



EDITORIAL

WE'RE FOR "NONE OF THE ABOVE"

Discussing the upcoming Presidential election a television news-hour pundit said Americans hold politicians in such low regard that a "None of the Above" entry on the ballot would garner far more votes than the Democratic and Republican candidates combined. This commentary came to mind during lengthy discussions with a collection of hard core m.i. purchasers. The group of 20, who each owned five or more guitars, three or more amps, a selection of multi-track gear, and numerous effect units, shared a uniformly dismal opinion of music retailers. Listening to them vigorously rip independents and chain stores alike would cause any retailer to cringe. Making matters worse, these were the very type of customer every retailer wants: an educated, affluent enthusiast with the means to fully indulge his or her passion for music.

So what do they hate about music retailers? The complaints are so numerous, it's hard to know where to start. On the subject of chain stores, they rail about uninformed, disinterested, minimum-wage salespeople who have no clue about the products or the customer ("I couldn't believe I was watching this 18-year-old moron strumming two chords on an \$1,800 PRS guitar while the chain on his wrist was actually scratching the top of the guitar!"). The annoying tendency to try to get full price for seriously shopworn display samples ("The manager tried to tell me that there was nothing wrong with a \$1,400 guitar with mismatched knobs and a missing tremolo handle."). And lots of product on display but relatively little actual selection ("At first I was amazed by all the guitars on display. Then I realized that 90% of them were black Strats.").

While independent dealers got better marks for the quality of sales help in their stores, they were blasted for having limited inventory selection ("I want to see a wall of amps where I can really test them all, not just a few ten-watt practice amps and one Marshall stack."), for being weaselly about pricing

("It's always such an annoying game to try to find out what they're gonna charge."), and for lousy merchandising ("The stores look like a dump!").

These customers vocally lament the state of retail, but at the same time it's doubtful that they would ever be willing to pay for the service they claim to want. When asked about their shopping practices, they explained that they methodically checked other stores, searched the Internet, and called a few 800 numbers to determine a "target price" for the product in question. "40% off retail is where we start. That's the absolute most I would ever pay for anything" was a common refrain. As a group, they also had a hard time understanding why retailers would want to "squander good will" by actually charging for service on out-of-warranty products purchased from another store.

The American voter wants the impossible: politicians who promise lavish government funded benefits ("They're Free!") while simultaneously pledging to reduce the tax burden. So it shouldn't be surprising that they have equally conflicted views about retailing. If our focus group is any indication, and we think it is, m.i. buyers want Nordstrom-style service, complete with unlimited return policies, fawning salespeople, endless selection, and elegantly appointed stores, at Sam's Club pricing levels (2% above cost and we make our money on the \$20 annual member charge). In trying to reconcile these irreconcilable differences, retailers and politicians both end up being reviled. "He'll say anything to get elected." "Can you believe it, they're trying to make a profit!"

We hear a lot about the importance of customer satisfaction these days, but can a retailer possibly satisfy someone who wants everything but will pay for nothing? It's a tough question we can't really answer, but we hope raising it will make manufacturers a little more sympathetic to the challenges faced by their retail customers.

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Editor