

Missionary Zeal... What Successful Retailers Have In Common

At the most basic level, all retailers do the same thing: they buy and hold inventory for resale, hopefully at a price high enough to stay in business. Despite this broad-brush similarity, as evidenced by the Top 200 ranking elsewhere in this issue, there are some important differences that separate the industry's leading retailers. Just as a mouse and an elephant have the same number of bones in their skeletons but are not likely to be mistaken for one another, the way in which music products are moved from the manufacturer to the consumer takes many different forms. Whether you call it a "brand," a "corporate culture," or a "unique selling proposition," the combination of customer demands, the outlook and values of the leadership, and the personalities of the employees combine to make every retailer unique.

Some of these corporate distinctions are driven by the customer, not unlike the way living organisms adapt to their environment. Promotions and merchandising tailored to resonate with a school music director probably won't appeal to a 14-year-old buying his first guitar. Vintage guitar and grand piano buyers are both well-heeled and discerning, but expect a very different experience when they prepare to make a purchase. The nature of online retailing requires a facility with data analysis and specialized skills that have little relevance when it comes to "face-to-face" selling. These are some of the reasons why the showroom of Quinlan & Fabish in Chicago will never be confused with Steinway Hall in New York City.

Along with market demands, the aspirations and temperament of management also play an important role in defining the character of a retail business. Some of the Top 200 businesses are led by CEOs who rely primarily on instinct to make important decisions. Others use a more data-driven approach, for example George Hines of George's Music, who likes to say, "If you can't measure it, it isn't important." There are risk-averse Top 200 retailers who have relied almost exclusively on retained earnings and their own capital to fuel growth. Others are "bet the ranch" types who have borrowed heavily. These differences tend to permeate organizations in ways that are visible to the customer.

The rankings in the following pages exist to celebrate these differences, not to pass judgment. In a world of music that runs the gamut from George Frideric Handel to hip hop, it's hard to imagine that any single retailer would ever be capable of serving every customer. And, as the ranking makes obvious, there are many paths to success.

For all their differences, the best of the Top 200 have one

thing in common: an unshakable conviction that music is an incredible societal good. Through their actions, they internalize the words of philosopher Friedrich Nietzsche, who famously observed, "Without music, life would be a mistake." Whether it's industry leader Guitar Center, running national ads describing music making as "the greatest feeling on earth," or a local dealer talking up the benefits of music education to a school board, they are motivated by more than just moving boxes and collecting the customers' money. Serving as a missionary for music, which touches the lives of virtually everyone, brings a unique form of satisfaction that transcends the dollars and cents of commerce.



On a separate discordant note, it's disheartening to hear environmental groups equate the music retailers we celebrate with drug dealers and child pornographers. These invidious comparisons have been made by the Sierra Club, The Wildlife Conservation

Society, and the Environmental Investigative Agency during debates about statutes banning all trade in ivory. The goal of the statutes is laudatory: preserving elephants in Africa and Asia from extinction. The music industry hasn't used ivory in production instruments for decades, and it's hard to see how making it illegal to sell or travel with a vintage guitar or violin bow that contains a minimal amount of ivory aids in the plight of the elephant.

Anyone who thinks the rules don't affect them because they don't sell vintage products may be in for a rude awakening. Fish and Wildlife in New York recently confiscated bows from the Budapest Symphony, even though they didn't contain any ivory. Apparently, short of a DNA test, there's no way to definitively differentiate between real ivory and some of the realistic plastic substitutes, and according to the rules of FWS, you're guilty until proven innocent. Absent some type of broad exclusion for musical instruments, expect more regulatory intrusion in the months and years to come. And if you raise any questions about the efficacy of an across-the-board ivory ban, be prepared for some pretty harsh criticism. We wish some of the zealots would yield to a little reason and allow trade in products that predate any of these new ivory restrictions.

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