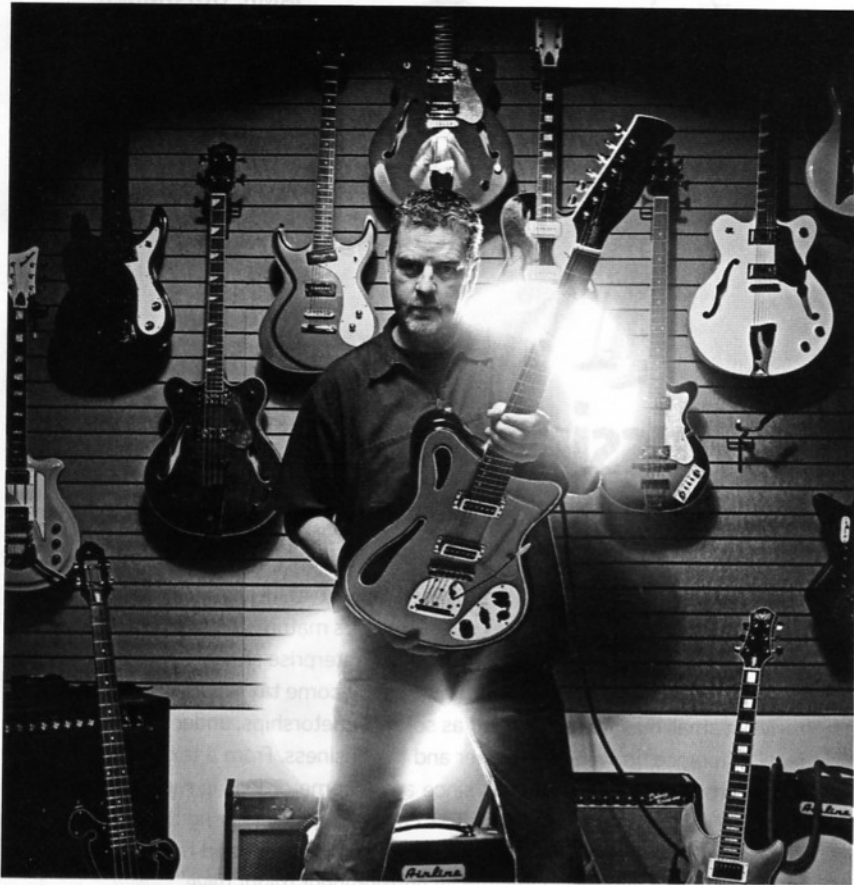


SMALL BUSINESS.



Six Strings, Seven Figures

Mike Robinson's secret? Cool guitars and a hot e-mail list BY COOPER LANGFORD

JUDGING BY THE size of his office, Mike Robinson underestimated the potential of Eastwood Guitars when he founded the company in 2002. The room — two connected rooms, actually — sits in the loft of a small, restored barn behind his home in Brampton, Ont. Originally, Robinson thought he could use the front area for his office. The other space would be a storage area for the high-quality reissues of 1960s-era oddball guitars he planned to sell over the Internet to fellow enthusiasts.

These days, Robinson still keeps a personal office in the barn. But with Eastwood's annual sales exceeding \$1.5 million — and its quirky instruments winning raves from such top-flight per-

formers as R.E.M. and John Fogerty — his firm's operations have been forced to move to a 6,000-square-foot showroom and warehouse a few kilometres down the highway. The engine driving Eastwood's growth? The humble e-mail.

In the six years since founding his company, Robinson, a former Silicon Valley software entrepreneur, has built up a tightly niched, permission-based database of more than 20,000 addresses belonging to kitsch-guitar aficionados worldwide. Still growing, it has become the cornerstone of Eastwood's marketing strategy of using newsletters, promotions and product announcements to drive recipients back to the company's e-commerce website. Robinson gives it

E-MAIL SALES: ROBINSON'S WAY

1] PROVIDE USEFUL CONTENT

Your e-mails will avoid consignment to the junk folder if you give recipients information they can actually use. Eastwood Guitars uses a monthly newsletter format for most of its mail-outs, featuring tips for guitar players, stories from fellow musicians and photos of interesting guitars alongside the marketing messages. "You have to communicate with your customers and give them something of value," Robinson says.

2] RESPECT PRIVACY

Build a permission-based list and give customers the option to unsubscribe from your list in every message you send. Also, don't make your mailings too frequent. Robinson says you'll lose goodwill if you become a nuisance.

3] GO BEYOND MARKETING

E-mail can be useful for market research as well as marketing. Earlier this year, for example, Robinson was trying to determine how to price a new guitar model. To answer his question, he held a contest — publicized via his e-mail list — inviting people to guess the price of the new guitar. He got thousands of responses and saw that there was a large cluster of guesses around \$1,000. Robinson found his price, and one lucky contestant got a free guitar.

4] THINK GLOBALLY

E-mail and other online tools give entrepreneurs massive opportunities to branch out beyond local and regional markets. Being able to reach larger geographies allows you to develop and dominate tighter niches and to create barriers to entry for potential competitors. This is very important, Robinson says. "You want to find a category you can own. You want to become the god in your arena."

