

# IDEAS

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INDEPENDENT RETAIL | BY TED ESCHLIMAN

## FIVE REASONS NOT TO BE ON THE INTERNET

**O**K, so this title is ironic, especially coming from someone who has advocated the need for independent retailers to have an Internet presence. A good Web site created with the correct philosophy is an invaluable asset to your store. Still, certain myths have motivated some dealers' foray into cyberspace. These philosophical gaffes will at best prove a significant waste of time and at worst cost tons of money. So, here are some of the wrong reasons for setting up a Web site, and why:

**I can increase my market's geographical base.** It's a rough and wild retail frontier out there. It's not uncommon to find goods dumped at cost (or less) online. In this world of "always a cheaper price," the best thing you can do is sell to your locals and wire your Web site for families and friends that already have a peripheral relationship with you. Yes, there's a case for exploiting the Internet as a remote waste disposal, blowing obsolete items



**Be aware of Internet myths before you start investing online. It will save you from costly mistakes**

out at cost (and less) just to turn dead stock into liquid working capital, but this isn't a sustainable business model. Your Web site works best when it's an extension of your exist-

ing face, serving people the same way as your storefront.

**With lower overhead, I can sell stuff cheaper.** This misdirection is tangential to the previous myth — the idea that reduced overhead should automatically lower your selling price. It's a bad idea to be more expensive in person than on the Web. Pricing inconsistencies can make your business look crooked. The other big lie is if you sell at a loss, you make it up with increased volume. Big industry bankruptcies have exposed that fallacy.

**I will spend less time talking to customers and more time selling.** If you've ever had your hands in online auctions, you know this to be untrue. The time you spend e-mailing answers to annoying cyber tire-kicker questions is equivalent to that of face-to-face transactions, plus you lose the nuance of voice inflection and gestures. You also open yourself up to more knuckleheads and exponentially greater risk of fraud.

**I can expand my inventory into new product niches.** This is only true if you're estab-

lishing a business with a separate identity, and that should always be done with due caution. Product offerings, branding personalities, services that transcend your core business require more time, more expertise and, of course, more capital. Again, it's a big world out there. When you're competing nationally, let alone globally, you need to have your ducks in a row. Stay focused on what you do best with your personnel and current inventory mix, and let your Web site support that.

**I can get better exposure in my local market much less expensively.** This can be true, but only when done with heed. A healthy Web site can be less of an investment than television, radio or print advertising, but like a clean storefront, your Web site must be well-constructed and maintained regularly. This requires generous attention and expertise, and that means an investment of time and money. **MI**

Ted Eschliman is a 29-year veteran of music retail and co-owner of Dietze Music in Southeast Nebraska. Mel Bay recently published his book, *Getting Into Jazz Mandolin*.