

# Dealing With Mail Order

The last two years haven't been particularly kind to music retailers. Widespread consumer uncertainty brought sales growth to a halt while intense competition clobbered retail profits. When business gets tough, it's only human nature to look for someone or something to pin the blame on. (Those who can honestly admit their own failings are always in a distinct minority.) In the music industry, this search for a culprit has led many retailers to blame their current woes on the activity of mail order retailers. According to the popular scenario, the local retailer sweats day and night to build the market by providing "service," only to have the mail order operator sweep in and steal business that is rightfully his by offering a low-ball price.

There is no doubt that mail order dealers represent tough competition, and losing a sale to another retailer, whether mail order or local, is an unpleasant experience. But in their haste to blame mail order, a lot of local operators fail to fully understand the services the mail order operators provide the customer. That's right, mail order dealers do provide service, and if local dealers hope to compete effectively, they have to provide a comparable or superior level of service. Does your level of service compare favorably with that offered by several of the better mail order operators?

Consider the following. Mail order gives the customer the opportunity to shop within the comfort of his or her home. What kind of store environment do you offer to compete with the comforts of home? A broad selection of product, attractively displayed, can unquestionably draw customers. But why should someone bother to make the trip to visit a shabby, poorly organized store?

Any of the top mail order catalogues are filled with a wealth of information. Lengthy descriptions of hundreds of products can help the uninformed customer make a reasonable selection. Catalogue descriptions can be helpful, but nothing can beat a one-on-one presentation by a knowledgeable salesperson. How do your

salespeople stack up? Can they match the level of information provided by a catalogue, and are they pleasant to deal with? Or are they surly and unable to answer even the most basic questions?

When customers get excited about making a purchase, chances are they don't want to wait. Most mail order dealers promise delivery on everything in their catalogue within two to five days, via UPS or Federal Express. How about your store? Do you have enough inventory on hand to readily meet the needs of your customers, or do you make the customer wait three to six weeks because you're out of stock and have to place a special order?

Lessons are one thing that mail order retailers can't offer, and lessons conceivably offer the local dealer a special opportunity to shine. Yet *Music Trades* polls, and the research of numerous manufacturers, indicate that the number of local retailers offering lessons are in a distinct minority.

Do some mail order retailers use their buying power to extract special terms and pricing from their manufacturers? Absolutely! But local retailers shouldn't blame the mail order retailer who extracts better terms. They should take their justified anger out on the offending supplier by sending their business to those companies that deal equitably with all retailers.

In the final analysis, mail order is legal, it's here to stay, and some customers like buying through the mail. The challenge for the local retailer is to devise a plan to compete through a combination of service, selection, education, or whatever else it takes. Just because you have a storefront, it doesn't entitle you to the business in your community. You still have to earn the support of the customer.

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## A New Chapter For NAMM

In the 90 years since *The Music Trades* carried the first coverage on the formation of a retailer organization, we have annually included biographical information on the newly appointed NAMM board members. Those who turn to the coverage of the new directors on page 93 of this issue will notice a rather dramatic difference. This year, the slate includes four retailers and four manufacturers. After years of debate, NAMM has finally opted to give manufacturers full representation.

There is a lot of discussion about the adversarial relationship that exists between manufacturers and retailers. However, the fact that the NAMM's retail member-

ship voted to include manufacturers on the board indicates a widespread realization that each group is dependent upon the other. Strong retailers are essential for strong suppliers, and vice-versa.

By broadening its membership, NAMM forcefully acknowledges that the future health of the industry is dependent upon the joint actions of manufacturers and retailers. This historic change should make for a more dynamic and productive NAMM. Hopefully, it also will usher in a new era of growth and prosperity for the industry at large.

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