

Consumer Shows . . . Industry Blessing Or Blight?

Based on initial exhibitor response, the recent New York Guitar & Music Expo could be termed a success. Most exhibitors polled seemed enthusiastic about presenting their products on a face-to-face basis with the New York community of musicians. Figures from the show management would indicate that nearly 40,000 musicians attended the three day-event; however, the final determination of success will be a decision to repeat the event next year.

Consumer trade shows have been the subject of considerable debate over the past few years; however, in the heat of argument, the case for and against the shows seem to have been overstated dramatically.

Ardent proposals of consumer shows seem to hold unrealistic expectations, pointing to a consumer show as a panacea for all industry sales woes. Detractors claim that consumer shows will undermine the industry's retail base. An analysis of other industries that have long utilized consumer shows is instructive and offers some valuable perspective.

The ski industry has long staged consumer shows as a method of presenting its products to the buying public. This has not, however, checked the decline in ski sales, which hit a peak of 755,000 pairs in 1977 and are currently at approximately 390,000 pairs per annum. In a recent article in *Advertising Age*, the marketing director of Rossignol Skis explained, "Consumer shows are just another form of advertising. Giving the consumer the chance to touch and see pro-

ducts first-hand is obviously an effective sales method. But, given the limited amount of traffic you can expect, it is also extremely expensive." He added, "Consumer shows draw the die-hard enthusiasts, not the duffers."

Virtually the same can be said for a consumer music show. Geography limits the amount of traffic, and if the New York Show is any example, only intensely dedicated musicians will attend. These facts are not meant to be disparaging; rather, they serve only to put a consumer music show in proper perspective as another form of advertising that may or may not be effective, given a company's specific circumstances.

While consumer shows are not panaceas for industry problems, there is also no reason to believe that they are detrimental to the retail network. With the exception of a few specialty luthiers and several T-shirt vendors, there was no direct selling to the public at the New York consumer show. What's more, very few representatives from local retailers were in attendance.

In the final analysis, there is no right and wrong when it comes to consumer shows. Like any other form of advertising or promotion, they must be judged by their cost and their relative effectiveness.

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In Search Of Elusive Profits . . .

"Profit" is simultaneously the most sought-after and elusive commodity in any business. Earning a profit is never easy and never simple. Generally, it requires doing a myriad of small tasks successfully.

On the surface, profit is a simple concept; the difference between a business's revenue and expense. Yet, in practice, it is highly complex and filled with subtle nuances. If the music industry is any indication, far too many people discuss profit without truly understanding its basic components.

Quick, ask yourself the following questions. How do you account for trade-ins at your store, and what is the rationale for your method? How do you depreciate your rental inventory? What is your procedure for writing off bad debts, and

why? What is your profit as a percentage of sales, or in relation to your equity? Do you prepare monthly statements? Do you have an annual forecast?

If you can answer all of these questions, you are a fiscal saint and don't need to read any further. If you missed any, you are a sinner and should turn to page 70 of this issue and read leading Canadian retailer Jack Long's article on the nature of a profit. Long distills twenty years' worth of successful experience into a few basic points that can improve virtually anyone's business.

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