

# IDEAS

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MY TURN | BY TED ESCHLIMAN

## WE WHINEY FEW

I thoroughly enjoyed the recent NAMM Summer Session in Austin. I found the city vibrant and exhilarating beyond my expectations. Though slammed with blistering hot 96–100 degrees during our stay, I was surprised so few native Texans complained about the weather. It's a "life choice"; these rugged individuals live in Texas because they feel the state offers something that offsets the temporal discomfort.

In my observation, the industry forecasts of summer NAMM doom and gloom were relegated to the reps and manufacturers who chose not to attend. At least the exhibitors on the floor wore their spirited and upbeat "game face."

The Austin weather became a metaphor for me, especially during Saturday morning's "Independent Retailer Town Hall Meeting." Distinguished industry panelists were onhand to help, to console and to yield perspective to an angst-ridden and arguably important constituency in our trade, the (self-fulfillingly) "pre-extinct" independent music dealer. Mid-meeting, audience members had the opportunity to voice



**'We still must fight the good fight, rather than make these empty excuses'**

their concerns publicly, and frankly, as a dealer, I found some of the comments an embarrassment to our side of the supply chain.

Such whining!

### BEING COMMERCE READY

Three in particular come to mind. First, a young woman three years new to the

business voiced her frustration that as a female, she had been ignored by an exhibitor coincidentally represented by one of the esteemed panelists. He reciprocated with a gracious apology, although I'd like to offer a different perspective on her situation, as gender-bias was most certainly a misguided conclusion.

These booths are a microcosm of our own businesses. How we dress, let alone how we "ask for the sale" is all part of the contributing dynamics of successful commerce. She, like all too many blue badges, was underdressed for the occasion. Quite candidly, she was not ignored because she was a woman; it was likely because she was a soft-spoken, casually dressed person in a typically frenzied sales arena. She had, unfortunately, condemned herself to an initial visual impression of one not all that serious about commerce.

Let me suggest that we take this attitude too often in our own stores. Today's retail shopper demands, at minimum, a tidy shopping environment and employees who dress for the customer, not for themselves.

### LARGE CHAIN COMPETITION

Another participant posed the issue of competition from big-chain school music dealerships in his market having the local school administration "in their pockets."

Most superintendents in our market are chronically neutral, not openly favoring a single music business. Despite every attempt to gain a competitive edge by exemplary service and attention, superlative stores throughout the country are often forced to exist in the eyes of customers right alongside upstart businesses with virtually no track record.

Remember, administrators fear litigation! Given a choice between spending time in court and dispersing "truth," they'll opt for silence. Common marching orders are for teachers to remain unreservedly neutral, as well, but we should continue aiming for service that begs enthusiastic but private praise. We still must fight the good fight, rather than make these empty excuses, availing ourselves as crucial to the health of their schools through repairs, delivery service and a convenient rent-to-own program.

THE MARGIN ISSUE

A third commenter was a long-time independent bemoaning the brevity of margin between MAP pricing and net cost. What's intriguing, his complaint was that the two most recognizable brands in his market were the guiltiest of this transgression.

One of the panelists outlined some basic business principles, mentioning that profit is not just about percentages, but about inventory turns. After an additional suggestion of mixing into his store alternative better-margin brands, the lament was, "I can't sell them, my customers only want these major brands." In other words, the products his customers were prepared to buy would move significantly faster than the products his staff would actually have to pioneer

and put effort into selling.

In the Denver airport, I saw a computer advertisement with an American manufacturer's guitar positioned in the poster. I know some backroom effort has been made to promote this guitar brand in alternate venues, and not without some inside capital. Simply put, the manufacturer is doing some of our promotional work for us, creating a broadening customer demographic aware of not only what it makes but also the products we sell. Let's give these manufacturers credit for growing the market instead of falsely resenting them growing us out of it. We need to factor in and not begrudge the supplier a few margin points for doing part of our job.

It's a whole new era of retailing. Though laden with daunting challenges, new and

wonderful opportunities exist. It's not the '70s; our customers don't buy what we sell. Now, we sell what they buy. They now come into our stores with preordained tastes and product concepts, but they're informed and, more than ever, ready to buy. An educated customer won't have to be sold. As long as we stay immersed in the individual and niche market tastes of our communities, armed with the right information, we can exploit their unique needs and desires.

How about new technologies working in our favor, helping us increase inventory turns? We can now go online and read the many local musician online blogs. We can read their magazines, watch their music videos and make better corporate buying choices. Even better, as independents, what has not changed

is our ability to plunge ourselves into the local musical community and share and enjoy our products right along with them.

Austinites love their city. They vehemently choose to endure the heat because the music is so great, and there is a rich and viable optimism within its borders. If the heat were too much, they would move. By the same token, if the independent music products retailer cannot deal with the "new retail" of the 21st century — raging big-box competition, Internet savvy, rampant deflation — it's time to stop the whining and retire to another climate. **MI**

Ted Eschliman is an industry veteran of 26 years and co-owns Lincoln, Neb.-based Dietze Music. He also writes for Mel Bay Publishing, including a regular column in its online Webzine, mandolinsessions.com, and a book, *Getting Into Jazz Mandolin*, which will be released in 2007.

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