

President's Report

Dear Members,

Welcome to our Winter edition of the AMA newsletter. This will be my last as President and an opportunity to thank all of you who have made the past two years monumental for the Association...Committee members, Wholesalers, Retailers, Associates, Civic Group and Stockdale ACS our Secretariat ...plus so many who have continued the support to ensure the many valuable programs are continuing to grow. For example Weekend Warriors for the in store experience, Music Futures for a practical approach to secondary colleges to include music, Government relations including National and State Education submissions, Australian Traders Group for fair trading, AWAG for the audio digital revolution, Music Count us in with the Music Council of Australia, the Summits in 2012 and now AMAC 2013 to come for Member forum and training. It really is a sensational time for the Association and all you lucky members.

Great news this month was that we were successful in obtaining a grant from the NAMM foundation for the next key stage in Music Futures. So far 70 schools are in the program and this will mean targets of double that will be achieved. Be sure to update your knowledge of Music Futures at AMAC 2013. Our gratitude to the NAMM foundation is again difficult to put in words.

Have you booked for AMAC at Jupiters yet? Rob Walker has done a sensational job of the program and the packages. We realise times are not easy however it can be "do nothing get nothing" ...often one good idea can well reward the effort. It really is the event to show how you believe in what you do and how together we are going to ensure a great future. Bookings are via the forms we sent you or on the website. Early bird packages finish soon.

Thank you also to the contributors of this newsletter and the member benefit sponsors listed on the back page. Wishing you all great trading for Winter and Looking forward to seeing you at AMAC.



Bernie Capicchiano
President



In this issue

- President's Report
- Member Profiles
- The Value of Experience
- Weekend Warriors
- Musical Futures

Date Line

- August**
10–12, AMAC2013, Gold Coast
12 August, AMA AGM
- September**
29 Sept—1 Oct, National ASME Conference
- October**
31, Music Play for Life
- November**
21—24, World Music

AMAC 2013
Australian Music Association Convention

10—12 August 2013
Jupiters Gold Coast
Your Industry, Your Show

Get some sun. Have some fun. Do some business.

A very positive response from key wholesaler members to utilise AMAC to enhance their business this year and engage with their customers has seen a very strong response from music retailers. There is a great deal of interest in the first industry convention in three years. The times are challenging and we believe AMAC offers very good value to retailers wishing to work on their business. Strong relationships and professional development two key elements in this approach.

Trade Show Chairman, Dom Disisto believes that the initial response from delegates strongly indicates that AMAC is a valued service provided by the AMA. "By introducing a Saturday afternoon focusing on practical professional development, we acknowledge its importance. Short practical peer-to-peer sessions

throughout the weekend give added value and more informal social get togethers, more music, more dedicated business time with our partners round out the good use of our time and money".

We are grateful for the support of NAMM in sponsoring the visit of our keynote Speaker, Chip Averwater. AON Insurance has again supported the industry's feature event, and we acknowledge both our major sponsors. Dom concluded.

You can register online at www.amaconvention.com.au – Get the Best Value! Register before 10 June.

Remember that our venue contract with Jupiters assures our group rate only till June 10. So be an Early Bird!



Chip will present a keynote address "Retail Truths" at AMAC

Member Profiles

Retailer: BAVA'S MUSIC CITY

One of the few true longest independents, BAVA'S MUSIC CITY was established in 1973 by Michael and Antoinette Bava and originally a record store with a few guitars and small teaching studio and as a back up plan for their musician son Nick Bava who was studying Music at the Conservatorium .

