

IDEAS

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THE TECH BEAT | BY JAMES HARDING

RESCUING THE MIDDLE MAN

I'm sure you have seen an advertisement somewhere that proudly declares "cutting out the middle man." Of course, the advertiser is suggesting that life is better without a middle man. Prices are lower. Shipping is faster. Certainly, this has been the modus operandi of online powerhouses like Amazon and Musician's Friend, who sell completely on the benefits of a low price and a streamlined, 24-hour Web exchange. Unfortunately, this trend is particularly problematic for us independent music stores. For we are, as the ad would say, "middle men" and we are, indeed, in need of rescue.

Regrettably, the biggest threat we face doesn't come from competition with the Internet. Instead, we have all watched in horror as manufacturers from every category of MI have begun to cut out the middle man and offer their products directly to retail customers online. Industry-wide, this has driven profits down, reduced competition and, sadly, forced several music retailers out of business. It has also had an unexpected side effect: It has reduced the perceived value of musical instruments and music retailers in general. In short, it has hurt everyone.



Manufacturers cutting out indies are missing the mark

It was with these things in mind that I went to the 2015 Winter NAMM Show. There, I sat down with my business partners and explained how rising costs, low MAP prices and direct sell Web practices were creating an environment that businesses like mine could not build a successful future upon. I reminded them that MI has always thrived (even in difficult times) on the backs of creative, independent retailers who risk their livelihoods to promote participation

in music. My hope was that we could refocus our partnership on the new challenges we both face and work to make music retail profitable for everyone.

SUPPORTING THE MIDDLE MAN

One company in particular took a proactive approach to this problem and has, especially since the October launch of its new piano line, shown the kind of industry leadership that gives "middle men" like me hope.

With new features like piano modeling technology, a hybrid wood/resin action that gives a tremendous piano feel without the typical maintenance costs of wood, and Bluetooth connectivity, it's no surprise that Roland's new piano line has garnered tremendous buzz from customers and dealers alike. Roland even doubled its warranty — offering 10-year parts and labor coverage on all four of its new models. Features like this make the product very sellable, but what impressed me most was Roland's partnership with Hal Leonard and Alfred Music. Each new Roland piano now ships with a free accessory kit (\$500 retail value), including premium Roland headphones, an LED piano lamp, several music books from Alfred and a ton of

downloads (including play-along files) from Hal Leonard's various print music apps. Finally, thanks to a partnership between Roland and Allegro, Roland offered a 12-month, same as cash financing promotion (or 36 or 60 months at 7.99 percent) with no cost to Roland dealers through the end of 2015. Specials like this give Roland dealers tremendous opportunities to create added profit. The pianos are designed to be more profitable for Roland dealers and — with the accessory kits and free financing promotions — Roland dealers have a host of exciting resources that customers can only find with the help of their local middle man.

In 2016, Roland plans to deepen its cooperation with its dealer network by aggregating social media content for dealer use, building stronger partnerships with celebrity artists and creating even more promotional events that drive prospects to Roland dealers. I can only hope that other NAMM members take notice of this powerful, forward-thinking effort and begin to move in a similar direction. **MI**

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