



## EDITORIAL

# “BE PREPARED,” GO TO THE NAMM SHOW

**W**e recap some of the major stories of the year in our annual Review & Forecast, which begins on page 106 of this issue. But a few of headlines are worth recapping here.

- Wal-Mart, Costco, and Sam’s Club, three of world’s largest and most powerful retailers, made a foray into the school music market, stocking a limited selection of brass and woodwind instruments.
- An estimated two million square feet of factory space was added in China for the production of pianos, guitars, and various electronic products.
- Retail sales over the grew by an estimated 44 percent over the past 12 month. Simultaneously, momentum seems to be building for legislation that would force direct merchants to collect sales tax.
- Hip-hop music dominated the 2003 *Billboard* charts and garnered the lion’s share of Grammy nominations.
- At least 86 new Chinese companies, offering everything from electronics to acoustic guitars, will be exhibiting at the upcoming NAMM show for the first time.
- Signs of an economic rebound began to emerge as productivity, factory output, and, consumer confidence indexes trended upwards.

We don’t pretend to have a tight grasp on the implications of these different stories for the music industry. The only thing we are certain about is that after a fairly tranquil decade of steady growth, the music products industry is on the cusp of some significant change in terms of product sources, distribution methods, pricing strategies, and maybe even musical genres. Change inevitably creates opportu-

nity for the well prepared, which brings us to the point of this brief recap.

If you want to be even remotely prepared to cope with the shifting industry landscape, you have no choice but to attend the January 15-18 NAMM show in Anaheim. From assessing new suppliers to exchanging ideas and opinions with peers from around the world, the show provides the single best opportunity for gauging which trends are real and the stuff that’s just spin. The cost of attending is nominal, the show comes at a relatively slow time of the year, and the simple question everyone has to ask is: “Can you afford not to be there?”

Do some simple math. Roughly \$600 for an airplane ticket, plus \$250 a day for room and lodging over three days, makes the cost of attending the show about \$1,350 per person. Bank that money in a T-Bill fund where the yield is about 2.75 percent and your annualized return will total a whopping \$37.12. If in the process of strolling the aisles at the NAMM show you can’t find new suppliers or opportunities that will net more than \$37.12 in the course of the year, maybe you should consider a career change.

The Boy Scouts got it right with the warning “Be Prepared.” Do yourself and your business a favor, take their advice, and head for the NAMM show. We have no idea how 2004 will turn out, but whatever the year brings, you’ll be in a better position to prosper if you’ve taken the pulse of the industry in Anaheim.

**Brian T. Majeski**

**Editor**

email: [brian@musictrades.com](mailto:brian@musictrades.com)