

LESSONS LEARNED | BY GERSON ROSENBLUM

People Who Need People

The Internet is ubiquitous. Recently I found myself thinking about this when I used my iPhone to deposit a check into my bank account with no teller intervention. We all think about the prevalence of online retail and its impact on traditional brick and mortar. But now we're banking, investing and checking our health records on our computers and phones, without ever dealing with another human being. So what does this mean for music retailers?



It's natural enough to assume that all of this technology undermines the need for traditional methods of doing business. And it's true enough that all businesses need to be sharpening their Internet awareness and expanding their online capabilities.

But there's a secondary outcome of all of this that plays right into the hand of traditional dealers. All of the impersonal transactions leave a void for human contact. For too many dealers, the approach to this is an "either/or" scenario. Some dealers have not yet upgraded their online presence. They're stuck in times-gone-by, and they're just not offering customers the chance to buy the way they want to buy. But they provide them a terrific warm and welcoming place to do business. They do relationships well, but tend to have a very limited number of customers to relate to — due to their lack of online presence.

At the other end of the spectrum are a group of dealers who have tapped into the latest technology, polished their SEO, and are enjoying the business that results from their online presence, but are missing the relationship piece of the puzzle.

CREATING A BALANCE

The answer lies within dealers' ability to balance their technological abilities

with their interpersonal prowess. I discovered this many years ago, in the early days of mail order. Partially based on my expertise in synthesizers back in their infancy, partly due to my likeable nature on the phone, and also due to New York City's onerous tax burden, I had huge success selling keyboards to a huge customer

base in the Big Apple. It's not like there were no dealers there ... that was the heyday of 48th Street. I assumed that the tax advantage was the primary reason for my success. But when New York dealers realized how much success I was having shipping into New York, they simply cut prices to, in essence, absorb the sales tax. The lesson learned for me was that I kept selling to an expanding group of satisfied customers. Why? Because even though I thought that I won them initially with the tax advantage, I kept them by providing service over the phone that apparently they considered better than what they were getting face-to-face with their local dealers.

When you win a customer's business by virtue of your online presence, what do you do to differentiate yourself from other online sellers? Or their local dealer? The same question applies for brick and mortar stores.

As I discovered many years ago, matching or beating a price is not the primary motivator for many customers. Create a true relationship or even a friendship, and you'll likely win a customer for life. **MI**

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