

Letter from the President

Firstly may I take this opportunity to thank all of you for your support of the Association. The past twelve months have seen an AMA restructure in a number of areas. This newsletter is part of that restructure where communication and member information is paramount. Also have you been able to read the enews bulletins that have been sent out? Please let us know if there are specific areas that you would like further details about. It is taking time, however the effort from the Secretariat and the Committee members has been more than commendable.

Hands up those who are enjoying great business at the moment? Well, I realise that there may not be many in this quite complex trading time. It is true that the effect of instant information via the Internet has changed merchandising forever. What we have to do is to look at the positive side of Music Merchandising and see where our strengths are and how to build on them. Many things that we worry about cannot be affected by our own action. The key is to look positively at what we can affect and concentrate on those whilst reducing the distractions of the others. Have you ever written a list of your concerns and then analysed which ones you can control and which ones you cannot? Many of the ones that you cannot control or affect can be tackled by an Association. That is why we have an Association. For example Fair Trading for Importers, Music Education in Schools, Legislation affecting business, Banking costs, cost reduction through group buying and so on.

It is time that we get together and identify the key strategies that are available to us as merchants and as an Association. Accordingly the proposed AMAC this year has been postponed to allow for three one day Summits in September. Why three? To ensure as many members can attend within a one day time frame. At present every day counts. I must admit even my own tight business found 2011 very difficult. However with training, focus

and supplier support we have found 2012 actually encouraging. There is still a big need for professional Music Traders. The community want the benefits of making Music and we have to make it practical for them.



Sometimes just one good idea can make a massive impact on your confidence and results in your business. The great news is that Mr Kevin Cranley the Chairman of NAMM (National Association of Music Merchants), the world's biggest International Music Association will be a Keynote speaker at each day, in Melbourne, Brisbane and Sydney. So save the date for your nearest Capital city event. A separate mailer will give you specific details.

This newsletter launches a new initiative for us and members to work closer with the Australian Retailers Association. It means a considerable saving for our Retail members to have also the resources of the ARA in Industrial relations and retail matters. Having been a member also of the ARA for many years I highly recommend the initiative to all of our retail members.

As winter takes its grip I hope the buyers are realising the value of staying home and playing Music with an Instrument from their Australian Merchants. Interestingly our National accounts figures show that Australia is still doing well. Yes the Internet traders are clipping at our credibility however still 95% of people are employed and it is our job to ensure that the small percentage that do spend money on music do it with us. Hoping that the financial year finishes well for you. Looking forward to seeing you for a great Strategy day in September.

- Bernie Capicchiano

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Coming Soon:

- Low Value Parcels - the interim report will be coming soon, watch the enews and website
- Australian Musician - next edition due 18 June

AMA Industry Summits: How Much Will You Lose?

Guest Speaker: Kevin Cranley, Chairman of NAMM

How much money are you throwing away trying to adapt for the future?

Are you falling further behind every day?

Do you really know what works and what doesn't?

Do you want to remain in the mire or learn from experts who really do know what's going on?



Kevin Cranley is president of Willis Music Company, a 112-year old retailer and publisher based in Florence, Ky. After graduating with a Marketing degree from Xavier University in Cincinnati, Cranley joined the company and later became President in 1990. Willis is known globally for their catalog of educational piano publications and regionally for their seven full line music stores.

Industry Summits - Save these dates:

- **Melbourne**
Tuesday 4 September
- **Brisbane**
Thursday 6 September
- **Sydney**
Monday 10 September

Member Profiles

Retailer: Nepean Music Centre

NMC is a family owned and operated business on the Mornington Peninsula. The store was established in 1997 and has continued to thrive, providing a store that caters for all musicians.



The store has seen many changes over the years, including a full blown recording studio and rehearsal space, which since made way for the NMC School.

The school is a valuable part of our business that provides a professional environment for students of all ages and levels to learn their instruments with some of the best teachers on the Peninsula. Our Annual School Concert is an event that is well looked forward to and gives our students a taste of performing to a large audience.

Our staff are all experienced musicians and know and use the products we sell. Importantly we are passionate about performing music.

Our store is always evolving, we are constantly improving the floor plan, creating interest for our regular customers as well as hosting events such as our Annual Maton Roadshow, Fender Clinics etc.

In the last 5 years we have employed an Education Sales Rep that services the area and further.

www.nepeanmusic.com.au

Wholesaler: Musical Merchandisers

Established in 1960, Musical Merchandisers (Music Merch) is one of Australia's most respected and longest running distributors of Musical Instruments and Accessories. From humble beginnings as a family-run business in 1930, Music Merch now boasts distribution of over 3,000 products lines encompassing over 20 leading brands, with a network of retailers extending to all corners of the country.



