

TECHNOLOGY | BY BEE BANTUG

# Think e-Business, Not e-Commerce

**C**ompeting on price in-store can be challenging enough for independent retailers. Online, it can spell the difference between profit and loss.

In today's Internet marketplace, it's standard for e-commerce-based retailers to offer the same products as their competitors and match online market pricing. Yet when a smaller, independent dealer's Web site focuses on e-commerce alone, the site may not produce the expected revenues and profits incremental to their ongoing store-based operations. Not to mention their customers won't be served the way they would be in the brick-and-mortar store. Therefore, independent retailers must go beyond e-commerce to have a profitable, competitive Web presence.

I challenge smaller dealers to look at their Web site less as an e-commerce vehicle and instead more as an e-business solution. This means looking closer at how your Web site can support and directly reduce the costs of your daily music shop keeping. It can, in fact, take over a number of functions and services that might have been overlooked as hidden operating costs.

Consider the following standard retailing operations. I've presented a few ideas on how you might use your Web site to provide cost-reducing support for your shop.

**1. Reduce inventory costs but increase your product offering.**

Work with a subscription service to build a database of all available products you can obtain from suppliers within a reasonable time period. You can also do this internally. Then, present the database online, so your site features a larger product selection.

**2. Increase rental accounts while reducing administration costs.**

Create online presentations for instrument rentals, recommended accessories and print music. Have customers rent and buy them, and then complete your store's rental agreement online.

**3. Increase staff productivity and effectiveness.** Provide in-depth product information online to support your staff's product knowledge. Develop tools to generate leads, and offer surveys online to pre-qualify features customers might look for in higher-end items, such as pianos and sound systems. Pass these leads on to your sales staff.

**4. Keep and grow your customer base in the immediate and long-**

**term without increased marketing costs.** Develop an e-newsletter program and e-mail campaigns with automated online distribution and in-store sign up.

**5. Expand your dealership's role among music teachers and aspiring musicians.** Promote events, local bands, musical venues and teachers on your site. Exchange links with them.

The key is to look at your business operation as a retailer with a physical shop and, therefore, with a history of what makes you unique in your own market, among your customer base.

Just as you have defined your character and brand of music retailing in-store, so should you on your Web site. Consider how specific site features can take over and lead the way to managing these shop operations at reduced costs, increasing your margins and profits in the process.

This is the only way to keep your customers in-store and not lose them when they go online. More significantly, this is the only way to keep from selling music products at even lower — or no — margins on your Web site. **MI**

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