Prescription For Profit . . . The Winter Market

In good times and bad, the trade show is a highly cost-effective sales and marketing vehicle for the music industry, serving as a stage for the introduction of new products, a forum for bringing together buyers and sellers, and a list of other functions too numerous to mention. With our economy currently in a state of flux the Winter Market is a must for all retailers, if for no other reason, as a barometer of industry performance.

In years past, the Market has been the site of numerous significant product introductions, ranging from the portable keyboard to the computer-controlled synthesizer. Dealers who have attended the market have had the opportunity to capitalize on these new products. The profits reaped from being the first dealer in your trading area with a hot new product will more than cover the costs of attending the Market.

Furthermore, with almost all music and sound firms represented, the show provides dealers with the rare chance to analyze and compare first hand all products currently on the market. Given the increasing number of products available, the opportunity to make first-hand buying decisions is well worth the investment in airfare and hotel bills.

An added benefit of the Winter Market is the series of educational seminars sponsored by CAMEO, NAMM, NPMA, and a number of manufacturers. Covering topics from sound system design to selling effectively, the Winter Market Seminars provide a host of ideas useful in operating a retail music operation.

With over 300 exhibitors, the scope of the Show demands a careful type of planning. Starting with 28 hours, before deducting time for pit-stops, meetings, and meals, no one will have time to cover the show without some type of advance schedule. So, turn to the exhibitors list in this issue and start checking off your priorities in product displays. Tear out the pages and keep them with you during the show. A well planned checklist will help you capitalize on the many profit opportunities available at the show.

Brian T. Majeski, Editor

A Measure Of Change . . . Life & Death In The Music Industries

Change is a word that has perpetually inspired a wide variety of inquiry on its nature and causes. The search ranges from the awe-inspiring achievements of science to the humble chronicles of common human experience. However small in the world's economy, for most of us, changes in the music industries, whether constructive or destructive, hold the greatest interest. Two lifetimes in the field of music may be likened to a trip across the continent by local train. The longer one rides, the more the landscape changes. Meanwhile, at every station some passengers board while others leave the train.

Since 1890, *The Music Trades Magazine*™ has chronicled and reflected change in our industries. The resulting volume of over 150,000 pages represents an unbroken record of publication that has no equal for both duration and breadth. Even a brief look at the births and deaths of enterprises, products, and geographical areas, when viewed from 93 years of our bound volumes, surpasses all informed estimates of change. Beyond change, however, this record is an overwhelming testimonial to the social durability of music making.

Shortly after the turn of the century, when my father, the late John F. Majeski Sr., joined our magazine, our directory, *The Purchaser's Guide to the Music Industries*™, numbered 287 pages and served 262 individual advertisers. By 1946, when I returned from military service, 241 of these firms had died and only 21 had survived. This years, as I leave the post of editor, *"The Purchaser's Guide"* lists 426 advertisers and contains 452 pages.

Of this roster, only 62 advertisers were represented in the 1946 first postwar edition. The overall figures, however, blur the deep changes wrought by constant evolution in the public's musical tastes. 62 advertisers in our latest Electronic Section didn't even exist in theory then, for Leo Fender's musical revolution did not come until 1948. Ten current piano advertisers were also represented in 1946, but 19 (mostly off-shore) only started more recently. In Musical Merchandise, out of 267 advertisers, only 41 were present in 1946. Back then, three giant finance companies didn't even know of our existence (and Redisco, the pioneer in musical instrument financing, was liquidated ten years ago). The increasingly international character of the music business is reflected in our Canadian and International sections, whose 83 combined advertisers date only from the seventies.

A mere 30 years ago, manufacturing and wholesaling were heavily concentrated in the New York City and Chicago metropolitan areas. Now the music industries are dispersed nationwide, with California and the deep South supplying a major portion of all types of instru-

(Continued on p. 106)

(Continued from p. 14)

ments . . . fretted, electronic, percussive, and keyboard. Imports and exports, major factors today, were of minor specialty importance 20 years ago. Once a securely isolated and protected business, every segment of the U.S. music industries now competes abroad and faces ever-mounting competition at home.

The entire realm of electronic applications to music making and instruction is soaring at an almost vertical angle on the charts. Long forgotten are the vanished pioneers in the mid-thirties when our newly named Electronic Section listed: loudspeakers; electronic pianos (the Ansley Dynatone and Story & Clark's Storytone voiced by RCA); three organs, Hammond, the Rangertone, and Everett's Orgatron; primitive pickups for strings and frets; and the Theremin, which RCA bought from Leo Theremin for $350,000. (RCA envisioned millions of unit sales for the ease-of-play Theremin, but none was bought.) Over two dozen outfits saw gold in organ manufacturing, invested and departed, poorer if not wiser.

Clearly a great deal of money has changed pockets annually. Ever since 1946, many have started with nothing and garnered net worths in seven figures while many more have gone broke. Family succession in a majority of examples ended in lost inheritances, but a minority dramatically enlarged modest patrimonies.

People who look in crystal balls should avoid predictions. Hindsight humbles us all when recalling unfulfilled prophecies and logical but fatal forecasts. The largest and most unnecessary expansion in band instrument manufacturing occurred precisely when a clearly recognized decline in the birthrate should have inspired caution. In the mid-fifties, a maverick organ manufacturer garnered derisive scorn for predicting 100,000 annual unit sales. More recently, in the sixties and seventies, two top management consultants dangerously overextended their clients' production facilities with clear-cut predictions of a 500,000 organ market by 1980.

The misguided notion that music making belonged in the same leisure category as bowling, skiing, and tennis aroused the interest of conglomerates (since renamed multiform companies) in the "soaring sixties." Those who looked but did not enter included: Brunswick; American Standard (plumbing); RKO General; American Machine & Foundry; and RCA. Those who came and left included: Music Corporation of America (makers of the movie "Jaws"); MacMillan (book publishing); and the famed American Research & Development Corp.

Measured by wasted capital and overpriced assets, the music industries have been a graveyard for outsiders. The heaviest casualty rate has been among professional managers whose skills in marketing sport shoes, breakfast food, refrigerators, soap, cosmetics, and tires did not always carry over to musical instruments. Perhaps small businesses require different talents from those that demand encyclopedic operating manuals and atlas-like charts with organizational boxes. Sales, assets, and personnel of the entire music industries combined