

CH 2

WHAT ARE YOU SELLING?

"Most of you out there are better than us, but you're too fucking lazy!"
– Johnny Lydon (Rotten)

This chapter will give you a clearer sense of what constitutes a marketing program, help clarify and assess your current marketing efforts, and then focus the lens on what your own unique niche can be in the music marketplace.

Getting a Read on Your Current Marketing Program

Most readers have already been doing some marketing before they picked up this book. It helps every now and then to pause and put your current marketing and promotion program through an objective review. So let's perform an inventory on your current marketing practices. The following questions are designed to help you review and assess your current work and clarify your essential core mission as a provider of music products and services today.

Answer the questions as honestly as you can. Those you can answer will both help illuminate efforts that you want to continue *and* underscore those efforts that have *not* been very effective. Those you can't answer right now, put aside until a later time when you can. Some will overlap and some may not apply to your project at all. Don't worry if you don't understand some of the terms. You will shortly. You can consult the General Marketing Glossary after chapter 17 for additional help.

OK, here we go:

1. What initially got me started in my business or career (what motivation, occurrence, etc.)?
2. When I first started, where did my clients or promotions progress come from (what process, method, or action did I use)?
3. Why did clients originally buy from me?
4. Why do clients buy from me now?
5. What primary method of generating clients was used to build my business/career?
6. Which of my marketing or sales efforts brought in the bulk of my sales or clients? What percentage of my business comes from this particular effort?
7. Do I test the various aspects of my marketing and selling activities to make sure they're producing the best and most profitable results?
8. How well connected or how involved am I with my clients at the sales/networking or transaction level (do I still sometimes take orders or sell or follow up)?
9. What ongoing sales/networking efforts do I personally perform today? How do these functions differ from those I performed when I started my business/career?
10. Where do my clients come from specifically (demographics)?
11. Would I rather attract more new clients or garner more money from my existing clients, and why?
12. Who else benefits from my success, excluding my clients, my employees, and my family members?
13. How many of my suppliers/business colleagues would be motivated to help me grow my business more because it will directly benefit them at a very high level? Who are they?
14. When I create a new client for my business or profession, who else have I directly created a new client for?
15. Describe completely what my business/career does (*what* I sell, *how* I sell it, and *whom* I sell to by industry, commercial category, or specific niche).
16. What is my business philosophy as it relates to my clients?
17. How have my method of doing business, or the product or service line(s) I market, changed since the inception of my business?
18. What are my sales per employee or personal/departmental performance levels? Is that above, below, or equal to my industry average?

19. What is the lifetime value of my typical client (or my contribution to explore) (i.e., how much revenue will he or she generate for me over the entire period he or she does business with my company)?
20. What is the biggest client complaint about my company, and how does my company successfully address this problem?
21. What is my unique selling proposition or USP? (Why do my clients buy from me—what is it about my product and/or service that distinguishes me from my competition? Do I have more than one USP for different product/service lines or segments of my business?)
22. Is my USP a consistent theme in all of my marketing and sales efforts? If yes, how, and if no, why not?
23. Briefly describe my marketing program or marketing mix (all the different types of marketing I use and how they interrelate—i.e., sales letters, direct mail, direct sales, personal networking inside, outside my company, industry, marketplace, Yellow Pages, spot advertisements, etc.).
24. Who are my biggest competitors and what do they offer that I do not?
25. What steps do I take to offset their advantage? Are they working?
26. What is my competition's biggest failing, and how do I specifically fill that void?
27. What do my clients *really* want (be specific, don't just answer "a quality product or service")? How do I know?
28. Do clients buy from me exclusively or do they also patronize my competitors? What steps can I take to get the main portion of their business (preempt and dominate)?
29. What's my market potential (universe) and my current share of that market?
30. What does it cost me to get a new client? (If I ran an advertisement that cost \$1,000 and I obtained two new clients, my cost would be \$500.) Translate this to whatever your acquisition cost is.
31. What is my biggest and best source of new business, and am I doing everything possible to secure this business?
32. What has been my biggest marketing success to date (defined as a specific promotion, advertising campaign, sales letter, etc.)?
33. What is my biggest marketing problem or challenge today? Describe in its entirety as candidly and directly as possible, including personal, financial, and transactional implications it may impose.
34. How many better ways could I reduce the risk of transaction, lower the barrier of entry, or reduce the hurdle for my client to make it easier for that person to do business with me?