If there is one thing Graeme (our MD) is fanatical about; It's making absolutely certain we're offering better quality products at better prices than our competitors. We source instruments from some of the world's leading manufacturers who are tried and proven, reliable, and above all – fit to meet the high expectations of Australian consumers. Our range caters for beginner's right through to music professionals on both small and larger budgets.

Understanding that the student market is the grass roots of our industry, Musical Merchandisers pays particular attention in providing students and school music programs with 'a better buy'. We are active contributors in music education with involvement in multiple music initiative programs throughout Australia.



Australian distributors for Lee Oskar harmonicas, Jupiter brass and woodwind, Majestic concert percussion, Walden guitars, Fernandes guitars, Fusion gig-bags, Tornado stands, Amtrax percussion and many more.

www.musicmerch.com.au

We Support Support Act...

An Overview

Supporting members of the Australian music community with dignity, respect and compassion in times of adversity.

Mission Statement

Support Act is a registered charity and non-profit organisation raising funds to provide relief arising from hardship and/or illness amongst workers in the Australian music industry.

Background

Support Act Limited was formed in 1997 when it became all too evident that there was no longer any final safety net whatsoever available for professional musicians both classical and contemporary, as well as those working around them in the Australian music business. Its founding directors include the peak bodies Australian Record Industry Association (ARIA), Phonograph Performance Company of Australia (PPCA), Australian Performing Right Association (APRA) and the Australasian Mechanical Copyright Owners Society (AMCOS).

Structure

Support Act is a national registered charity with Head Office in Sydney, and active interstate chapters run by volunteers. It has a voluntary Board of Directors, and over the years has dealt with literally hundreds of cries for help. As an

organisation it is professional, confidential and understanding.

What does Support Act do?

On a national basis, Support Act provides financial assistance and crisis help to individuals and families who often have nowhere else to turn.

What help can SA provide?

Support Act assists clients on a case-by-case basis with a one off grant. Funds are not disbursed direct to the client. They are used to address the most urgent need(s), which may include utilities; expenses for children; emergency travel; medical fees and treatment costs; disability equipment; aged and respite care.

Support Act aims to provide timely and effective relief from hardship when a client has no other means of support from family or networks. It can provide immediate advice through the services of a dedicated social worker offering assistance with application, counselling and where needed, advocating with Government and other community agencies on the clients' behalf. Funding & Revenue

Support Act is reliant on donations and fundraising through its members and supporters. It encourages everyone to join: lifetime membership costs just \$33 and can be done quickly online, as can a donation. All donations are tax deductible for supporters.

Date Line

July

11th-14th - **Music China** in Shanghai

12th-14th - **NAMM Summer Show**

17th - **Executive Committee Meeting**

September

AMA Industry Summits - Save these dates:

4th - **Melbourne**

6th - **Brisbane**

10th - **Sydney** (including the **AGM**)

November

1st - **Music Count Us In**



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

Oh What a Tangled Web

E-Commerce 101: A Planned Approach

Almost every business that you speak with lately has been reviewing their business model in order to better incorporate the benefits of the internet and e-commerce.

We all now have so many new competitors to contend with. Our offshore rivals have been developing their web marketing tools for much longer than we have and have greater economies of scale. They have superior expertise and more options from which to choose in order to develop their e-commerce models.

Many businesses find that developing an internet marketing strategy is a source of boundless opportunities for wasting money. What on earth do we do first? One step forward, two steps back. How do we avoid investing in redundant technologies?

I believe that the best advice that we have received is to use an holistic approach.

Here is a little of what we have garnered, based that advice.

Build a Great Website:

Spend the money to build a great website that truly reflects your business but before doing so consult [SEO](#) experts so that you don't build something that will require costly changes when you attempt to lift your market profile. Getting your site architecture right is perhaps the most critical factor to consider when you begin to build. Understanding your customers, their needs and developing a search engine strategy that anticipates these is a fundamental factor that needs analysis before you begin.

Content is King:

Some of your offshore competitors have more than 65,000 products available for immediate sale. How can you best leverage what is available from your business partners?

Use an API

Control the cost of maintenance of your website. Use supplier [API's](#) where available or ask them to develop an API with you in order to avoid costly and unnecessary duplication. Using supplier API's will allow you to keep your internet pricing model relevant. It goes without saying that a strategic pricing policy is fundamental in determining the relevance of your business to savvy consumers.

Reduce Shipping Costs:

Reduce the cost of getting goods to the consumer. Employ drop shipping whenever feasible. We are faced with enough competitive disadvantages compared to our international competitors, without adding costly duplication of freight. Drop shipping also allows better control of dealer inventory and increases stock turns.

Use a Business Partner

Employ a business partner that will keep your business at the top of search engine lists or at least on the first page.

