



THE NEW NORMS

BY ALEX HARRELL | PHOTO BY PAUL WELLMAN

You know the drill by now: Get online or die. The question is how to do it effectively. If retailers can gather the resources to expand online, what's the payoff? To check in on how to capitalize, Music Inc. had three retailers and three manufacturers weigh-in on what does — and doesn't — work when cultivating an online presence.



Norman's Rare Guitars is the retailer's holy grail of brick-and-mortar stores. Located just outside of Los Angeles with 6,000 square feet brimming with new, vintage and rare guitars (including a 1958 Sunburst Les Paul), owner Norman Harris has a near cult-following of Hollywood's hottest.

The vintage guitar dealer has cultivated a celebrity clientele consisting of music legends like Bob Dylan and the late George Harrison as well as modern musicians like Dave Grohl and Adam Levine. Norm's has even supplied instruments for movies like "Back to the Future" and "Spinal Tap." In "Forgetting Sarah Marshall,"

actor Jason Segel wears a Norman's Rare Guitars T-shirt — it has the address on it and everything.

Talk about good advertising.

If a brick-and-mortar mentality would work anywhere, it'd be at Norm's. And up until about 15 years ago, it did. But in today's world, it's not enough to just have a star-studded shop in a great area.

"Our location has been a tremendous advantage for business," Harris said. "But if you're not doing stuff online, it's like trying to operate with your hands tied behind your back."

So, Harris has been aggressive about changing with the times. He began buying and selling vintage guitars out of his Miami apartment

in the 1960s — *long* before eBay, Amazon or Reverb, *long* before the internet. And now, thanks to the urging of his children and staff, Norman's Rare Guitars has one of the strongest online presences in the industry.

"Profitability has greatly increased because it gives us a worldwide audience," Harris said, referring to Norm's web and social media efforts. "We used to spend thousands a month on advertising, and we don't have to do that anymore; we're getting more traction from being online than we were with print ads."

Norm's YouTube channel has more than 50 million views with 1,200 videos uploaded. He's made



Top left: The Norman's Rare Guitar team. From left, Jen Angkahan, photographer; Mark Agnesi, general manager; Marlene and Norman Harris, owners; Joel Whitehead, repair technician; and Nick Dias, salesman. **Top right:** Whitehead — who has been with the shop for six years as house guitar technician — handles refretting work, neck adjustments, standard set ups and electronic work as well as tube amplifier repairs. **Bottom right:** Angkahan films Agnesi holding a 1970 Univox Hi-Flier Phase 2 in Original Black electric guitar for the store's YouTube channel's #WeirdAssWednesday and Guitar of the Day segments. Photos by Paul Wellman.

successful channels such as “Norman’s Celebrity Friends” and “Norman’s Talented Customers.” And it’s paid off. For example, Norm’s Instagram account has a #Guitar-OfTheDay segment that garners an average of 4,700 likes each.

“You can’t think that by posting something, you’ll automatically get views,” Harris said. “You’ve got to create interesting content.”

Harris and his team of six all “chip in” to find and create that content. Store manager Mark Agnesi is the subject of various YouTube videos that Jen Angkahan films and edits for online posts. Harris’ son, Jordan, handles social media while his daughter, Sarah, optimizes the store’s website.

“Social media just catches fire on a lot of different levels,” Harris explained. Norm’s has certainly found heat from those flames.

CONTENT ECOSYSTEMS

But this social media explosion isn’t the norm for most of the MI world. Except for a few companies, the industry is awash with mom-and-pop shops and small, regional operations. It’s not always so easy for retailers to have the resources necessary to create a successful online presence.

So, to help retailers reach their potential, Hal Leonard became the first company in the world to launch a digital music sheet website — Sheet Music Direct — in 1997, according to its President, Larry Morton.

Hal Leonard’s February acquisition of Sheet Music Plus — an e-commerce website for music publications — works in conjunction with its Sheet Music Direct Digital Retailer affiliate programs, although Sheet Music Plus runs completely independent of Hal Leonard.

“One aspect of our strong interest in the company was to see if we could expand the affiliate programs even further with our retailers using Sheet Music Plus’ much bigger database and infrastructure,” Morton said. “We’re looking at Sheet Music Plus to elevate those programs.”

And now, the company has expanded its digital retailer program to include a dedication to providing online assets for retailers.

Through the program, retailers’ websites have everything they need to show customers on the front end. From behind the scenes, Hal Leonard is running the show and providing content for digital sales, but those sales are occurring on the retailer’s site.

“We’re focused on generating consumer traffic and music educator traffic just as our retailers are, but we don’t sell direct,” Morton said. “We’re trying to channel that interest to our retailers.”