35. After the initial sales, are there systematic, formal methods I use to communicate and resell to my clients—strengthening the relationship and bonding them to me?
36. Do I have an adequate supply of client testimonials, and is there a system in place for their capture? Are they written, on audiotape, or on videotape, and how are they used in my marketing? Also, can I measure, compare, or quantify the tangible impact I make on my clients?
37. Do I actively solicit referral business?
38. Have I ever tried to reactivate my former clients and unconverted prospects? Do I maintain systematic contact?
39. Have I ever tried selling a list of my unconverted prospects to my competitors, or turning enemies into allies?
40. Do I make consistent efforts to communicate with my clients about what my company is doing to help them?
41. In what ways do I try to up-sell my clients?
42. Do I need to make money on first-time buyers, or am I satisfied with only making it on the back end (recorders), short- or long-term strategy.
43. Do I ever barter my products, services, or assets with other companies in exchange for their products, services, or assets?
44. What kind of guarantee or warranty do I give my clients, to take away the risk of the transaction, and how does it compare with my competitors' or what the industry at large offers?
45. What is my client attrition rate?
46. How do I capture the names, addresses, and phone numbers of all my clients and prospects? Do I use them in my marketing programs?
47. What is my average order, transaction size, a mount, and what are the steps I can take to increase it?
48. How much is the initial sale to a new client worth?
49. Do I use a list broker or data experts? If not, where do I get my prime prospect names?
50. Do I joint-venture my client names with other companies? If so, what are the results?

Is your head spinning? Don't get scared. I listed these questions at the front end so that you can get that "bird's eye view" of where we are going in this book.

Again, the questions you can currently answer should give you some helpful insight to what has been most and least effective in your marketing up to now. I hope it provides some clarity as you more clearly define your market niche and your marketing program.

You don't need to be a marketing guru in all of these matters. No one is. But you will inevitably have to wear several marketing hats, at least until your budget allows you to hire out some of the heavy lifting to experts.

At the very least, though, you WILL be involved in the following:

- **setting marketing goals**
- **discerning your target market**
- **researching & conversing with your target market**
- **building contact databases**
- **deciding on an image**
- **analyzing your competition**
- **developing your product or service**
- **choosing your branding language**
- **figuring out your media mix**
- **monitoring your budget,**
- and...**
- **managing every detail of the whole process.**

Preparing to Become an Effective Marketer

Last year I decided to survey a few do-it-yourself marketers I know in order to get a sense of what skills and traits they feel are required to be effective in their work.

I divided them into "skills" and "personality traits." *Skills* are abilities you acquire through practice; while *traits* are the more innate qualities that identify you as *you*.

Here are the results of the survey:

□ Essential Marketing Skills:

- *Creative thinking* = original, critical, and analytical thinking.
- *Search & Retrieval skills* = ability to locate and process information quickly.
- *Competence in relationships* = emotional stability, sociability, good personal relations, consideration, cheerfulness, cooperation, and tactfulness.
- *Communications skills* = verbal comprehension, and oral and written communication abilities.
- *Technical knowledge* = basic comprehension of the digital tools and process of producing goods or services, and the ability to locate and use information purposefully.

❑ **Personality Traits helpful to market effectively:**

- *Drive* = vigor, initiative, persistence and physical health.
- *Decisiveness* = ability to “think on one’s feet” and come to a decision even under pressure.
- *Sociability* = enjoining presence, charisma.
- *Self-discipline* = effective and efficient management of one’s time and energy.
- *Adaptability* = willingness to change and morph as required by circumstances.
- *Thick-skinned* = able to take criticism and rejection, and hang tough.

