

Here's One Promo Idea That's Guaranteed To Work!

Over the past four decades, large and largely unanticipated economic issues have periodically taken a toll on the sales of music products. In the '70s, rampant inflation and rising oil prices caused a serious slowdown. In the '80s it was sky-high interest rates and the resulting collapse of the Savings & Loan industry. More recently, the dot.com meltdown and the bursting of the "housing bubble" have reverberated through the industry. Yet, while pianos, guitars, audio gear, and hi-tech products have borne the brunt of these negative macro trends, the sales of school music products have been relatively unaffected. As we detail on p. 76 of this issue, since 1970 sales of school music products have been impervious to the multitude of social and economic upheavals that have transformed society. The only thing that seems to have an impact is the number of kids enrolled in school.

It's worth analyzing this remarkable resilience, especially at a time when other segments of the industry are facing some headwinds for the first time in nearly a decade. Retailers who serve the school market generally explain the "recession-resistant" quality of their business by pointing out that a horn purchase, unlike most other things, cannot be deferred. If your child wants to participate in a music program, you have no choice but to acquire an instrument at the start of the school year. It's not something you can put off for a month, much less a year or two.

But why do school music programs enjoy such strong grassroots support in the first place? (We estimate that some 4.5 to 5 million kids are currently involved in some type of participatory school music program.) School music dealers and their suppliers do little or no consumer advertising to entice participation. There is no traditional band music on the radio to provide inspiration, and concert and marching bands are rarely seen on television. It's open for debate as to whether there is even a single John Philip Sousa march residing on any of the hundred million iPods currently in use. We suspect that school music thrives, in the absence of any outside support, because of its inherent educational value. Parents just know that if a child signs up for a school program, he or she has a decent chance of getting some training in how to make music. Are they buying a horn or a violin? Not exactly. They're buying a musical experience for their child. Other segments of the industry should take note of the incredible appeal this educational experience holds.

The piano and m.i. segments of the industry have spent



decades refining promotions to lure customers into their stores. In the piano business, the most widely used promotion is currently the promise of big savings at a "University Sale." On the m.i. side of the business, Guitar Center is now blanketing the radio waves with "Get the gear, don't pay for a full year" spots. There is nothing wrong with these efforts. Sales and price promotions

are an essential part of retailing, and more importantly, they generate business. However, as present industry sales trends indicate, they don't provide much cover when customers are feeling pinched by a decrease in their home equity and rising gas and energy bills.

The whole school music system—from band and orchestra teachers on the school payroll to the practice of renting student instruments—was the result of inspired leadership and fortuitous circumstances. In a nutshell, during the '20s, management at C.G. Conn quietly bankrolled Dr. Joseph Maddy's band and orchestra camp in Interlochen, Michigan. The successful camp received so much national acclaim that it spurred schools across the nation to embrace music. Some 80 years later, school music remains well entrenched.

It's hard to imagine a similar situation occurring today, where school systems would rush to institute a guitar or keyboard program. Given current regulatory and bureaucratic hurdles, introducing anything new to a school system is a daunting task. However, that doesn't preclude retailers from taking up the educational initiative on their own. Demonstrate to parents that you'll give their child a meaningful musical experience, and they will spend. School music programs across the country prove it. There's no reason to think that the same dynamic doesn't apply to other musical products. And in a challenging market, what's the alternative? Offering 100% off retail or two years to pay?

Brian T. Majeski
Editor

Email: brian@musictrades.com