Promote, Promote, Promote:

Promote your website every chance that you get. It is your best access to consumers. It's your house make sure that your customers know where it is and what you have to offer.

I realise that the points that I raise could be taken for granted but how many of us find the time to really think about our internet marketing. The task of creating or maintaining a viable e-commerce website is one that planned properly can be relatively pain-free, dare I say, even provide profitable outcomes.

Good luck!

Greg McNamara

General Manager, Dynamic Music

AMA Market Report 2011: Out Soon!

It will be no surprise that the import statistics for the 2011 year show a contraction in both industry volume and value.

Import volumes decreased by nearly 13% (to 1.876 million items) while value slipped by just 3% (to \$225.3 million) compared to the results recorded in 2010. The 2011 results in fact most closely resemble those of 2004 when 1.877 million items, valued \$223 million were imported.

The bright note was that average unit values increased for just the second time in a decade rising from \$107 to \$120 per unit. With the exception of the keyboard and brass categories all other categories recorded declining volumes.

More details on 2011 will follow in the Annual Market report due out this month.



Australian Musician



The Winter issue of Australian Musician hits the streets the week of June 18. The cover story is a fascinating chat between two of our most talented female artists, Missy Higgins and Lanie Lane. Retailers expect your copies during that week. Let Greg Phillips know if you haven't received your bundle on greg@streetpress.com.au

The new publisher, Street Press Australia has put a lot of time, money and effort into the new, improved Australian Musician, and now we need industry support to make it a winner for everyone. Email Greg for ad rates.

Also look out for the iPad version of Australian Musician. You can download the free app from iTunes of any of the Street Press titles (Inpress, Drum Media, Time Off) and you'll find Australian Musician within those apps.

Don't forget the monthly Australian Musician features which appear monthly in Inpress, Drum Media and Time Off. Next features are: July-Frets, which focusses on all things involving fretted instruments. Then there's August-Recording feature, before we're back to the quarterly in Spring (September)

The magazine website is currently under construction as it is to be merged into SPA's massive traffic site www.themusic.com.au. Once that is up and running, Australian Musician will be an even greater promotional force.

There may not be an AMAC this year, but the AMA still has a powerful marketing tool in Australian Musician.

Enquiries to Greg Phillips:

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Member Benefits - Making the most of your Membership

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

Partnering with



Commonwealth Bank Alliance Partnership: The CBA offers a free health check, followed by great deals

on leases, corporate credit cards, and more. Request a free health check today! The Commonwealth Bank also offers special rates on Merchant services to members. Contact the office for more information.



Aon business insurances. Business insurance for retailers. Peter Sun, head of the music insurance area, has partnered with Vero to create a unique package specially for music products retailers. For more information, contact Peter on 02 8623 4221.



Travel services: for some of the best hotel rates to be had in Australia, look no further than **ShowGroup**. As an AMA member benefit you can set up a credit card account with **ShowGroup** so you can access flights and hotels.

AVIS Car Hire: free upgrades and walk-in access to pre-booked cars at most Australian airports are just two of the benefits of being an AVIS Preferred member. AMA members are automatically qualified to become AVIS Preferred members at no charge.



Australian Musician: Retailer members receive up to 50 free copies of Australia's only magazine for contemporary musicians, to give away to customers. Wholesaler members get a whopping 30% discount on the card rate for advertising, plus there are great package deals on other SPA publications including the new monthly Australian Musician supplement within SPA's other titles.



Weekend Warriors: the come-back-to-the-band program for baby boomers. 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.



Australian Retailers Association: Offer to be launched 1 July 2012 providing a substantial discount to AMA members giving access to all the benefits that the ARA provides.



Certegy Ezi-Pay Express: Launching on 1 September 2012 will be member discount rates for Certegy Ezi-Pay Express, which provides a NO INTEREST EVER! payment plan. This allows you to give your customers another option – the option of a take home lay by.



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. Sold at a low price, with the first 50 for free!

AMAC: Australia's *only* trade convention for the music products industry. Members receive discounts on exhibitor and delegate fees.



Currency exchange services at preferential rates and free wire fee's. For more information please contact **AFEX** at 03 9225 5194 and ask for Hayden Rule.

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

2011/12 Executive Committee

President:

Bernie Capicchiano, *Musico / Bernies Music Land*

Vice President:

Richard Snape, *AMPD*

Treasurer:

Tony Burn, *The Resource Corporation*

Committee:

Mark Amory, *Yamaha Music Australia*; Brendan Callinan, *Roland Corporation*; Dominic DiSisto, *Holden Hill Music*; Peter Trojkovic, *CMI Music & Audio*; Rob Walker, *Allans + Billy Hyde*; Greg McNamara, *Dynamic Music*