

# IDEAS

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INDEPENDENT RETAIL | BY TED ESCHLIMAN

## THE HEART OF RETAIL

In the early 2000s, The Generic Co. invested millions of dollars on a retail shopping center development on the outlying southern most end of Lincoln, Nebraska. An expensive, high-risk venture, the direction of city planning growth and residential development promised profitability past the combined hassles of the partnership's gamble on proper road, utilities, city architectural design standards intervention, environmental gymnastics and, of course, huge amounts of investment capital. Once completed, the project was attractive and easily accessible, and would have been successful except for one thing: There were no people.

The 2008 recession hit the area hard. House construction came to a halt, retail chains nationwide had to pull or halt their expansion, and the center, with its acres of gorgeous and compelling spec shell space, remained vacant.

The partnership lost millions and eventually split up never seeing the occupancy it has now — which took two decades to establish. It's a cautionary tail for commercial real estate buyers looking for good land deals. Property is worth nothing without the guarantee of people, and beyond population, you need effective transportation and access. It needs a ready labor pool for employment, to work and spend.



**To secure your future, focus on what's important**

We risk the same perils in music retail. We can't be industrious and profitable without a complete focus on the endgame of customer and community in the way we stock our stores, make ourselves convenient to get to, and nurture an unpredictably fickle municipal involvement.

### PRODUCT MIX & DRAW

A good store has a balance of affordable, basic everyday accessory needs and a compelling environment of "toys." Drumsticks, reeds and strings aren't the sexy draw a vintage guitar is — you

need the additional smattering of brightly displayed high-end product to draw the foot traffic in order to sell those basics.

On the surface, the cashflow killer of a high-end, slim margin alto sax might not justify its presence in the return on investment, but it's that compulsory visit to the music store to experience the latest instruments that brings customers in your doors to see and touch something cool.

These slower turning, expensive items could be the only real-world advantage your business has over the cyber experience, so you need to include and promote these magnets to customer allurements into your showroom mix.

### LOCATION, LOCATION, LOCATION

We had a storefront with a legacy panache to it dating back to its 1940 opening. Grandparents had rented their children's children's instruments there. Autographed celebrity band stills festooned the walls of the sales floor, but there was one inescapable problem: its awkward downtown location.

In the late '90s, customer traffic drastically dropped as retail edged to the convenience of suburbia, and eventually, we made a brutal choice to relocate. We packed up and moved to where the customers were, and despite the outcry of displacing

our eight-decade-old "museum" of musical history, we enjoyed a healthy increase in customer traffic and sales.

### ORGAN CLUB

Through the '80s, we hosted a thriving monthly meeting called "Organ Club." It was a lively group of seniors with their hearts and hands invested in playing the organ. The culture and community for them was exquisite.

We enjoyed extending our store after hours to these pensioners, and once in a while, we sold a few units. But, as the popularity of the instrument waned, and its participants grayed into incapacity (or death), the group eventually disbanded. Of course, our organ department did too, and our keyboard floor has successfully evolved to contemporary digital keyboards with a vastly more diverse and attractive range of price and appeal.

Reckon, all of these dynamics are externals, fundamentally out of our primary control. Still, success demands quick adaptation to new narratives. The campfire of profitability and value in real estate and our stores requires the flint and fuel of people — busy, consuming and involved. We can never lose sight of that. **MI**

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