
NAMM's Welcome Initiative

With the creation of the Commercial Member Forum, scheduled to meet in Chicago on March 17, NAMM has taken an important step towards fostering a better working relationship between the retailers and suppliers of the music industry. Ostensibly, the forum represents an opportunity for various industry suppliers to meet with NAMM officers and board members and ask questions, air grievances, and offer suggestions. More significantly, though, it reflects an effort on the part of NAMM management to better serve the industry's suppliers.

It is unreasonable to assume that a single meeting will yield much in the way of tangible results. Consequently, those who attend the upcoming supplier forum in hopes that all supplier/retailer friction will be eliminated are bound to be disappointed. The single most valuable benefit that could arise from the March 17 gathering is the creation of an ongoing process whereby suppliers can communicate with NAMM management.

Industry retailers and suppliers both share a simple goal — namely, to sell more product. As the industry's strongest and most viable organization, NAMM is best situated to help facilitate achieving this goal. In recognition of this, the NAMM board recently amended the association's charter to include "industry promotion" as an important goal.

We have long maintained that successful promotion in the music industry requires a mutual partnership between retailers and suppliers. If NAMM can truly embrace the perspectives of the entire industry, its chance of launching a successful promotion is far greater. With 24 retailers on its board, NAMM is well acquainted with the retail perspective. The March 17 gathering will give industry suppliers an op-

portunity to make their opinions heard and will broaden the scope and perspective of NAMM.

Much criticism has been levied against NAMM in recent months, and the association could have attempted to ignore the critics. Given that NAMM decided instead to offer critics an opportunity to air their views and offer suggestions, we urge all suppliers to make an effort to attend the March 17 meeting. A strong turnout at the meeting could help create the type of cooperative climate that would be of benefit to all. However, if the turnout is sparse, NAMM could rightly conclude that the industry's suppliers are more interested in complaining than contributing and that supplier forums represent a waste of time and effort.

Whatever success the music industry has enjoyed over the past 50 years has been the direct result of a unique partnership between suppliers and retailers. Differing objectives and viewpoints make a certain amount of tension between the two groups inevitable; nevertheless, each party is dependent upon the other for survival. For NAMM to achieve its fullest potential, we feel that it should reflect this partnership. The creation of the supplier forum represents a praiseworthy and important step. Consequently, the industry suppliers owe it to the retail community to accept NAMM's good faith offer and attend the March 17 meeting. A successful session could result in a new era in industry cooperation.

Brian T. Majeski
Editor

A New Industry Performance Indicator

The extremely successful recently concluded Winter Market is a strong indicator that conditions throughout the music industry are improving. How much better things will get, and how quickly, is anyone's guess. Yet, the pervasive enthusiasm exhibited at the show seems to indicate that retailers and manufacturers alike are expecting improved sales in '86.

Is perceived enthusiasm and optimism an infallible indicator of music industry performance? Hardly, but given the less-than-glowing record of forecasts based on sophisticated economic data, we will take our chances on "enthusiasm at the show" as a reasonably accurate industry barometer.

One of the more significant aspects of the show was the almost total absence of "show specials." Unlike past industry shows where a seeming majority of manufacturers offered dealers extra discounts for orders, the '86 Winter Market saw manufacturers generally stick to their price lists. As a result, orders were a reflection of retailer sales projections, not of mankind's inability to resist a good deal.

Based on the general level of show orders for all product categories, retailers seem bullish about their sales prospects for the next six months. Time will tell whether or not this optimism is well placed. However, when retailers collectively are willing to increase their investment in inventory, it is a strong bet that the buying public is willing to spend more freely on musical products.

Low unemployment, brisk economic activity, and a general feeling of confidence among consumers are unquestionably positive factors enhancing the sale of musical products. However, we feel that there are

some significant internal industry factors that are also contributing to the surge of optimism at the show.

The last five years have been among the most tumultuous in the history of the U.S. music industry. There have been major shifts in the type of products sold, methods of selling, and the financial dynamics of the music retail business. The tasks of learning to live with high real interest rates, training sales staffs to cope with new hi-tech electronics, and dealing with financially unstable suppliers have taxed a lot of dealers and distracted them from the job of promoting and selling music.

Unlike most consumer products, musical instruments do not enjoy a buoyant demand level. Demand for the products must be cultivated by dedicated retailers. Generally speaking, sales of musical products in a given trading area are only as good as the retailer serving that territory. Consequently, when retailers are forced to cope with internal turmoil, it stands to reason that their efforts to cultivate the market will suffer.

As we look forward into 1986, it would appear that there will be fewer industry distractions and that dealers will again be able to devote their full attentions towards reaching out in their communities to encourage musical participation. The rate of technological change has slowed, and surviving suppliers seem stable and well situated for the near term.

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