

Keep The NAMM Show In Chicago

An ad without an address or phone number is hardly effective, because it places obstacles in the way of the prospect who is interested in making a purchase. By the same token, a trade show in a hard-to-get-to location is equally ineffective because it discourages customers from attending. On these grounds, the recently concluded New Orleans Expo must be judged as a fiasco.

Virtually every exhibitor at the show placed retailer attendance at the lowest level in memory. For anyone who had reviewed airline schedules and the demographics of the Mississippi Delta region, this lack of turnout should have come as no surprise. Despite its many charms, New Orleans possesses two serious drawbacks as a convention site: (1) It is a difficult city to reach by air; and (2) The surrounding area is sparsely populated, so the number of dealers able to drive to the show is minimal. These two constraints, and not the condition of the music industry, account for why literally thousands of dealers opted to skip the show.

A recent *Music Trades* poll indicated that roughly half of the industry's promotional budget was consumed by the two yearly NAMM shows. Given the size of the industry's investment in trade shows, it is only reasonable that site selection be done with the greatest care and deliberation. With all its difficulties, the industry can ill afford the wasteful expense of a poorly attended trade show.

Having said this, we strongly urge NAMM to leave the June show in Chicago permanently. Over the past 20 years, Chicago has consistently proved to be the most successful show site. The Houston Show in 1975 that was an absolute disaster, the two out of three Atlanta trade shows which were lackluster, and the recent experience in New Orleans serve as potent reasons why the show should stay in Chicago. If additional reasons are necessary, consider the fact more dealers can drive to Chicago than any other city in the country, and Chicago is the easiest city in the country to reach by air.

The manufacturers and dealers who have survived over the past five years are those who have conserved their resources and disciplined themselves to spend every nickel in a way that generates the most return. This hard-nosed, results-oriented approach is necessary for survival in today's harsh economic climate.

In selecting future show sites, we would ask NAMM to adopt a similar results-oriented approach and choose only those sites that will generate the highest level of attendance. The trade show is an extremely valuable industry service that benefits both retailer and supplier. Keeping the June show in Chicago would maximize the benefits to all parties concerned.

Paul A. Majeski
Publisher

We Should Buy Less & Sell More

As illustrated by the recent trade show, the overall demand for musical products has remained stagnant over the past five years, yet the number of manufacturers and suppliers has increased dramatically. The effects of this situation on manufacturer profitability have been well documented. However, the effects on the retail community are more subtle.

In short, with so many suppliers vying for business with varied deals, promotions, and incentives, it would appear that today's retailer spends more time buying and much less time selling than his counterpart ten years ago.

Good buying is essential to any retail operation, but in exerting inordinate energy and effort to secure deals and good buys, a retailer can easily lose sight of the factors that create sales. Market survey after market survey has indicated that with regular promotions, service, teaching, and a balanced inventory a dealer can generally insulate himself from price competition and maintain healthy margins. Yet unfortunately, rather than invest in these types of market-building activities, too many retailers attempt to establish their market position by cutting "good deals" with their suppliers.

In calculating return on investment, a retailer should assess financial investment as well as the investment in time and energy.

Could the time and energy exerted in playing suppliers off each other for an extra 10% be better invested in cultivating a teaching operation, working with community centers of influence, contacting sales prospects, or a host of other sales-building activities? We think the answer is a definitive yes.

Good buys are great and can assist a retailer's bottom line. However, they are no substitute for a well balanced marketing effort. Perhaps if the industry invested less time buying and more time selling, we would enjoy greater market penetration. This misplaced emphasis has been created in large part by the industry's suppliers. However, only corrective action on the part of retailers will solve the problem.

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