

# IDEAS

Inside **IDEAS** > Lessons Learned Page 40 > From the Trenches Page 42 > The Retail Doctor Page 44

INDEPENDENT RETAIL | BY TED ESCHLIMAN

## THE HALO EFFECT

In 2005, Apple experienced a 20-percent rise in Mac sales by iPod owners. The computer went from 3 to 5 percent in PC market share.

That may not seem like a huge bump until you factor in that Apple had shifted most of its \$75 million in advertising away from the iMac to the iPod and iTunes store. Company founder Steve Jobs even confided that “the category didn’t justify one hundredth of that.”

Apple began owning the music industry, not to mention forging new pathways in online music distribution at a time when the future of the recording industry itself was in question. Apple also built a superior software, iTunes, that delivered music access on the Mac and competing PCs.

I see an interesting parallel between Apple’s advertising and that of the brick-and-mortar MI retail store. The full-line independent dealer carries a nearly reckless diversity of product, everything from clarinets to Flying V guitars. Creating a mass-media advertising strategy that covers all these options is as challenging as



**You can’t advertise all you do, so start with what you do best**

herding cats. We serve a range of different end-users, yet we have to whittle our advertising message down to a half-dozen (or less) things we do well. In essence, we market based on the halo effect of those few things, just as Apple does. And the smart advertiser will spend a

disproportionate amount on communicating these strengths.

### WHO ARE YOU?

How do you establish a good halo strategy? The first step is the soul-searching you’ve already done in choosing inventory and staff. These decisions have defined your store, its strengths and weaknesses, and hopefully, you’ve been eliminating unprofitable categories during the past few years.

Next, pick the three things you do best. Maybe it’s pianos, school rentals or left-handed banjos. Any of these three will give you something to build off of when marketing other areas of your store. For instance, if you do really well in left-handed banjos (i.e., they’re paying the light bill), exploit the halo effect for similar goods — strings, accessories and lessons. This market strength in banjos is your gateway; you don’t need to spend money advertising your accessory selection. It’s “left-handed banjos and more!”

Plenty of prominent guitar specialty shops do well with drums, but the stores do little to advertise this. Why? Drummers need guitar players, and if their

guitar-playing buddy is going shopping, there’s a conduit for creating a relationship between the store and all the other members of the band. (You need to be doing guitars well in the first place, of course.)

A store that does well with school band and orchestra instrument rentals should use the halo effect for other markets, too. If your customers have had a gratifying experience with rental trumpets, why wouldn’t you be the logical choice for a guitar later in a child’s musical experience? Do that one thing very well, own the market, and you’ll be like Apple and have a stronghold on tangential markets.

Steve Jobs was perpetually pressed to identify who he envisioned as his competition. His default was always, “We’re just trying to build the best products possible.” Interestingly, with this focus, Apple executives never seemed to worry about competition.

Be the best. Wear its halo. **MI**

Ted Eschliman is a 30-year veteran of music retail and co-owner of Dietze Music in Southeast Nebraska. Mel Bay published his book, *Getting Into Jazz Mandolin*.