

THE LESSON ROOM | BY PETE GAMBER

# Best Buy Survival Guide

**D**o you have a Best Buy store in your area? Most of us do — I've got four within seven miles of my house. Now, what if your local Best Buy gets a music instrument store within it?

If you think we've seen this before as an industry, you're wrong. Best Buy could change music products retail, period. If you cut this store out and placed it on Main Street, it would fly as a music store. It's going to be a pain for your business. And Best Buy will impact your sales if its music-instrument-store concept reaches its potential.

## THE BEST BUY CUSTOMER BASE

Best Buy currently sells to five key customers: affluent professionals, young males, fathers, mothers and small business people. I don't know about you, but I'm seeing a lot of our customers on that list. But it's missing a few key groups:

- 1. The Retired Baby Boomers.** They tend to like a warm-and-fuzzy, local-store vibe.
- 2. Preteen and Teen Girls:** They are a growing demographic in our industry. They are involved in school band, guitar and drums, and they usually get poor treatment at music stores.

## THE BEST BUY MODEL

Here's my take on Best Buy's music stores: They're grab-and-go outlets, like the rest of Best Buy's retail experience. The company's trying to create Guitar Center in 2,500 square feet. GC couldn't pull that off at its own American Music stores. Many Best Buy music store staff members are ex-GC staffers. They have the bigger-is-better vibe about them and think pros will flock to Best Buy.

Best Buy is aggressive with its grand openings, hosting artist performances and hyping "Sell Your Band's CD at Best Buy" to attract local players. Its lesson facility is basically one group-lesson room for guitar lessons. The lessons are marketed as The Best Buy/Fender Guitar Lesson Program and are conducted by instructors that have completed a Fender certification program.

Best Buy is going to stock 1,000 SKUs in 2,500 square feet. It's targeting the marriage of music making and computer technology. It has a computerized, special-order kiosk where you can order anything that's not in stock from its vendors. The Best Buy Rewards Card works in the music store, too.

Best Buy will sell music products to *its* customers. It has consumer loyalty,

and the same consumer that trusts Best Buy for its home theater system will also trust it for an American-made guitar.

## WHAT YOU CAN DO

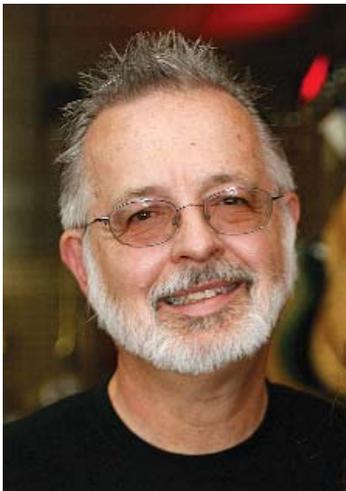
So what can you do? Give up or go for it? I say go for it.

- 1. Stay Positive.** Don't talk about Best Buy with your customers. People like places that are thriving, not dying.
- 2. Relational Marketing.** Best Buy has identified its five consumer groups, but it doesn't have their names or telephone numbers. Use your point-of-sale system to build a usable customer base. You can mine your data to start a relational marketing program. Make follow-up calls on purchases, birthdays, rentals, lessons and events.

**3. Meet and Greet.** Get out from behind the counter, and interact with every customer entering your store. Introduce yourself, learn their names. The Best Buy staff is going to wait behind the counter.

**4. Offer a Fun and Friendly Staff.** Get rid of your clunkers. If your staff isn't fun and friendly, you're in trouble. Best Buy is really working on this. So should you.

**5. Store Hours.** It's hard to be open at all hours, but Best Buy is. If you close at 6 p.m. so you can watch TV, put your store up for sale now!



**Best Buy has gone MI. It's time to look at the company's model, differentiate and make your dealership better**

Evening and weekend hours are a must.

**6. Staff Uniforms.** Best Buy markets its brand from the big yellow sign to its staff attire. Have a dress code that works for your store's vibe and easily identifies who works at the store.

**7. Keep Merchandise Fresh.** Dust those drums every day, vacuum every night and clean the fingerprints off the guitars. Move your merchandise constantly. Blow old stuff out. Nothing looks like a dying store more than the same outdated, neon-pink guitar on the wall. Don't keep reordering the same large-tag gear. Mix it up, so customers are seeing new product all the time. Have a new-arrivals section. Remember: You can adjust to consumer trends faster than Best Buy.

**8. Services.** Layaways? Special orders? Trade-up plans? Free adjustments? Repairs? Rentals? Lessons? Does your customer know you provide these services? Signage is a must. Your staff also needs to be trained to sell customers

on these services.

**9. Your Top 200 SKUs.** Focus on keeping your top 200 items in stock. Train your staff on these items. Best Buy, at this point, doesn't know what the top SKUs are. It will stock too many audio cables and no harmonicas. It has DJ gear but no microphone clips. Look for these flaws in every category.

**10. Pump Up Print (Wisely).** Print music is not a familiar category for Best Buy. It requires a lot of training and upkeep on too many SKUs.

**11. Pump Up Band and Accessories.** Yet another area that Best Buy is not venturing into but will bring families into your store.

**12. Sell Local Bands' CDs.** Offer a written co-consignment program with a fair cut to the band with no set-up fee. Host a CD-release show. Get creative.

**13. Get Out of Your Store.** Visit schools, Boy Scouts troops, street fairs and church fundraisers. Quit waiting for business to happen. School guitar classes,

marching bands and choirs all have musicians. Let them know where you are. Go where the consumers are.

**14. Music Lessons, Music Lessons, Music Lessons.** This is an area that's too hard for the big guys. Even if customers take Best Buy's group lessons, now what? They need you. You are the one to help them become musicians. You should be known in your community as the place to take music lessons.

Music lessons will keep your store thriving. Even if your sales take a hit, music lessons will keep customers coming in, and keep the buzz going about your store. Plus, by having a strong music lesson program, current or ex-students of yours could eventually become Best Buy staffers. They will send students your way.

In this new era of music retailing, product lines and brands are going to come and go. Your music lesson program is yours — you can't lose that product line.

**ASK HARD QUESTIONS**

You should stay on top of this list whether Best Buy comes to your town or not. Think "corporate" as a music retailer, like Best Buy, but treat your customers as friends.

As independent music stores, we need to quit being naive. We may need to ask our vendors some tough questions, and make some tough choices on who we partner with.

At the recent 2008 National Association of School Music Dealers conference, I attended a presentation by Edwin Watts, CEO of Edwin Watts Golf shops and an avid musician. He discussed how golf shops have to compete against Wal-Marts and Best Buys. During the session, he asked me this question personally:

"So if music suppliers sell to Wal-Mart, Target and Best Buy, why are the independents still buying from them?" **MI**

Pete Gamber is the owner of Alta Loma Music in Rancho Cucamonga, Calif. He welcomes questions and comments at [pete@altalomamusic.com](mailto:pete@altalomamusic.com).

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