Notice I wrote “needed” when listing skills and “helpful” when listing traits. Skills can be acquired through practice; traits often cannot.

It’s important that you have the skills listed but you may not feel you have the personality necessary to “market” and “sell” things. That’s OK. There are plenty of music markets out there that don’t require you to do heavy selling, make presentations, or engage in “up-close-and-personal” marketing.

You should also consider this story about guitarist, Stevan Pasero. Pasero didn’t feel like he was the kind of artist who could perform incessantly, push his recordings to radio and retail, and essentially do all the things he’d heard he would need to do to make a living as a musician.

Fortunately, an old college friend of his came to the rescue. This friend (who had majored in business marketing in college) offered an idea. He introduced Pasero to premiums and incentives (see chapter 11), a market segment he hadn’t heard of before. He and his friend formed a record label, calling it Sugo Music (*Sugo* is an Italian word that refers to a family’s sauce recipe). They decided to target large businesses with his recording of classical guitar pieces, called *Heartsongs*.

Calling their plan an “executive gift program”, they began contacting large companies. Corporate executives were invited to purchase discounted CDs to give as gifts and incentives to employees and customers. One of Pasero’s first clients was a rather new company at the time, Apple Computer, which was seeking a special musical gift for their executives and partners. Their initial order? Nine-thousand please! Since inking similar deals with other companies, the feisty Sugo label was eventually picked up by Allegro for national retail distribution in 1993, and continues to have a strong, “under-the-radar” presence in today’s music marketplace.

So don’t worry if you’re not “salesman material.” Neither was Stevan. The music marketplace is enormous. In fact, it is bigger and more varied today than at any other time in history, and there is a segment out there that’s right for you and your music. Like Stevan, you may also want to find an appropriate marketing partner who can complement your own unique skills.

Defining *Your* Market Niche

"I often notice, when I'm talking with people involved in the arts, that their concept of what they want to do is to aim for the biggest, most obvious target, and hit it smack in the bull's eye. That's success, whatever the particular field is. Of course with everybody else aiming there as well, that makes it very hard to hit.... As Jon Hassell always says, I prefer to shoot the arrow, then paint the target around it. You make the niches in which you finally reside."

—Brian Eno

As mentioned earlier, I define marketing as, essentially, *communication*. But it's a particular kind of communication. **Marketing is communicating with your market so well that it wants to know more about you.** Let's repeat that:

Marketing is communicating with your market so well that it wants to know more about you.

Every word you choose, the font that expresses it, the tone of your phone message, the colors on your liner notes, and the way you shake hands at a networking event are *communicating*, marketing, always, incessantly.

Types Of Markets: Where Does Your Project Fit?

A "market" is simply any group of actual or potential buyers of a product or service. There are three major types of markets. Which one will you be primarily targeting?:

1. *The Consumer Market.* Individuals and households who buy goods for their own use or benefit are part of the consumer market. An example would be selling a CD to a buyer at a performance.

2. *The Industrial /Business Market.* Represents individuals, groups or organizations that purchase your specific product or service for direct use in producing other products or for use in their day-to-day operations. This could be licensing a track to an advertising agency for the production of a TV commercial.

3. *The Reseller Market.* Represents middlemen or intermediaries, such as wholesalers and retailers who buy finished goods and resell them for the purpose of making a profit. An example would be selling a music video DVD to a distributor who then manufactures them and eventually ships them to music retail chains.

Some music companies engage all three markets; others focus on just one. You will need to determine which of the three are appropriate for what you are selling and how you'd like to sell it. Part of figuring this out is coming to understand what your own particular market niche is.

