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RETAIL

RED DRAGON GUITARS | BY ALEX HARRELL

GOING THE DISTANCE

Tucked away in the mountains of western North Carolina is Red Dragon Guitars, a 3,000-square-foot shop that's only been open since April 2015 and has already won two NAMM Top 100 Dealer Awards, sold more than 600 guitars and, by the end of this year, will have grossed over \$1 million in sales.

"What we've done with Red Dragon Guitars is create more of an intimate setting to work with somebody," said Jon Pugh, owner of Red Dragon. "Our biggest secret has just been good customer service and doing people right."

When Pugh opened his high-end custom guitar shop two years ago with general manager Donnie Stallard and guitar technician Casey Rierson, he expected to sell a few guitars a month; he envisioned his store as more of a hobby than a business.

But by the end of 2015, Red Dragon had grossed \$300,000 in sales. The following year business doubled and profits climbed to \$700,000. Its Facebook page is closing in on 42,000 "likes" and opened a second location in Austin, Texas this past March.

Though this infectious success wasn't always the case.

INTERNATIONAL INVASION

"When I started up, I couldn't get companies to call



Jon Pugh

Red Dragon took the industry by storm through exclusive offerings, perennial passion and savvy social media skills

me back; I wasn't established enough," Pugh said. "Our biggest success and biggest deal was bringing over several big brands

from other countries that none of my competition was selling." Red Dragon became the first U.S. dealer of Ormsby Guitars

from Australia and Driftwood Amplifiers out of Germany. It's a top U.S. dealer of Skervesen Custom Guitars and Mayones Guitars, both from Poland, and the exclusive dealers of BlackKat Guitars (Poland), Carillion Guitars (England) and Ran Guitars (Poland). Now, Red Dragon carries nearly 100 brands including Dean Guitars, Jackson, Fender and Gretsch, and has expanded into accessories and used gear.

"If you're going to dream, dream big," Pugh said. "We hope to obtain some bigger brands at Summer NAMM, but right now we've got enough to handle."

This type of immediate success is a bit unprecedented in MI retailing.

"We've made quite a stir in the industry," Pugh admitted. "When we first started, some dealers made comments, but it just motivated me to do better and show them that we could be successful."

And after the second win from the NAMM Top 100 Dealer Awards (the first from 2016), among everything else, Pugh and his team have shown naysayers that Red Dragon has what it takes to stick around.

ONE-TRICK PONY

"I was very happy to hear that we won again; I wanted to prove

that we weren't a one-hit wonder and that we're here to stay," he said. "Those small victories mean a lot to me, and they motivate me to grow even further."

And Red Dragon has grown. His newly found business partner, real estate agent Joe Jarusinsky, was inspired to open a second location in Austin, Texas, after experiencing firsthand the dedication Pugh has for his customers.

"I bought a really nice guitar from Jon, he was very generous and that's how I am with my clients, so I wanted to be involved; this guy knows what he's doing," Jarusinsky said. "In March I pulled the trigger and it should be a really good fit."

The Austin location — which encompasses four 900-square-foot soundproof conferences rooms — will serve more as a space where customers can demo guitars before purchasing them than an actual shop.

"We're not going to have storefronts per say," he explained. "Quite frankly, most people want to look at the guitars locally and then go online and order."

IF THE SHOE FITS

Which makes sense: 90 percent of Red Dragon's business is done online.

"Out of the 600 guitars we sold, four were in North Carolina. The other 596 were out-of-state," Jarusinsky said.

"It's just like if you go and buy shoes, yeah, you can go try them on in the store," he continued, "but if you know what you want and you know your size, you can go online and get a better deal and a better selection."

Plus, Pugh is a self-taught Facebook marketing master. He'll spend \$20 here and there to "boost" posts, which in turn has created a trickle-down positive effect on sales from online customers located all over the world.

Another secret to Red Dragon's online success? A personal touch that makes customers forget they're on Facebook and not in North Carolina.

"We've had a lot of sales on Facebook; it's been a lot more than I ever thought," Pugh said. "If I had a huge brick-and-mortar store, I would be limited to the area that I'm in. But by being online, we're pretty much borderless."

When Pugh opened Red Dragon Guitars

two years ago, his idea was simple: sell high-end, custom guitars. But roadblocks such as lack of interest from established American brands and limited space — the store is literally on his property next to his home — paved the way for Red Dragon to become vastly greater than intended.

"I just had a vision to create a business unlike any out there," Pugh said. "And I think we have." **MI**



Some of the brands Red Dragon carries, including Jackson, Mayones and Legator Guitars.

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