

EDITORIAL

The Top 200 And The Elusive Competitive Edge

Enterprises of all stripes are perennially in pursuit of a competitive edge; some powerful combination of products and services that will bring them business, fend off competitors, and yield handsome profits. In retailing, however, the competitive edge is extremely elusive. Retailers can't rely on a powerful global trademark like Coca-Cola for their "edge;" they can't get it from patented technology, like Microsoft's MS-DOS operating program; and they can't realistically hope to create something as unique as a Disney theme park to set themselves apart from the field. Yet, in spite of these challenges, a lot of retailers still manage to find a competitive edge, as potently illustrated by the list of the Top 200 music products retailers that starts on page 94 of this issue.

In our industry, every retailer nominally does the same thing; they fill a space with a selection of products, they promote to varying degrees, and they complete sales. With everyone doing the same thing, where does the competitive edge come from? Unfortunately, there is no single answer. Manufacturers may not like to hear this, but product is not the key. A review of the Top 200 conclusively proves that there is no single product franchise in this industry that is critical for success. (Manufacturers take note: contrary to your cherished belief, you are not indispensable.) Location doesn't hold the answer either. The Top 200 includes successful dealers in high traffic shopping malls alongside equally successful operators in remote warehouse locations. How about advertising and promotion? Guitar Center has built an impressive enterprise around an aggressive advertising program, while Washington Music Center has been extremely successful never having run an ad. Geographic regions don't count for much either; witness the fact that Pied Piper prospers in the perennially depressed state of West Virginia.

In short, finding the competitive edge is special art that defies easy definition. Just as a fine painter judiciously balances color, light, and subject to

create a compelling artwork, a retailer has to artfully make tradeoffs between price, service, selection, location, and personnel to keep customers coming back. Just as there are no absolute laws for creating a great painting, there are no absolutes for creating a successful retailing business. If there were, you wouldn't find a business like Fletcher Music, which sells only home organs in Florida malls, listed along side J.W. Pepper, which sells print music by mail.

Music retailing is a highly personal business and each of the retailers on the Top 200 has evolved their own style and approach to serving the market. The fact that they made it on the list testifies to the effectiveness of their approach. Space precludes an analysis of everyone on the list, however; we offer our congratulations to all those who have distinguished themselves through superior effort.

NAMM Returns To Nashville And So Should You

NAMM's Nashville trade show last year was one of the most enjoyable industry events in memory. Manageable in size and tranquil in ambiance, the show was a perfect combination of business and pleasure. This year's show, which runs Friday, July 29, through Sunday, July 31, promises to be even better. There are a few more exhibitors, more educational sessions, and a host of concert events. What's more, airfares to Nashville are cheap, as are accommodations, making the event a real bargain.

For a few bucks, you can go to Nashville, learn a few things at the educational sessions, meet with your suppliers, and have some fun in the world's country music capital. It will be money and time well spent. A complete schedule of events appears on page 222 of this issue.

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