

The Independent Record Store— Sunrise Records

Many Goliaths have been brought down in the blood sport that is the current retail music industry. There are a few indomitable Davids left standing. How do independent chains of old school record stores survive the blows that have destroyed major players like Sam The Record Man and Tower Records? In Canada, the last independent record store chain still selling new music is Ontario's Sunrise Records.

"Sunrise survived because of the hands on approach of myself and loyal supportive associates with a passion for music and music retailing," states Malcolm Perlman, co-owner of Sunrise Records in Ontario, Canada. "I have always micro-managed every aspect of the business and continue to do so to this day. I strongly believe that there is still life for CDs for quite a while to come. Independent retailers have to leave the digital world to major players such as iTunes. iTunes however, can never replace the personal experience encountered in a record store."

The landscape of music retail has changed enormously in the last 10 years. Digital downloads (legal and illegal) are, of course, a huge factor, but not the whole story. "The major labels put all their support in chains such as Best Buy, Future Shop, Target, Walmart, Circuit City etc.," notes Perlman. "These retailers were only interested in using CDs as loss leaders. As a result, consumers have had difficulty in finding catalogue product. So they gave up going to stores when looking for CDs. Interestingly enough, independents are very successful in the U.S. Why? Because they listen to their customers who, at the end of

the day, are why we are in business."

The advent of digital options has also shifted the paradigm of how some people choose to consume music. A portion of the population prefers to select specific songs, and the ability to purchase individual digital tracks has diverted casual music fans away from physical product. In some ways, it's a return to the 50's when the industry was ruled by the 45 rpm single. Another challenge is the relative dearth of major releases. "There has been an overall decline in the number of major artists and bona fide hit albums," opines Timmy Ray Baker, head music buyer at Sunrise. "Twenty years ago most big artists would put out a new album every year or at least every two years; now it's more like one every 4 or 5 years."

There's one blast from the past that is a herald of good news: the much-lauded resurgence of vinyl. A lot of factors are at work here, sound quality, preference for tangible media and sheer collectibility being the most important. Audiophiles are returning to the LP to satisfy their lust for a warmer, more organic sound. It is a backlash against the comparatively cool digital CD and the ever-more impersonal



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digital track. In a bizarre turnabout, music fans who once bought CDs to replace their vinyl, are now buying vinyl to replace their CDs. And that's one of the places where indie retailers like Sunrise fit in.

"The customers who are still shopping for physical media are the real music fans," observes Stephanie Azzopardi, Sunrise's director of store operations. "They've waited for the album; they want the *whole* CD, want to look at the art and pictures on the inserts, and would like to read the lyrics and acknowledgements." They want the entire vision and experience that the artists have crafted, seemingly with these hardcore fans in mind.

Along with concert venues, independent record stores are the last places left to experience the thrill of music. They are also the hang-out of choice of the devoted. The employees serving customers at indie retail are a breed apart. "The majority of the people at Sunrise Records are long-term employees, some with 17, 20 and 25 years at Sunrise" says Azzopardi. (If you work retail, you know how unusual that is.) "Let's be honest, no one will ever become rich working in a record store. The difference with us is that our staff *love* their jobs. How great is it to wake up in the morning knowing you work in a record store?"

Sunrise isn't alone in championing indie music retail. Recently, the chain joined the Music Monitor Network, a coalition

of indie retailers in the US, fighting (and winning) the battle to stay relevant and strong. As Sunrise was the first non-US retailer invited to join, the MMN made Tim Baker the chairman of Record Store Day in Canada. Baker is not that much different from the customers he buys for. "I've been in music wholesale/retail for 35 years with 5 years of that spent playing and touring in a band. I used to spend all my money on albums and I took a job at Sherman's Mister Sound at Yonge & Bloor when I found out they offered staff discounts on imports."

Baker says, "We joined the Music Monitor Network 4 years ago. At that time, they were essentially a buying group, but are now the major voice when it comes to independent music retail. The MMN created Record Store Day and it has become a world-wide phenomenon. I hope to involve more labels and retailers in next year's event."

"Tim pushed hard for us to become involved with MMN," adds Perlman. "This has been a great move for us. Michael Kurtz, the leader of MMN, is a great inspiration and has done wonders in uplifting the image of indies around the world. He conceived the idea of Record Store Day and we happily joined in."

Record Store Day, an annual love-in for independent music retail has been enthusiastically supported by musicians and fans alike. Celebrated every April, it's a day music fans pack into record stores (only indies can participate) and snap up exclusive product put out just for Record Store Day. Scads of vinyl, exclusive discs, re-released rarities: bands and labels come forward with a host of offerings and there are more every year. The outpouring of specialized releases says a lot about how musicians feel about record stores. There is an ocean of cool quotes on RecordStoreDay.com.

"Independent record stores are a vital source of the ever-changing cool," says guitar virtuoso Joe Satriani. "They respond to the street faster than the chains can. Musical trends are confirmed at the local independent record store, by you and me. Hanging out, listening to something you've never heard before, being enlightened by the staff, getting into something new, finding that old recording you've been searching for, having your local band's newest offering stocked right next to major label stuff, it all happens at the local indie shop."

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By all accounts, product knowledge and a love of music seem to be the essential differences that set an indie record store apart. "I know what our core customer wants and it's my job to make sure our stores have what he or she needs," states Baker. "At the same time, we have to ensure we are a welcoming environment for people with different tastes and needs. I never buy using personal taste but I do try to influence the tastes of others on occasion. We have store managers like Debbie at Sunrise in Lynden Park (Brantford) and Steven at 784 Yonge Street who have been with us for over two decades and have ridiculous product knowledge. They keep me on my toes and bring something special to the business."

Expanding the inventory has been one key to the success of Sunrise Records. "I have always been prepared to make product mix changes whenever the need arose despite, on occasion, resistance from the stores," Perlman explains. "Music always has been our primary focus and always

will be." But in order to stay in business, it's adapt or die.

Baker concurs. "The addition of our pop culture merch, which we started bringing in almost a decade ago, was a large step in keeping us relevant in the new millennium. A large percentage of our trend items are music or movie related. The rest fits the lifestyle of our customer. Our stores are not boring." But do customers approve of the merch in a music store? "I think most of our music-only customers 'get it,'" observes Baker. "They understand why we chose this path and approve. But make no mistake, music is our number one priority."

Music has been the priority for 34 years. Sunrise started in 1977, originally launched by The Handleman Co., with a newly built, modern store at 237 Yonge Street, across from the Eaton Centre in the heart of the famed record store strip in downtown Toronto. Brothers Malcolm and Roy Perlman purchased the store in 1978. "It was the best looking store downtown," says Malcolm, who, before purchasing Sunrise, was VP Finance of Capitol Records for eight years (now EMI Music Canada) and was closely involved in the expansion of the Mister Sound retail record stores owned by Capitol Records in Canada at that time. All told, Perlman has been involved in the music business for almost 42 years.

Sunrise has two stores on Yonge Street and has survived while other chains, most notably Sam The Record Man, A&A Records and Music World have disappeared. Sunrise Records has stores on other downtown strips (in Kingston and in London), and in malls across Southern Ontario. They remain independently owned and operated. Even the mall stores have a "street store" feel, with many staff members themselves musicians, playing in bands. "Every store has or had band members," says Azzopardi. "Staff members frequent concerts, performances and shows, often every week. Their passion for music is their life."

How will Sunrise Records and independents like them persevere in the digital age? "It has been a very rough haul," admits Perlman. "We are continually evolving by searching out products which fit into our overall sales mix. It is critical to maintain a store which is interesting and relevant to the consumers, with music always as the core."