

IDEAS

Inside**IDEAS** > Lessons Learned Page 34 > SWIM Page 36 > Next Gen Retailing Page 38

THE RETAIL DOCTOR | BY BILLY CUTHRELL

FYI, AI IS COMING TO MI

Unless you've been living on another planet or in a developing nation with little to no access to Alexa or Siri, you're probably aware by now of the push by many of the large technology companies such as Google, Facebook, Apple, Amazon, IBM and Microsoft into artificial intelligence, or AI for short. AI is more commonplace than you know and permeating your daily life more and more without you even realizing it. I recently was asked by a local college grad student to take part in a phone test where I was instructed to discern between the real person and the AI customer service representative. I could not tell the difference between the two because the conversation flowed back and forth pretty fluidly with both parties.

With all the developments in the AI field, there's a lot of talk about how AI will take jobs and make humans obsolete in some industries. Surely, our jobs are secure in MI right? Think again.

ADAPTING AI

For several years now, I've looked at ways to reduce or eliminate some of the duties of my desk staff. My store, Progressive Music Center, is a lessons-first, retail-second business, so my



AI can cut costs and drive online traffic

staff spends a lot of time dealing with music lesson issues, and many of those processes are redundant. Almost 95% of our music lesson inquiries come through our website generated by a Google search. The day-to-day routine for my staff involves registering new students via email, collecting tuition payments, canceling lessons for students and scheduling between teachers and students. In looking at ways to streamline those processes, we figured out how to code and pro-

gram many of these tasks and put them online. Many of these tasks are now fully automated and require little to no work on our part.

By using a few plugins and custom-coding the rest, we now have the ability to receive an email lesson inquiry from a potential customer. A response is then generated and tailored to that specific customer's needs. From there, we can automatically schedule, register the student, accept payment and set the customer up on a recurring basis through an ACH debit and handle the entire transaction solely online. In most cases, our incoming students never actually speak to a real person until they arrive for their initial lesson, and they don't know the email conversation they've been having with us was not with a real person either. We also can collect data and use that to place them with a teacher that, through the power of AI, will have a higher effective retention rate, so there's lower student turnover.

DIVING DEEPER

While our process is not as deep as what many are doing with AI, we are tweaking it. This allows my staff to focus on other duties. While I've heard all the pros and cons like, "AI eliminates jobs and takes the

personal touch out of customer service," and "AI must focus on more than growing the bottom line," it has allowed us to cut costs and put our desk staff to work on other areas that need attention, like working on a new online store and managing our Amazon store.

I will admit that our new AI venture has also allowed me to cut staff. Beginning July 1, we will operate a new location with no desk staff at all; just our teachers will be on site. Our instructors will work more closely with students on scheduling and will have essential items such as picks, sticks and strings, so if the students need those products, teachers can supply them. Otherwise, everything else is handled strictly online, and our retail footprint will be much smaller. Our calculations show it will save us six figures a year in that location alone by not having a manned support desk, and we'll drive traffic to our online portals for retail. Will it work? Maybe, maybe not, but I'm willing to take the chance and the opportunity to delve further into AI and what it can do for my business in the future — and the future is now. **MI**

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