

Looking For Growth? Its All In The Details

Mies van der Rohe, the famous contemporary architect, used to say, "God is in the Details." While avoiding a theological debate, there is no denying that in business the small things are critically important. For a number of very concrete reasons, in the coming decade, the "details" of running a business will become even more significant. Here's why.

Population growth is slowing. According to the 1990 Census, the population will expand by less than 1% per year for the coming decade. More significantly though, the critically important 14-to-25-year-old segment will decline slightly.

Affluence is increasing. The good news is more affluent people have more to spend. The bad news is that they are much more demanding in terms of quality, service, and value.

Consumer loyalty continues to wane. Market study after market study points out that the buying public is more fickle than ever. The days of unshakable loyalty to a specific product or retailer is a thing of the past.

A slow growth market populated by increasingly demanding customers sounds like a grim environment. But it need not be. Business magazines are filled with stories of companies that have succeeded admirably in tough markets. The department store business is supposedly horrible; nevertheless, Nordstrom's and Dillard's consistently generate double-digit sales and profit growth. The home building industry is in a crisis, yet Masco, a major supplier of home plumbing, just completed its 27th consecutive record year. Like a bank of elevators, the music industry, and most other industries as well, may not be moving much, but individual cars, or companies, are going up and down all the time. In short, opportunities for individual firms abound, regardless of the industry's health.

In a slow-growth industry, companies expand by increasing their share of market. Any talk of increasing business inevitably leads to a discussion of the three fundamentals of marketing: product, price, and promotion. Unfortunately, the right product, the right price, and the right promotion

are not enough to expand a business. While price is certainly important, the most successful music retailers are not necessarily those offering the lowest prices. Product is critical, too, but that is not the total answer either. Today, product quality and value is so consistently high that virtually every retailer in any market can offer a product that will satisfy the customer. Promotions certainly help generate business, but the current base of customers is jaded. When they see over 3,000 advertising messages a day, it's increasingly hard for a music retailer to make a big promotional impact. So, what's left? The answer is in the details—the small flourishes and services that make the customer enjoy the shopping experience, feel good about his purchase, and hopefully come back for more.

Examples of attention to detail abound in the music industry. One m.i. retailer has salespeople write to every customer, thanking them for their purchase, and then call them three weeks later to make sure everything is o.k. A leading keyboard retailer delivers a bouquet of flowers with every piano. One of the bigger band instrument mail order firms will ship out horns at no charge for a two-week trial.

When it comes right down to it, all retailers do the same thing. They display and present products in hopes that someone will buy. The only sure way to distance yourself from your competition, and increase your market share, is to provide those extra details: the outwardly insignificant efforts that win the support of the customer. The '90s may not be an era of tremendous industry growth, but for those retailers who attend to the details of customer satisfaction, it should be a great decade.

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