Hal Leonard also helps drive that interest through its dealer access website, launched in 1999. Its latest update in August released a live chat function available to dealers seven days a week. The site is full of FTP compo-

nents such as cover images and matching artwork as well as tools that retailers can use to populate their sites.

“The more we can provide to our retailers and the easier that we can make it for them to use what we provide, it’s a win-win,” Morton said. “If they’re out there promoting what we’ve created, then eventually we’ll get those sales and everybody wins.”

CONTENT IS (STILL) KING

The Music Link also focuses on creating win-win scenarios.

“We not only market to our dealer network but also to the end-user,” said Jim LaPlaca, director of marketing and artist relations at The Music Link. One of the ways it does so is by offering something most dealers can’t get themselves: access to artists.

The Music Link has built an arsenal of Instagrammable moments through partnerships with endorsing artists like Shovels & Rope and Justin Townes Earle, companies such as Bloodshot Records and Reverb, and festivals like SXSW and AmericanaFest.

“Having relationships and partnerships associated with the brand helps because content is king,” he explained.

But more than anything, retailers should utilize the internet for more than just sales. LaPlaca encourages retailers to engage audiences by showing each store’s unique, even quirky personality — what the “big, faceless

online entities,” as LaPlaca put it, can lack.

“You want people to know who you are, to know your history,” he said. “You can tell that story very well online.”

But first, retailers have to actually *get* online in a more serious way.

“You can’t just depend on people walking into your store to buy things,” LaPlaca said. “I think there’s still a large community of mom-and-pop retailers operating like stores from the 1980s, and it’s hard for them. It’s a different world now.”

EXPERIENCES & E-COMMERCE

For those retailers worried about becoming trapped in the past, fear not. Granted, having a digital presence is essential, but brick-and-mortar stores still play a crucial role.

“We’re learning that the consumer is going on a journey in terms of how they experience brands; the retailer is a vital part of that journey, whether online or physically,” said John D’Addario III, president of D’Addario. “Beyond just presenting our products, we have

to create experiences *around* our products.”

Enter the company’s digital loyalty program, Player’s Circle.

It works like this: Buy D’Addario products at a retailer, create a profile online, register the packaging codes online and begin collecting points. Gain more points by referring friends, sharing content on social media, and by recycling strings. As points accumulate, members can redeem them for various rewards or donate them to the D’Addario Music Foundation.

“It’s not just a loyalty program,” D’Addario said. “It’s drawing in a consumer and creating an experience for them as part of their journey with our brands.”

But that experience can go even further and extend beyond products. Perhaps the most meta-experience of them all is Norman Harris’ All Guitar Network, set to launch in the next few months.

“We’re curating the internet,” Harris said. “If the internet is a world, we want the All Guitar Network to be like a museum.”

Started just over a year ago with Joe

Bonamassa, Richie Sambora and Mark Rivett, Harris and his team set out to gather the greatest guitar-affiliated content available and stream it on the All Guitar Network. The network will be available on the likes of Apple TV and Roku through subscription services as part of a growing industry of apps called Over The Top (OTT for short) because they bypass traditional delivery systems.

“We want to find the best stuff and dial it in, so there’s a lane for all the people that love guitar,” Harris continued. “There’s going to be a lot of exclusive stuff done just for the network, and there’s going to be a lot of stuff curated off the internet.”

The network will be divided into different categories based on types of music. There’s going to be lessons and teachers as well as movies and product reviews.

Though the network doesn’t directly promote Norman’s Rare Guitars, it’ll be a welcomed vice for the retailer’s online followers.

“The only thing is, you *have* to be able to attract people to come to that site to see it,”



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‘You can’t just depend on people walking into your store to buy things.’ - Jim LaPlaca



John D’Addario III

Harris said. “Or they’ll never know you exist.” A problem with which Matthew Stoecker is all too familiar.

WEB-FIRST, SALES SECOND

Found halfway down the second page of Google results — preceded by Phish fan pages and guitar tabs — is Stoecker’s eBay store, Quinn The Eskimo Brass and Winds. The company’s Reverb shop and actual website are hiding on the third page.

“The biggest obstacle to our growth right now is just general lack of awareness of us,” Stoecker said. The retailer has been online since 1997, yet Stoecker said he still struggles to create brand awareness.

Don’t get this wrong. Quinn The Eskimo has been one of the most successful online retailers of woodwinds and brasswinds in the industry. Last year, the company generated \$5.8 million in gross revenue — a 15 percent growth from the previous year. But Stoecker wants more.

In recent years, Quinn The Eskimo has placed renewed efforts on becoming more visible. The company’s first Instagram post was in June 2016. It now has just under 250 followers with an average of 34 likes per post.

