

What Was Hot At The NAMM Show

“What’s hot?” is a commonly heard question in the aisles of the NAMM show, posed by retailers and suppliers in search of the next exciting new product. It gets harder to answer all the time, though, not because product development has slowed, but rather because with each passing year, there are fewer blockbuster introductions that are capable of single-handedly moving the sales needle. Instead, the 2,000 NAMM exhibitors present hundreds of slick new items that address increasingly narrow market segments. Individually, none of these niche items, whether it’s a new effects pedal, an iPhone recording interface, or a violin made of graphite, will have a material impact on industry revenues. Collectively, however, they hold out great promise. The industry remains product-driven, and a multitude of new items, regardless of how specialized, offer growth potential. Furthermore, they reflect a pretty vibrant industry.

To appreciate this shifting dynamic, put yourself in the shoes of a prospective buyer. Imagine that you’re the music director at a small church looking for a sound system, or an aspiring high school player interested in a step-up saxophone, or maybe a band in need of gear to demo, or perhaps a parent looking for a keyboard instrument for their child, or even a guitar collector wanting to add another instrument. In each of these scenarios, you face an unprecedented number of options, and virtually all of them are good. These choices represent more than just a proliferation of brands and price points. In each category there are offerings that reflect distinct notions of how best to optimize the end-user experience. Some involve self-contained hardware, while others use a tablet or smartphone as a control surface. Some tout the consistency of automated production methods as a selling point, while others promote the romance of handcraftsmanship.

Advancing technologies that are redefining production and business management suggest that this product proliferation will continue for the foreseeable future. Software-driven manufacturing and engineering equipment make it easier than ever to design and build new products. Significantly reduced set-up times on the factory floor also make it economically viable to build 50 units of a single model instead of 500. These efficiencies are augmented by front office tools that reduce the amount of labor required to track and manage an expanded SKU count. Furthermore, it no longer takes

enormous scale to access these productivity enhancers. Accessible design programs, inexpensive accounting software, and online communication platforms enable boutique manufacturers to compete effectively, even on a global basis. Ironically, most of these tools were sold as a way to enhance the bottom line. In reality, most of the promised cost savings have been dissipated with the introduction of new and more feature-laden products.

Short-run production capabilities and low-overhead operations, combined with a buying public attuned to “having it their way,” have yielded thousands of distinct effects pedals, a slew of boutique amps, endless microphone variants, and software apps for everything. From mundane items like guitar cables to high-tech mixing consoles, this fragmentation has touched every corner of the industry and it shows no signs of slowing down.

President of France Charles de Gaulle once complained that “It is impossible to govern a country with 246 different types of cheese.” Retailers and manufacturers in the music products industry could be excused for feeling a similar level of frustration as they confront such a vast and growing array of products. They often raise the question, “Do we really need all this stuff from 2,000 NAMM exhibitors to address a consumer market that’s worth between \$7.0 billion and \$8.0 billion?” Retailers ask it as they contemplate purchasing and inventory management decisions. When the number of guitar variants borders on the infinite, figuring out what to stock and in what quantity is no simple task. Manufacturers, for their part, wonder, “How many different models do I need to offer to address the market?” and, “Do I need to respond in kind every time a competitor offers a new model?” Competition from a growing army of boutique makers only adds urgency to these queries.

Ultimately, though, these questions will be answered by consumers, not the industry. The flood of new products will continue until buyers say “enough”—and not before. In the meantime, if you look beyond the management and inventory hassles, there are opportunities to be found. “New” remains the most potent word for sparking buyer interest, and currently there is an abundance of novelty. More market niches also mean more opportunities for intrepid retailers. The explosion of products also indicates that the industry isn’t lacking a critically important asset, namely human ingenuity. So if you really want to know what’s hot, it’s the brainpower at work looking for ways to better serve the buying public.



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