In the 80s with the advent of the accessible Electronic Music, Nick Bava, now a graduate, was totally immersed in this Electronica medium and utilising it for his composition/ studio production /radio and TV ads and had also become a huge part of the Live Music Industry. Part time at the store, he assisted his contacts by investing in a series of clinics marketing the store alongside ROLAND with record attendances (up to 400) spurring the store into a virtual oasis in the west in music hardware and software technology and was looked forward to by many a musician for many years. Later BAVA'S MUSIC CITY then planned and hosted Australia's first Music MIDI show which was an outstanding success, attended by thousands and was even covered by ABC TV. The word got around and soon they were in demand, setting up schools and colleges for computer music labs and set the foundations for the future. Investing in catalogue marketing became the norm and later on electronic marketing allowed them to grow into different areas and maintain their growth.

With the formula of this service knowledge and personal attention it has allowed BAVA'S MUSIC CITY to grow their business, expanding online by investing in a prominent website with all the major sound products and instruments and social media representation. Our success has been acknowledged, having won a western Sydney MOST OUTSTANDING BUSINESS award.

Nick and his sister Frances (who runs accounts) are investing in young,

musical, well educated staff and marketing agendas as a foundation for the next leap to what they see are challenging times in the next few years online.

Nick believes that investment has been the operative word for this business, but with many wholesalers trying to find outlets for their goods, larger retailers will struggle as more overnight corner stores open (who don't invest in staff /music marketing campaigns /in-store displays). They just eBay their product with lower margins which may be in the short term a good thing for the consumer but realistically at the demise of the music industry as a whole in the long term as investment at the ground level dissipates.

But back to the store... Now 40 years later the passion for the industry still entices Michael and Antoinette to "keep an eye," with regular visits and they are still in wonder with the synergies of the internet selling and low margins. One thing though, Michael makes the best margin at the store with his guitar repairs and setups and no one dares ask for a discount.



Wholesaler: Audio Products Group

Audio Products Group (APG) is one of Australia's leading distributors of pro audio and musical instruments products.

Established in 1996 to serve the consumer hifi market, APG entered the pro audio and musical instrument market ten years ago, armed with its Easy To Do Business With philosophy and a small portfolio of internationally recognised brands. A number of years of heavy investment in staff, stock, marketing and facilities saw APG firmly established in the Australian MI landscape. Today, APG is widely acknowledged for its fair practices and commitment to customer service. APG's team of Area Managers has been recognised by AMA members for their quality of support and helpfulness.

APG's 2013 portfolio includes two of the industry's most recognised brands: AKG and Taylor Guitars.

Since 1947, Austria's AKG has been synonymous with premium sound quality for musicians, sound engineers and music lovers. APG can trace its relationship with AKG back more than 50 years.

AKG's 2013 range of microphones and headphones delivers quality and value from entry level products through to highly specialised microphones as used in some of the world's premier recording studios. AKG's Perception products (hand-held, wireless, studio and headphones) have been created especially for retail sale to the enthusiast market at great value prices. At the same time, the company's professional products remain true to AKG's 65 year heritage.

Taylor Guitars, a much younger company, has very quickly established itself amongst the pantheon of guitar-making greats. Still owned by its founders (Bob Taylor and Kurt Listug), Taylor Guitars has pioneered the use of computer technology, lasers, and other high-tech tools and machinery to deliver guitars of previously unachievable quality.

Taylor's range includes the affordable Baby Taylor, the innovative and awarded GS-Mini, and a wide range of full size guitars in a selection of premium tone-woods. Regular Taylor Guitars Road Shows in dealers' stores help Australian guitar lovers to find just the right Taylor to suit their musical and playing styles.

APG is proud to support the AMA and its members. Looking to the future, the company intends to continue with a small, carefully chosen portfolio of brands, preferring to deliver the benefits of focus to its brand partners and dealers.



Mission: To be the voice of the music products industry and grow music making in Australia

Feature Article: The Value of Experience

Mark Trask

I read an article recently in Music Trades that spoke of experience, big box retailers, market giants and how old school concepts were having success at store level. I then started thinking how much of this is relevant to our own industry. I would like to briefly discuss some of those concepts and how it can apply to your business.

We all remember the rise of Amazon and the .com revolution. How we all feared for the future of bricks and mortar stores as scribes everywhere were predicting the downfall of our oldest retail model.