Its Facebook page has roughly 3,200 likes, and it actively buys advertising on the site.

“Social media is the advertising of the future,” Stoecker said. “Any [business] taking a web-first approach cannot ignore it.”

Quinn The Eskimo’s web-first approach operates exclusively on third-party sales channels. Though Stoecker started a Shopify store three years ago, he has done only a little business through it, to date.

“We just haven’t spent a whole lot of time trying to promote [the website] because we sell on eBay, Reverb and Amazon,” he said.

Users on these sites are a focused customer base, motivated to buy and are actively looking for what they want. It takes a lot of the effort out of the equation, Stoecker explained, by eliminating the challenges of navigating consumers to a particular domain.

Of course, relying on third-party platforms has its own challenges.

“One of the disadvantages of having a web-first strategy is that you’re kind of at the mercy of your sales channels,” Stoecker said.

Like, paying eBay \$300,000 per year in fees. And those fees can change whenever eBay wants — making long-term planning difficult. When eBay raised its seller fees

from 3 percent to 6 percent, Quinn The Eskimo’s profits were cut in half. So, Stoecker started the Shopify account to counter that.

“But right now, we’re happy wherever our customers want to shop,” he said. “When it comes down to it, all we’re about is making sales. As long as we make a sale that’s revenue positive or profitable, then that’s what drives business, right?”

Well, no, not really, according to Ron Wolf, owner of online store ProAudioStar.

MORE IS LESS

“It’s not just about putting something on eBay,” said Wolf, who began on eBay in 2006. “You’re not going to have a solid brand by just using a third-party channel.”

Though ProAudioStar and Quinn The Eskimo have different philosophies, the two companies have similar roots. Wolf began by listing a few items on eBay as a favor for a friend, pushing shipments out of his studio apartment in Chinatown, New York. Then he reached out to a few manufacturers — Art Pro Audio distributed by Yorkville was the first company to work with Wolf — and did a few thousand dollars a day in sales.

“If you’re going to succeed and bring

in the top-tier of dollars, it's got to be on your own website," he said. "You're going to hit a certain threshold on third-party websites like Amazon and eBay."

Which ProAudioStar hit. It transitioned to a domain in 2009 and invested in infrastructure, technology, automation, advanced CRM processes, inventory and more.

"Before you knew it, five years passed and we hit \$26 million," Wolf said. That was about six years ago. Since then, ProAudioStar has hired 40 employees, cultivated 100 active brands and operates out of Brooklyn, New York, with a 20,000-square-foot warehouse in Reno, Nevada, and a 30,000-square-foot space in Virginia.

"You need to have a lot of infrastructure, technology, and you need to be scalable because you get to a certain point, and hitting that \$10 million mark in today's e-commerce world is not that impressive," Wolf said. "It's a big ocean after \$10 million, and \$20 million is even bigger. You need thick skin to go past \$30 million."

Though its marketing efforts have taken a back seat in the past two years, ProAudioStar has expanded to over 50,000 square feet of inventory across three states, each with same-day shipping. But now that the technology is in place, the retailer is working to get back into the aggressive marketing and branding it did in the early years, according to Wolf. Its Facebook page was created in 2010 and has nearly 180,000 likes — a number that doesn't impress Wolf.

"We've built a lot of content and a lot of customers over the years, but in the last few, a lot of the bandwidth of the company has been to building technology," he explained. "Hopefully we'll get that up to 450,000 by the end of next year."

Its Facebook page shows 1,800 reviews for the company with an average rating of 4.2 stars. Not bad. However, when Googling "ProAudioStar," the first search suggestion is "ProAudioStar reviews." Not all of which portray the retailer favorably.

"Look, we're doing 20,000 transactions a month. You can do the math on how many transactions it is a year," Wolf said. (It's 240,000). "We're doing a 99.8 percent [good] job, you know? Because if I'm [only] doing 99.5 percent of a successful job online, I'm going to be doomed with thousands of negative feedback, right?"

He elaborated.

Suppose that ProAudioStar did 300,000

transactions a year. Ten percent of that would be 30,000, one percent would be 3,000, and half a percentage would be 1,500. That, according to Wolf, results in doing a 99.5 percent of a great job. Thus, if that half percentage of unsatisfied customers are providing feedback, that's 1,500 negative reviews.

"That would destroy me — I would look like a criminal," Wolf said. "So think about it. Look at our Amazon, our eBay, our Face-

book — you only see a few negatives and a few positives. Negative reviews are part of the business; you can't lose sleep over that."

And, as Harris put it, you can't please everybody. But you should still try.

"We want it to be a welcoming experience when they come in the store or when they come on the website," he said. "We're musicians; we want to have fun with it. It's not like we're digging a ditch over here." **MI**

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