

## Commodity, Schmodity

The need for differentiation

By Ivan Schwartz

**M**ore and more, I hear professional audio product categories referred to as “commodities:”

“Wire is a commodity.”

“Connectors are commodities.”

“Small mixers are commodities.”

“(Insert component here) is a commodity!”

The point seems to be that there’s little distinction between certain types of products. Or, perhaps more accurately, that these products are being purchased based more upon price because performance is perceived to be similar, if not the same. Is this really true? I tend to think not.

A favorite analogy of my “anti-commodity” philosophy is the ubiquitous Sharpie, or “fine-point permanent marker” as it’s called in non-brand-specific terminology. Several companies make fine-point permanent markers. Do these other markers write as well as a Sharpie? Do they hang from a lanyard as well as a Sharpie? Do they slip out of a sweaty hand less often than a Sharpie? And do they sign T-shirts as well as a Sharpie?

I don’t have answers since I’ve never used anything but Sharpie (and, for the record, haven’t ever signed a T-shirt). But if anything should be a commodity, one would think it would be a fine-point permanent marker. Whether due to brand recognition or a true difference in performance (or a combination thereof), the Sharpie is the predominant choice when it comes to fine-point permanent markers.

And what of gaff tape? Surely since its something unceremoniously thrown away after one use, gaff tape must be a commodity! Well, isn’t it? Somehow I think the folks at Permacel would beg to differ.



ILLUSTRATION BY DEB FERGUSON

So how is it that a fine-point permanent marker or gaff tape isn’t a commodity, yet some in our industry have come to think just the opposite of small mixers? You’ve probably heard something like this: “Our customers don’t buy mixers based on quality anymore. They’re just looking for the cheapest one. They’ve become a commodity.”

I repeat – is this really true?

In a sense, these comments reflect a change in the state of mind of customers. More than ever before, there are numerous inexpensive mixers available, and all are designed to perform similar tasks. And typically, many customers can’t properly evaluate performance or build quality, so in this sense, the issue does come down to a matter of price, albeit within a range of features. When the lower end of the market becomes crowded, a certain ignorance kicks in, and price is the primary method used by the consumer to differentiate products.

In reality, small mixers are not all created equal. Therefore, they’re not commodity products. But customers can and will PERCEIVE them as such without special knowledge and understanding. Let’s go a step further. Couldn’t the actual service of provid-

ing a sound system be perceived as a commodity? How many of your customers have the ability to evaluate a sound company? How many times do you get phone calls asking the price of providing a system, only to be told that there’s already someone offering to do it for half that price?

As with small mixers, this thinking largely occurs at the lower end of the market, where the “bottom feeders” reside. And yes, they’re more than happy to do a gig for half of a realistic price. But, you argue, they don’t provide the same level of service, their crew is inexperienced, their gear is really not commensurate for the gig. While you know, and I know, does the customer know?

Let’s shift responsibility for this thinking where it really belongs. Simply, it’s up to us – all of us working on the front lines of pro audio, and not the customer – to make sure we’re not perceived as commodities. It’s called differentiation: providing a higher level of service, presenting an organized, professional image, making sure we don’t take the easier/cheaper path on any gig.

Think about your own purchase decisions and how this might apply to your work, and a customer’s decision to hire you and/or your company. The one that best differentiates itself from its competition, that stands above the rest, typically wins.

If the ubiquitous Sharpie can stand out in its market, then audio professionals and companies most certainly can in theirs.

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