Well times have moved on and things haven't gone exactly as predicted. Ironically one of the strongest supporters of the retail footprint comes from an unlikely source, Tim Cook, CEO of Apple.

As the pioneering company that developed many of the devices we now take for granted in everyday life such as the personal computer, the iPhone and the tablet, we could easily blame a lot of our internet obsession on Apple. Let's face it, if it wasn't for Apple and similar companies there would be less of us perched happily on our couches of a weeknight browsing, purchasing shoes, books and clothing, booking travel, shopping and comparing prices on an endless array of products.

So when Apple's top executive starts talking about the unique benefits of a storefront, you have to ask "What's it all about?" As a tactical response against actions by large US retailers, Apple decided to open their first retail store in 2001.

Since then, Apple has opened more than 400 stores that Tim Cook calls "a critical competitive advantage." The Apple retail footprint now accounts for almost 18% of the company's total revenue.

Apple tell us that the success of their retail stores is due to a combination of inspired products and an exceptional in-store

experience. Now I'm sure none of us would argue with the ingenuity of their products but what he said next was what interested me.

Thing I found really interesting was how Tim Cook interpreted the role of the stores. He said "The store is not here for the purpose of selling; it's here for the purpose of serving." He went onto say

"The Store helps you not only with an issue, but it helps you get more out of your Apple products over the life of them." A real service approach!

He spoke of the "Apple Experience!"

The store format, the layout, the shop fitting, the lighting, the staff and of course the products all add up to "The experience." Then I started thinking, "Well isn't that what we do?"

The retail experience of Apple has distinct parallels with our music industry. First of all there is the genuine passion and interest for the product. You can see how eager and excited everyone is in the Apple stores.

People are waiting for a turn on the latest Apple device with the vigour and anticipation of waiting in line for a ride at a fun park.

The veritable smorgasbord of products in our stores offer a similar level of interest and excitement to our consumer. In any average store there are hundreds of different models of guitar and amps, drums and percussion, an endless array of cymbal sounds, multiple effect brands and processors all with countless possibilities depending on how you wish to set them up. Piano's, keyboards, PA and recording gear, brass, woodwind and of course the thousands of accessories that support them all.

So what sort of experience do our customers get when they visit our stores?

Are we sure that all of our weekly customers are getting the service they deserve?

Apple also make reference to their "Role in the Community", by way of tours and

excursions, feature in-store events, workshops and community nights and even musical entertainment in-store. Well can't say I have seen that one in Australia but I take their word for it.

Yet again, haven't we been doing all that for decades? Apple speak of the type of activities our music industry has done for years, and generally done it very well.

So I suppose the point here is – "What are we doing as retailers to make sure we are offering an unforgettable in-store experience to our customers?"

In a world that is becoming smaller through the internet, with competition more fierce than ever, the value of "Old school retailing" is becoming even more relevant.

If ever there is a time to be self-critical and examine ourselves it is now. Are we getting out from behind the counter and qualifying our customers well enough? Are we giving our customers the opportunity to touch, play and engage with the products in our store, even if they don't want to buy today?

Are all our products plugged in and tuned up? Are we ready for our customers? Are my staff professional, friendly and qualified? What level of staff training do I provide?

Are we asking all the right questions to build long term relationships?

Are we giving our customers a reason to come back, or stay away?

In closing, there's a lot to be said for the enormous value of social media, on line reviews, facebook, tweeting, blogging and the like, but nothing is as compelling and powerful as a face to face impression.

If one of the biggest names in consumer products is having an about face regarding the values of retailing and bricks and mortar stores, then there must be something we can all learn from that.

Weekend Warriors About to Go Again!

Work has been completed on the new www.weekendwarriors.org.au website and the program is about to relaunch in a number of new locations around the country, as well as return to some old trusted ones.