The Challenge of Finding Your Market Niche

In study after study of successful individuals, one trait found to be common among them is this: they were all highly focused. At some point along the way, they had each realized that they had to make a commitment to *one* business idea. And, in fact, many of them had to make difficult choices and let go of some possibilities that seemed appealing.

People don't focus for a number of reasons: Perhaps they fear that by focusing on one thing they risk not having enough business; or, maybe they don't want to miss an opportunity; or perhaps they just plain have multiple interests.

Whatever the reason, you need to become attuned to the fact that the times call for focus. Mass customization and a segmenting marketplace allow for the development of products and services of a "niche" nature. Since few of us have the time, money or energy to mount national marketing campaigns, it is in your best interest to discover and concentrate on a niche that you can develop towards successful enterprise.

What is a "niche"? *Niche* is an architectural term referring to a special place that's designed to display or show off an object of some kind, like an ornament, that's placed in a recess of a wall or an arched area of a room. And that's just what a niche can be for you. Finding your niche will set you off from others who offer something similar and draw the best possible attention to you and what you can offer.

Examples of niche marketing abound in the world of music:

- Chris Silvers, a Dallas trumpeter, used to take out every Latin music recording from the Dallas Public Library and play along with them, until he mastered the horn lines. As a result, he became a first-call musician and horn arranger for all latin bands passing through the Dallas-Fort Worth area and beyond.
- Austin native Joycie Mennihan was always drawn to music's power to heal. She took this interest and turned it into "Sound Health", a company providing workshops, seminars and books about music therapy and its health benefits.
- Lee Jason Kibler (aka DJ Logic) turned an interest in sampling and a love of multiple music styles, into a unique production sound so that his chops are some of the most in-demand from top recording artists.
- Boston's Rosie Cohen, took a love of singer songwriters, a passion for adult literacy, and tireless devotion, and turned it into Big Girl Records' first release, "Can You Read This Boston?," a compilation album of singer-songwriters, with a portion of the proceeds going to the Boston Adult Literacy Fund.
- Nashville's Eric Stone took a love of music and boating and in 1999 turned it into boatsongs.com, music CDs and performances with a nautical theme. So far he's played in four continents and sold over 250,000 CDs, and his audience continues to grow.

Exercise - The niche you decide to focus on will be a reflection of your interests, values, personality and skills, as well as the times your living in. Your goal should be to define what you do by depth, not by breadth.

To help you decide on the one niche you want to become known for in music, or to just bring clearer focus to the music niche you already identify with, weigh your options by asking yourself:

- Which things do I do best in music?
- Which activities do I enjoy most in music?
- What do I do that people need and appreciate most?
- In what areas do I have the greatest expertise and experience?
- What am I already best known for?
- What do I have the best contacts to do?
- What will people most readily pay me for?
- What involves the least risk?
- What fits best with my lifestyle and personal goals?
- What comes most naturally to me?
- What am I most eager to promote?

If you notice the same activity showing up as an answer over and over again, you're getting close to understanding what your niche is.

INDIE LABEL NICHES/MISSION STATEMENTS

AcousticDisc "dedicated to the preservation and integrity of acoustic music, musicians, and instruments."

Alula Records "a contemporary world music and Americana label featuring Celtic, Flamenco, Cuban, and other global sounds!"

Appleseed Recordings "sowing the seeds of social justice through music."

Arhoolie Records "The best in authentic Blues, Cajun, Tejano, Zydeco, Country, Jazz, Regional, & World Music"

Bloodshot Records "Think of our releases as finely crafted manifestos, each uniquely capable of moving our cause forward."

Borealis Recording Company "a Canadian record company dedicated to seeking out and presenting the very best in contemporary and traditional folk music."

Culburnie Records "quality music steeped in the Celtic tradition"

Dead Reckoning "Artist-owned label of Americana & country roots music"

Flying Fish "Traditional folk, country, bluegrass, blues, and ethnic music."

Folk-Legacy Records "Traditional and contemporary folk music since 1961: Gordon Bok, Bill Staines, The Boarding Party, Archie Fisher, many more."

