

The Biggest Market You've Never Heard Of

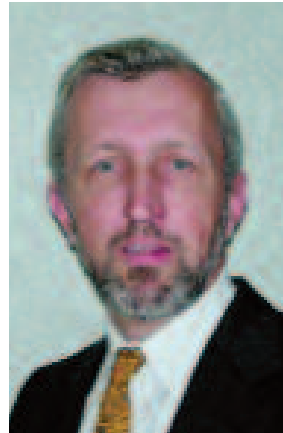
Billions of terabytes of data, readily accessible on the internet, give the impression that all knowledge and insight are just a few mouse clicks away, and that there are no longer any untapped opportunities. But if we now know everything, how do you explain the music industry's apparent indifference to a market of close to 2 million well-heeled consumers with a documented interest in making music? We're referring to the home school market, which could very well be the biggest market you've never heard of.

According to data from the National Center for Educational Statistics, about 3.5% of the five-to-17-year-old population is currently being home schooled. That translates into about 1.9 million kids. Unlike enrollment in private and public schools, grades K-12, which is slated to increase at 1% a year for the next five years, the home school population is growing at a torrid 15 to 20% annual rate.

Contrary to popular stereotypes, homeschooling is not the exclusive province of weird cults or religious fundamentalists. NCES data suggests that home schooling parents are better educated than the general population (47% have four-year college degrees compared with 33% total). They also have above-average incomes, the stability that is associated with two-parent households, and are most often motivated by a combination of dissatisfaction with academic instruction and a concern about the environment of local schools. Home schooled kids also tend to be high academic achievers: NCES reports that their median scores on standardized tests are typically in the 75th percentile. But what should really grab the attention of the music industry is that 90% of home schooling parents consider music education a vital component of their curriculum. This is a group that doesn't need to be sold on the many benefits of music: they're already convinced.

Ninety percent of 1.9 million home schooled students translates into 1.7 million potential customers. To put that number into perspective, consider that the number of kids in public and private schools who participate in some form of music education totals around 5.5 million. In other words, the home school market could be 30% the size of what has traditionally been labeled the "school music market."

Obviously there are parents and children already mak-



ing musical purchases who don't announce the fact that they are home schooling, which helps explain why the industry is so oblivious to the trend. However, if ever there was an opportunity calling out for more exploration and marketing efforts, this has to be it.

A major complaint of music industry retailers is the dearth of first-time buyers. As one recently put it, "We keep trying to sell more to the same core group, and it gets harder every day. We aren't seeing fresh blood in our stores." The numbers seem to bear out this lament: over the past 12 months, imports of entry-level guitars and vertical pianos have dropped by double digits, while the sale of higher priced products has remained relatively strong. Could creative retailers and manufacturers reverse this trend through a concerted effort to better serve the needs of home school families that have a demonstrated belief in the value of music? We don't profess to have the definitive answer to the question, but the numbers suggest it's worth a try.

While the internet isn't the source of all wisdom and knowledge, it is full of information on home schooling. A good place to start in getting a better understanding of this phenomenon is www.home-school.com, an easily navigable site that details many of the thoughts and concerns of home schooling families. Another valuable site, www.homeschoolingmag.com, links to a dozen magazines that serve the market. If enough smart people in the industry spend some time analyzing this market, it seems a pretty sure bet that someone will devise a plan for better serving the market.

Brian T. Majeski

Editor

Email: brian@musictrades.com

Special thanks to Steven Auditore, a marketing consultant with Vaticinte for calling our attention to the potential of the home school market. He can be reached at steve@auditore.com.