The AMA has partnered with Recreational Music Making Australia to deliver the program to more independent retailers by taking the cost and workload way down. The AMA/RMM partnership will make the highly successful Warriors program so much more accessible to AMA member retailers. This is because most of the administration, engagement of coaches, marketing & communications will be handled centrally under this new structure. The stores get close by promoting the program instore, supporting the

rehearsals and Big Gigs with backline and generally connecting with the Warriors. We provide a Loyalty Card, and other benefits along the way. The program will continue to give surpluses to charity, and we seek to develop the state clubs.

Dealers interested in finding out more can email weekendwarriors@bigpond.com or rob.walker@australianmusic.asn.au

Remember the Weekend Warrior program is exclusively for AMA members. It is a proven program and we have a good support network already developed. Get on board – together we'll grow recreational music making in Australia. Check out the new Weekend Warriors website at weekendwarriors.org.au



The Australian Music Association, the voice of your industry; growing music making in Australia.

Member Benefits

Full details of all member benefits are in the member section of the website.

Partnering with

CommonwealthBank



Commonwealth Bank Alliance Partnership: Everyday Settlement offer extended until June 2013.



Certegy Ezi-Pay Express: Give your customers another option – the option of a take home lay by.



Aon business insurances. Business insurance for retailers. Contact Peter Sun: 0414 721 928 / peter.sun@aon.com



Travel services: for some of the best hotel rates to be had in Australia, look no further than Show-Group.



Currency exchange services at preferential rates and free wire fees. For more information, contact Nick Xiradis 02 9268 7635



Music Makes the Difference brochures. For more information about these popular brochures that show why music is so important for every child go to the AMA website.



Weekend Warriors is under licence from the US (through NAMM) and fees apply. Lots of fun, building strong loyalty from new customers who had stopped playing ten and fifteen years ago.



National Insurance Replacement Services For more information on the RRN and the benefits available to AMA members contact John.Keane@nirs.com.au

Musical Futures

Get involved

Musical Futures is a 100% practical approach to providing exciting music in the school classroom. Students play music they like with their friends- and they love it!



Musical Futures Australia, together with the AMA, are working hard to get as many school students possible playing (and loving) music through a National Teacher Professional Development Program.

Musical Futures Champion Schools provide the venues for teacher training

Do you want to get more involved with your Local Schools Musical Program? Would you like to see how music is being taught, talk to teachers, or be part of the learning Experience? Would you like to present your latest product offerings to the teachers and students?

How to get involved

Come to a Musical Futures Training day. Work with school music teachers as they learn how to engage students at their school. Work beside the teachers on this day and network with them.

You will have much to offer, as teachers are not aware of the latest products that their students would love to use. Show them how to work it and you will sell it!

For a list of training days and champion schools, go to:

www.musicalfuturesaustralia.org.au

Contact ken@musicalfutures.org.au and organize a days visit to Musical Futures schools in your area or so that you might join in on a teacher Professional learning day at one of the CHAMPION SCHOOLS.

If you would like to organize a musical Futures workshop in your area, we are keen to work with you.

Mission and Objectives

Mission:

To be the voice of the music products industry and grow music making in Australia

Objectives:

Provide events and programs that stimulate growth and development of the Music Products Industry in Australia.

Communicate, and promote the industry and the achievements of our association to our members and the community

Deliver six core services:

- Government relations
- Member benefits
- Annual trade show
- Industry statistics
- Member communications
- Promotion of music making

2012/13 Executive Committee

President:

Bernie Capicchiano (Bernies Music Land)

Treasurer:

Tony Burn (Resource Corporation)

Committee:

Richard Snape (Hal Leonard), Damon McMahon (Shriro Australia), Brendan Callinan (Roland Corporation), Greg McNamara (Dynamic Music), Dom Di Sisto (Holden Hill Music), Craig Johnston (Keyboard Corner), Michael Jongbloed (Fine Music), Anna Bagnato (Yamaha), and Mark Trask (Dynamic Music)

**NEW
PHONE
NUMBER**