



EDITORIAL

Disloyal Customers & The NAMM Show

I shopped half a dozen m.i. dealers in the Los Angeles area on a recent Saturday to see what was selling and what customers were getting excited about. As I made the circuit, driving from store to store, I started to feel like I was being followed by the customers. Each store had a different merchandising approach, a different sales pitch, and a slightly different product mix. The only thing that was the same was the customers; wherever I went, it seemed like the same group of people were checking out new gear, talking to the salespeople, and generally hanging out. Some were obviously professionals who were earning money with their music, but the bulk were enthusiastic amateurs ranging from teenagers to middle-aged executives.

It's heartening that our industry inspires the type of passion that prompts people to spend the better part of a Saturday visiting every store in town. On the other hand, it also suggests that customer loyalty doesn't exist. Most retailers like to think that through excellent service and selection, they forge a strong bond with their customers. But if these same "loyal" customers are regularly frequenting the competition, chances are they'll buy from anybody, and their attitude is not one of gratitude for past services, but "What have you done for me lately?" More than mail order, more than 800 numbers, more than manufacturers over-distributing their products, this customer outlook is what ratchets up the intensity of competition.

Virtually all retailers, save for the total credit disasters, have access to a wide array of excellent products; the spread between the highest-priced and lowest-priced dealers in town is generally nominal; and more and more stores are well laid out. So, if customers are visiting all the stores in town, what makes them buy from one instead of the other? We think it comes down to a lot of small details. Was the salesman more friendly? Is someone's advertising more compelling? Did they have the right product in stock? Was the store in a slightly more convenient location? The

list could go on for pages. All of which suggests that any type of competitive edge is probably only razor-thin.

Retailers looking to find ways to gain that edge and sell a higher percentage of those customers floating from store to store should start planning to attend NAMM's upcoming Winter Market in Anaheim (January 20-23). Obviously, the show gives you the chance to see all the latest new products, meet with your colleagues, and attend useful seminars. More importantly, though, the show gives you the chance to get out from the confines of your store and get a better perspective on the direction of the industry. Local competitive pressures and the idiosyncrasies of specific markets sometimes overshadow important industry trends. The show is the one time of the year you can forget about responding to the dealer down the street and concentrate on searching for new opportunities and strategies to make your business stronger. It's also a highly entertaining way to spend a few days.

Complete details on the show can be found on page 102 of this issue. An accompanying feature by Glen Ingles, a merchandising consultant with a proven industry record, offers some additional suggestions on how to make the most of the show. For more information, call NAMM at 1-800-767-NAMM.

In the meantime, as the New Year begins, the staff of *Music Trades* takes this opportunity to wish all our readers a healthy and successful 1995.

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Editor