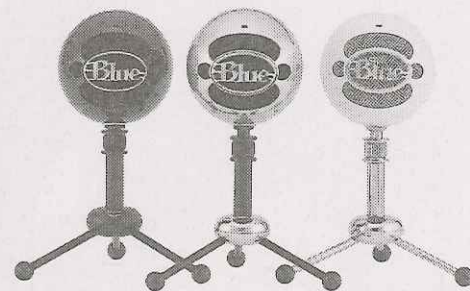
Blue's line of 20 microphones ranges from \$50 to \$5,000. The \$149 Yeti offers four different sounds and has a mute button.

Chris Barnes of Alloa, Scotland, who works for a local police department and



**Speaking of:** The Mikey, left, clips into iPhones and iPods, and can be used when adding audio notes or recording live music. Snowball microphones, below, are direct plug-and-plays that connect to a Mac or a PC.

Blue Microphones



▶ Talking Tech turns talk show with Blue Microphones at [tech.usatoday.com](http://tech.usatoday.com)

moonlights in the evening reading audio plays for podcasts, bought the Yeti mike for his night job.

"The audio quality on my computer mike was poor. This is so much better. It sounds professional," he says.

Matthew Cooper of Santa Paula, Calif., uses his Yeti for a podcast about real estate, and loves everything about the mike except the size.

"It's really hard to travel with, to fit in a bag with my computer," he says.

Blue says a sequel to the Yeti will be out this fall — sporting more power and a higher price tag of \$249.

It won't be plug-and-play, like earlier consumer models. Software will have to be installed first.

Biggott likens the sound of the Yeti sequel to "a much higher-resolution digital photograph that went from 5-megapixel to 50-megapixel. It's very dramatic."

Beyond mikes, Blue also sells webcams, and may add other consumer sound products, such as headphones.