

# Breakout 1 Notes

## What challenges is your business currently facing?

- Challenge is inflation right now. Prices are higher everywhere! Also teachers slow to come back to in person lessons.
- No issues with teachers teaching in person - they have to come in & they did. Left one day Mondays fully virtual & left Tues-Sat in person. Is working well. Quiet on Mondays to deal with admin tasks when lessons are online. Some teachers moved but could stay on teaching virtually. Flex options well received.
- Challenges they are facing currently include inflation - dollar not worth what it used to be. Customers not spending as much - complex issue.
- Finding valuations are shifting. Margins are funny now.
- Surplus of used is pulling down price of what people are willing to pay for new products. Drums are booming right now.
- Re: lessons - most teachers back in person some still fully remote. They didn't require it. Tough to hire new teachers. Virtual lessons have opened up hiring process to teachers outside their area. Will definitely maintain hybrid model.
- Recruitment & retention is going ok. Remote locations bit harder to hire. Increased starting wages. Comp plan that ties salaries to performance has worked well as good sales performers are making good \$\$\$. Big factor in employee retention.
- They are currently in a cycle of lots of product they ordered a year ago now coming in and manufacturers are calling, wanting them to place their next order.
- Having the opposite issue. Struggling to get inventory. They're still waiting on product they ordered last year. Already placing orders for what they need next year- placing orders 6 months to a year in advance (supply chain issues still a problem).
- Need to order in advance as well. Relying on their sales data to predict what they need. If manufacturers are pushing to re-order, ask them why? What data do they have to support that?

# Breakout 1 Notes (cont.)

## What challenges is your business currently facing?

- Have seen a drastic decrease in across the counter sales.
- New to the industry and the only thing he knows is the waiting game, waiting for inventory to come in. Doing a lot of drop shipping but not getting a lot of product delivered. Balancing business has been a challenge, between sales and lesson revenue.
- Supply chain issues also plaguing them. Agrees to look at your data to make decisions. Comparing to 2019 sales. When talking with vendors, it's all about constant communication and developing stronger relationships with them.
- Being able to devote enough resources and time to ramp up online system.
- The need to diversify during COVID since people aren't buying band and orchestra instruments but want to buy guitars.

# Breakout 2 Notes

## Selling through social media

- Using FB, Instagram, Snapchat & Youtube. They don't sell on there but drive people to their store so its used for engagement. Reverb is their sales platform outside of brick & mortar. Youtube used for product knowledge.
- Redesigned Reverb page which has helped.
- They use SM as an audience development tool. Private FB group - auctions of B stock inventory, promote special deals, once/week coupon deal. Curate 2 separate groups.
- Use SM platforms (Reverb & Shopify & most others) to draw interest & traffic to store & platform. Online is new for them. Slow traffic day they'll be more aggressive on things - offer higher discount for example. 22% of their total sales are online sales. Have to use all platforms to be effective & build customer base. Ship internationally now. Demo gear, student stories, stick to your plan. Friends buy from friends so make as many friends as you can on SM. You're building trust.
- They did a recent survey of their retail members of SM challenges & largest response was having good & productive content that represent your brand, also having dedicated SM staff. Following up with chats is also important to maintain customer engagement. Cutting thru clutter has been a challenge. Having personality is important - not just showing the gear but having the lead sales guy with his dog showing the gear is key to cut thru clutter. Measuring results is difficult. Can look to other industries like sporting goods & consumer products that apply to MI industry.
- Hard to measure SM impact but personality important on SM. Try to reconnect success stories & personal moments with customers - increase your authenticity. Have to tell your story well on SM.

# Breakout 2 Notes (cont.)

## Selling through social media

- Does not sell on social media. They use social media for education. Does not use stock photos but photos of actual customers.
- Did a small amount during the pandemic, but don't do anything now. They sell on Reverb.
- DHave done quite a bit of social media selling in the past but don't anymore. Feel the networks are terrible at it. Put a lot of emphasis on ecommerce but social media selling is a terrible experience. They are all consumer forward and don't have any interest in the success of the sellers. They feel retailers will always regenerate because consumers are always there. They give customers refunds without permission nor knowledge of retailers and then take it out of retailers accounts. Continue to invest resources into original content that drives consumers directly to their platform so they can communicate with them directly. This also allows for consumers to know they are actually a customer of their retail store rather than just buying through a third-party platform and not knowing where the product is coming from.
- Also do not sell directly through social media. During COVID, they spent a large amount of resources building their ecommerce site. They focus on building relationships, which can't be done through social selling. Love emotional and personal connections. They post videos on social and that indirectly brings sales into their store.