Foot Stompin' Celtic Music "For the bright young stars of Scottish Traditional Music"

Gourd Music "Part folk, part classical, all acoustic music."

(con't.)

HighTone Records "one of this country's leading independent labels specializing in American roots music, from country to rockabilly, western swing, blues, and gospel."

Indiegrrrl Records "Began as a forum for information, networking, and conversation about independent music from a female perspective."

Jazart Records "an independent record label located in San Francisco for the discerning jazz listener and artists everywhere."

Maggies Music "From The Deep Well of Our Ancient Folk Traditions"

Putumayo World Music "Guaranteed to make you feel good!"

Razor & Tie "your source for cool new music, classic reissues and the best hit collections!"

Red House Records "where roots meet the here & now"

Rounder Records "The Mother-ship label of roots music and its contemporary offshoots."

Rykodisc Records US "a family of affiliated labels sharing a commitment to present the finest in contemporary and traditional music across a highly diverse landscape of style and genre."

Smithsonian Folkways "helps support the continuity and integrity of traditional artists and cultures."

Sugar Hill Records "contemporary music with traditional roots."

Tangible Music "Your folk, roots and Americana music alternative."

Tayberry Music "Celtic music recordings from Scotland, Ireland, Wales, Nova Scotia,

Triloka Records "World Music That Speaks To The Spirit"

Vanguard Records "the Independent Leader of Distinctive Recordings"

Windham Hill "devoted to offering innovative music, selected for its artistic quality"

Strategies for Finding Your Niche

"Fashion can be bought. Style one must possess."

– Edna Chase, American fashion journalist

Finding a niche means clearly identifying a group of people who need a particular product or service you're distinctly able to provide. Your niche needs to be small enough that you don't have much competition and can still reach most of your potential customers within the limits of your time and budget, yet large enough to include ample customers you can support yourself by serving.

Here is a sampling of strategies for scoping out a niche that is right for you:

1) Select a growth area. When a market is growing, there is more room for everybody. Therefore, your chances of winning are highest when you pick a market that is on the upswing. This can apply to musical styles as well as to entire industries. For example, the technology explosion in media and entertainment is creating and will continue to create new jobs for musicians and all other digital content providers.

2) Don't automatically follow the crowd, and don't necessarily pick the obvious. It's always a good idea to select a market with as few competitors as possible. Do you want to be one of 400 bands trying out for the same gig? Me neither. Always look for opportunities that everyone else is overlooking.

3) Attempt to put a lock on a specific market niche. This is one of the most important competitive strategies. A market niche is a specialization within a market. For example, a studio musician in the L.A area who primarily plays piano on country sessions has created a personal niche as did the previously-mentioned Chris Silvers of Dallas. Select a market niche that is large enough to pay you well, one that you believe you can dominate. Then take charge of it. Meet all the important people, develop an excellent reputation, and maintain the highest standards.

4) Be memorable. This is a stylistic version of items 2 and 3. If you want to go far in the music industry, you need to give others a reason to remember you. Whether you have a unique appearance, sound, stage presence, packaging or whatever, you must stand out from the crowd.

5) Excel at what you do. While technical skill and polish don't guarantee you success, there is *never* a penalty for being too good at what you do. And there are plenty of situations where the better player or the more confident performer wins.

Your ideal niche will lie at the crossroads where your interests and assets intersect with opportunities you have to meet real-life needs around you.

We will re-visit this statement a little later.

Once you commit to focusing all your available time, money and effort on one endeavor, you'll be in a position to become known for that activity; and as your reputation grows, word of mouth will start bringing business to you.

If you're already doing or considering a multiplicity of things, you need to decide what you want your focus to be, what one thing you want to become known for. Making such a choice may not be easy. You may feel torn between pursuing what you enjoy doing and what people seem to be most willing to pay you to do. You may have to let go of some of your pet projects in order to pursue only one of them.

