



EDITORIAL

WHO KNOWS ANYTHING?

The accompanying chart displays the 10-year growth pattern of a cross-section of music products. Changing technology explains the position of the two best- and two worst-performing categories. Stand-alone sequencers have been replaced to a large degree by software programs, hard-disk recorders, and keyboard workstations, while the growth of the electronic pianos category (defined as weighted keyboard instruments without built-in amplification) has been spurred by a slew of more affordable models. For the rest, the explanations aren't quite so simple. Chalk it up to a complex mix of changing manufacturing technology, social trends, demographics, and musical tastes—not to mention extraneous forces.

This year marks the 10th anniversary of our Annual Music Industry Census. A more detailed version, which begins on page 78 of this issue, tracks the dollar and unit volume performance of some 70 distinct product categories. Hopefully, the accompanying analysis helps make sense of that “complex mix” of forces driving sales.

Hindsight is unfailingly accurate, which makes the task of assessing past performance comparatively simple.

TEN YEAR SALES CHANGE

CATEGORY	\$ % CHANGE 00 vs 91
Electronic Pianos	+449%
Drum Kits	+269%
Individual Drums, Hardware	+178%
Acoustic Guitars	+164%
Software	+160%
Electric Guitars	+154%
Cymbals	+130%
Fretted Instrument Strings	+129%
Sticks & Mallets	+116%
Cables	+113%
Educational Percussion	+84%
Cabled Microphones	+80%
Brass Instruments	+72%
Stringed Instruments	+66%
Single Unit Amplifiers	+59%
Grand Pianos	+56%
Woodwind Instruments	+54%
Karaoke Software	+48%
Print Music	+48%
Digital Pianos	+44%
Institutional Organs	+34%
Sampler & Sampling Keyboards	+19%
Vertical Pianos	+6%
Drum Machines	-3%
Home Organs	-6%
Keyboard Synthesizers	-9%
Karaoke Machines	-20%
Portable Keyboards (Under \$199)	-42%
Sound Modules	-53%
Sequencers	-56%

Note: Music Trades has not tracked data for this ten-year period (1991-2000) for the following categories: Electronic Player Pianos, Power Amplifiers, Powered Mixers, Non-Powered Mixers, Loudspeakers, Hand Percussion, Drum Heads, Rack-Mounted Processors, Multi-Effect Floor Units, Stomp Boxes, Digital Tape Multi-Track, Hard-Disk Multi-Track, Mini-Disk Multi-Track, Cassette Tape Multi-Track, DJ Mixers, CD Players, Turntables, Special Effects Lighting Units, Electronic Drums, Portable Keyboards (Over \$199), Sound Cards.

It's the business of guessing future outcomes that's so problematic. Reviewing our Industry Census from a decade ago, no one fully appreciated the magnitude of industry growth that lay ahead. In 1991, the economy was in a mild recession, lingering effects of the Savings & Loan crisis had pushed up interest rates, and manufacturers and retailers alike had adopted a “wait and see” stance.

It's worth keeping this in mind, especially in the aftermath of a stock market swoon that has brought prognosticators out of the woodwork. Will the NASDAQ meltdown have far-reaching economic consequences, or it is an isolated event? Everyone seems to have an opinion, but we suspect that no one really knows. What we do know is that companies with focus and energy tend to move forward regardless of economic downdrafts. The moral? Don't get distracted by endless predictions, focus on doing the best job imaginable, and the market will take care of itself. If the past is any guide, it's a pretty safe bet.

Brian T. Majeski
Editor

BOB FLETCHER'S EXAMPLE

Bob Fletcher capped off an exemplary career last month when he sold his retail business, Fletcher Music Centers, to John Riley (see page 62). Over the past 26 years Fletcher built his chain of home organ stores into one of the industry's best-run retail operations. Unlike most other business founders, he also managed to create a strong management team, ensuring a seamless transition as he stepped aside.

Fletcher ranks among the industry's more talented entrepreneurs. What sets him apart has been his thirty-year quest to improve retail business practices through-

out the industry. Blessed with an inquisitive mind and an extraordinary generosity of spirit, he made a continuous study of the world's finest retailers, used what was applicable in his business, and then went out of his way to share his discoveries. He never looked for anything tangible in return, other than the satisfaction of helping another retailer do a better job. On that count, he was immensely successful: a legion of dealers have benefited from his insights.

Hopefully, his example will inspire others in the years to come.