

the *Independent* MUSIC & SOUND **Retailer**

THE MUSIC & SOUND INDEPENDENT RETAILER'S 25TH EDITION

By Brian Berk

Like you, a magazine has to often strive to be different. In early 2007, we saw the need for editorial coverage designed specifically for independent retailers. Of course, this was not meant to slight anyone not under the independent dealer umbrella. We simply felt we needed to devote two pages each month to news about dealer groups, individual dealers, and manufacturers who focus heavily on the independent dealers. We also felt the section should stand on its own; it's own magazine so to speak. That's where the name The Music & Sound Independent Retailer was born.

We can only thank one group for making this section of our magazine successful. You. Our readers. For our 25th edition, we're going to change up this section a touch. For the first time, we will specifically feature a company catering only to independent dealers. Of course, we have talked about such companies in this section before, but have not interviewed them. We felt the time was right to do so because this company has sworn to only sell its products to independent dealers. Its name ensures it must only sell its guitars to independent dealers: The Indie Guitar Co.

We'll also take a look at a few independent dealers who made it into the mainstream press. And most were good-news stories!

Non-Indies Need Not Apply

It started in England in 2001. Keith Willis founded the company. It made its Canadian debut at the MIAC Show in 2008. Its U.S. debut was in January at NAMM. (The company did have a five-foot booth and handed out brochures announcing the future company launch at the 2008 Summer NAMM in Nashville).

As you read earlier, we're talking about the Indie Guitar Co. The man responsible for bringing the company to North America, Mark Owen, took time to talk about his business and how he's really searching for great U.S. independent dealers. "In the past five years, we were the fastest growing guitar line in the U.K. and Europe," said Owen. "They were looking for someone to partner with in the U.S. in Canada for more than four years, but couldn't find anyone. We met them a couple of years ago and formed a partnership."

Indie Guitar Co. has also expanded to Mexico, and when Owen used the term "we," he's referring to himself and Paul Bryant, who is Indie Guitar's CEO. (Owen's title is owner of the North American brand).

Owen was not involved in MI prior to forming Indie Guitar's North American unit. He was a "music-loving businessman" however. "Paul is the same way," said Owen. "We both have played guitars since we were kids. We were very frustrated that we had to pay \$4,000 or \$5,000 for a really good guitar."

Indie Guitar Co.'s North American sales offices are located in Cornwall, Ont., Canada, which is a small city directly across the St. Lawrence River from upstate New York. The company's guitars feature a proprietary shape, which you can check out on the company's Web site. "We looked at every successful guitar company and saw they were not copycats. Everyone had their own shape," said Owen. "We do have traditional models as well, such as a singlecut."

Indie Guitars range in price from \$500 to \$1,500. Most models available in North America are electrics and basses. The company does have some acoustics, but that business is much bigger in Europe for the time being.

Philosophical Differences

The name Indie Guitar Co. says an awful lot. The company has no interest in being sold in any big-box or chain store and never will, said Owen. "The name says it all," he said. "We've had offers to be in the box and chain stores. We've turned every offer down. We will never market to box and chain stores."

If you're an independent dealer, that certainly has to have you paying attention. When you order Indie Guitars, you know the chain store down the road will not have it. And you know they never will. You have a different product than the competition. But why does Indie Guitar take that approach? What is the company's philosophy? "We're music lovers," said Owen. "We've always been frustrated by having to spend the



Mark Owen

money on a nice Gibson standard, etc. We knew there had to be a way to get a really good product in the hands of independent [end users].

"Some of the bigger brands have expensive [buy-ins]," continued Owen. "You have to take on \$40,000 or \$50,000 to bring that line into your store. That's very tough for small independent mom-and-pop dealers. Also we've seen some big companies who offer very little profit to their dealers. We don't exist in big boxes and we give dealers a healthy profit."

Why is the quality of Indie Guitars as good or better than competitors at a lower price point? "We own our factory in Korea," said Owen. "Keith brings his stuff in for Europe and I bring in our stuff for North America. We have very good quality control. Whereas most other small guitar companies contract out to other manufacturers, we don't. So we can control costs much better than many of the other small companies. And in those cases, the manufacturer would add their 'points.' We've taken a big step out of the process we don't have to contract our products out. We can create a high-quality product and supply it directly to the consumer. We can then give the margins to the dealer. The goal is to deliver a high-quality product with a price that is surprisingly good. We've taken that margin step out of the process."

Name Recognition

Let's sum up. According to Owen, Indie Guitar offers a low buy-in, excellent margins, and protection from chains selling the same product. But there's one thing left to consider. As a dealer, you have to be able to sell it to the end user. With that in mind, what is Indie Guitar doing to make sure its guitars are desirable for customers who walk into your store? "Part of it is inherently built into the name," said Owen. "Players understand the word Indie. A bit of the brand awareness is already built in immediately. We believe indie dealers are ground zero for building brand awareness in the market. Another

thing we're doing is becoming quite prolific on YouTube. We can use YouTube to train dealers and educate consumers as well. A third thing is we are placing institutional advertising to [back up the products]. [Fourth], we've brought on quite a few bands as endorsers. And we never pay any endorser. They endorse us only because they love the product."

Owen added that he believes that if you provide independent dealers with good profit margins, they will work to push the product to their customers and educate them much more quickly than if the guitar were sitting on the back shelf.

As for which independent dealers Indie Guitar Co. is seeking in the U.S., Owen responded this way: "We're looking for good, strong independent dealers that would like to sell a high-quality product with some exclusivity, while not competing with big-box stores. We really want indie dealers to make a buck. We really want to help independent dealers. It's really important to us."

For more information on the Indie Guitar Co., check out the company's Web site at www.indieguitars.com or www.indieguitars.ca.