Choosing a focus will open certain doors for you while closing others. But just as you'll never get to see the world if you can't decide which destination to head for first, so it is with committing to one focus for your business marketing. The doors that will open to you once you fully commit to one endeavor will present new opportunities you may have never imagined.

Here are three additional ways to help define your focus:

1. Just pick one. In some cases the best decision is simply to pick one of the things you've been considering or pursuing and let the others fall by the wayside. That's essentially what I did when I started Music Business Solutions.

In order to commit to this focus I had to give up a lucrative performing schedule and booking agency gig. For me, time and family became extremely important when my first child was born. I could have kept on gigging four times a week but it would have meant little time with my growing family. Too, I could have kept the booking agency but it would have meant having less time to develop my consulting and writing pursuits.

Tip - Your customers, friends, relatives and colleagues are constantly providing you with clues to where you truly shine. Following these clues can help you to focus on how you can use your unique assets. Listen to their compliments, what they spontaneously praise you for, what they say when they brag about you. Don't slough these comments off. Note them and recognize that these things are the very things you want to become known for, the very things that will draw business to you.

2. Create an Umbrella Concept. Sometimes it's not possible to earn a full-time living doing a particular business. There may not be enough demand for what you want to offer, or you may live in an area where there aren't enough people to support such a business full-time. In this case, you can avoid the problems of being unfocused by providing a variety of closely related services under a unifying umbrella concept.

Singer/songwriter Ellen Bernfield and her composer/conductor friend Anne Bryant began singing lullabies to soothe and calm their new English springer spaniel puppies. Then their creative juices started flowing, and they decided to produce an entire album of music for dogs and the people who love them. Working out of Anne's home where Ellen has a recording studio, they produced a CD and fully illustrated book called *Songs for Dogs*. In order to expand their business, however, they've needed to add other CDs to their line, so now they are creating CDs under the umbrella concept music for pet owners. Their next album is *Songs for Cats and the People Who Love Them*.

As you can see, the secret to creating a successful umbrella concept is providing a cluster of products or services that are clearly related in the minds of those who need the service.

3. Develop a Hybrid. Some people don't want to choose among the various things they're doing, so instead of doing multiple things, they combine the activities they love most into one hybrid business.

Marcy Hamm, for example, has three great loves: mathematics, music, and computers. But instead of trying to offer three different services like tutoring, composing, and computer programming, Hamm left her prestigious job as a software engineer to produce computer-generated music that reduces stress and speeds healing.

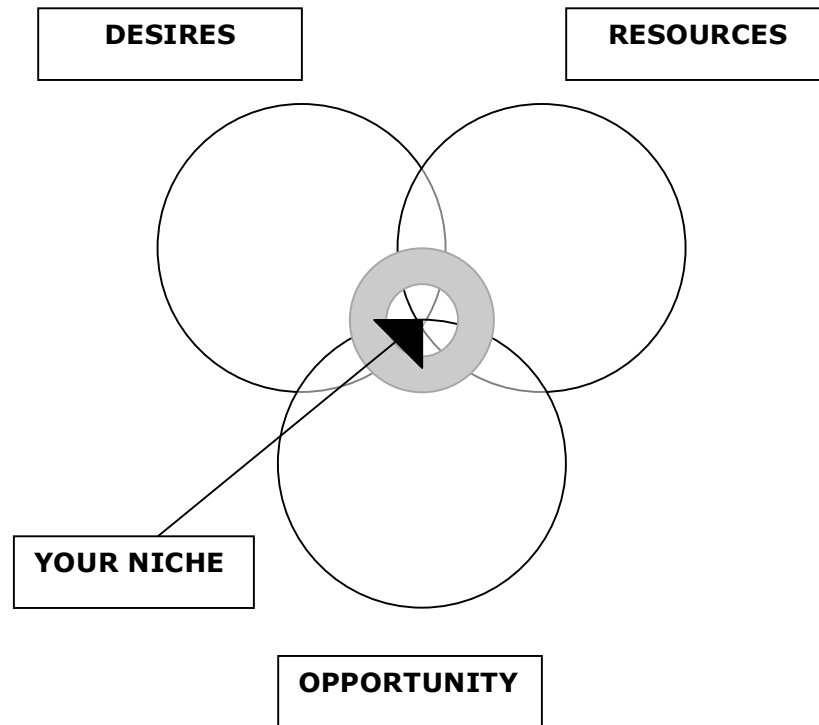
Matrixing: The Crossroads Where Niches Lie

There is a tool that is used in many businesses called "matrixing". It's a process developed by marketing analysts that provides a formula for finding your niche. It can be graphically illustrated as follows:

(NOTE: I suggest you make copies of this matrix and try different combinations until you find your own unique niche)

MATRIXING

Your ideal niche will lie at the crossroads where your INTERESTS and RESOURCES intersect with OPPORTUNITIES you have to meet REAL-LIFE NEEDS around you.



- *Compelling Desires:* the things in life you feel most passionate about, interested in, or concerned for.
- *Personal Resources:* your background, education, experiences, contacts, and other assets.
- *Opportunities:* problems, needs, and desires people are willing to pay you to address.

For me, it was a compelling combination of a love of music, a desire to help people realize their potential, and a love for research and writing that led me to my present work. My background included twenty years of music performing and recording experience, Sunday school teaching, a Masters degree in cultural history, management of a community center, and a co-authored book. The opportunity presented itself one night as I pondered all the information I had gathered over the years to help promote the bands I played with and the music I wrote. I knew there were many other musicians, like me, who needed practical guidance about how to create success for themselves in the unforgiving world of modern business. Thus, in 1991, Music Business Solutions was born.

The key is to find overlaps between your interests and passions, your background and experience, and the opportunities you see. Take one interest at a time and try different

possibilities. You can do this by filling in the following statements:

"I could combine my interest in

with my experience, background, and/or contacts in

to meet the needs _____ (type of people, companies, industries) _____ have for

Exercise: Interview

Locate someone in music (preferably someone you know) who seems to have discovered a unique market niche and interview them. Try to discover how their niche expresses (or doesn't express) this dynamic formula of Compelling Desires + Resources + Opportunity. Here are some sample questions you may want to consider when formulating your interview Qs:

- What kind of business are you in and when did you start in it?
- What products and/or services do you sell?
- What opportunity did you see that motivated you to start this business?
- What kind of preparation did you receive for this kind of work?
- How would you describe the niche market(s) you cater to?
- What kinds of trends do you see unfolding in your business niche?
- If you could start over, what, if anything, would you do differently?

Tip: If you don't know anyone personally, then try contacting someone via the Internet. Go to Yahoo >> choose a musical topic that encompasses your niche and start surfing.

Conclusion

To identify a niche, you must find good answers to the following:

- What can you offer they (your nearest competition) do not?
- Why will people come to you rather than going to them?
- What will you be able to say about yourself and your product or service that sets you apart from them?

Obviously there needs to be a market for what you settle on. But assuming there is one, can you see how much easier it is to answer the questions above about the need for a narrower focus?

In a narrow niche, it is much easier to set yourself apart from your competitors. Much easier to let your web site, for example, speak for itself and demonstrate your expertise.

And it answers the question of why people should come to you, for you are now a specialist, soon to become an expert.

You will get more qualified customers coming to your business if you consciously develop a specific niche market. This doesn't mean you can't "do it all." ***The point is to lead with what you do best.*** Once you attract customers to your business because of your specialty, you can introduce them to the other products or services you offer.

In the matrixing exercise, it's relatively easy to list your compelling desires and your resources. The tough part is discerning the opportunities. The following chapter explores how the marketplace is changing and will hopefully suggest some special opportunities for your own unique music products and services.

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