

The Industry's Best Buy!

Do you sincerely want to achieve better financial results in 1987? If the answer is yes, you should immediately contact the National Association of Music Merchants and order a copy of the *Retail Music Products Industry Report*. You can improve your profits by increasing your sales or reducing your expenses; the NAMM Report will not necessarily improve your sales, but it can unquestionably help in controlling or reducing your expenses.

The *Retail Music Products Industry Report* consists of four volumes designed for the different types of music retail businesses: combo, keyboard, school music, and full-line. Each individual volume presents voluminous financial data on average operating margins, inventory turnover rates, sales per square foot, advertising as a percentage of sales, and virtually every other financial yardstick. To make the volumes even more useful, NAMM has gone to the trouble of breaking the averages down by geographic region and store size.

To make the best use of the Report, compare your own profit and loss statement with industry averages. The comparison should help you target areas in need of improvement and identify the strengths of your business. The *Retail Music Products Industry Report* is also a valuable tool to have on hand when you talk with your friendly, or not so friendly, banker. Being able to creditably illustrate music industry financial norms will help you in explaining your business to a financial institution.

The cost of the *Retail Music Products Industry Report* is a mere \$20 a volume for non-NAMM members and \$10 for NAMM members. Get your check book out right now and make out a check to NAMM for the appropriate volumes: the address is 5140 Avenida Encinas, Carlsbad, California 92008. The money spent on the Reports will pay for itself many times over in terms of improved performance in your business.

Bar Coding And Music Profits

Anyone who has been a supermarket lately is certainly familiar with the universal bar code: those little lines imprinted on the side of every package that contain product and pricing information. Bar coding speeds the checkout process, reduces errors, and greatly facilitates inventory control. Thanks to the efforts of Peavey Electronics, the benefits of bar coding will soon be available to music retailers.

Peavey has taken the bold step of using bar codes on its packaging. With the use of bar codes, plus an inexpensive scanner, retailers can instantly and ac-

curately enter into their computer all pertinent product information. The system, which is widely used by many leading retail operations, enhances overall management.

Bar coding translates into better retail management, which is unquestionably of benefit to the entire industry. Thus, we hope other music industry suppliers follow Peavey's lead and embrace the universal bar code system. This is one area where broad-based cooperation will undoubtedly benefit the entire industry.

Good Things To Come

As chronicled in our *Review & Forecast* elsewhere in this issue, 1986 was a year of marked improvement for the music industry. Sales of a wide range of traditional and innovative products showed strong gains during the course of the year. Even more encouraging is the fact that these gains reflect sell-through at the retail level, rather than pipeline filling. Based on strong performance in 1986, and an outwardly trouble-free horizon, we feel confident that industry fortunes will continue to improve in

1987.

As a further indication of the industry's health, 1986 saw advertising lineage and paid circulation at *Music Trades* magazine establish new records. We look forward to justifying this industry support in the coming year with improved and expanded coverage of all pertinent events and market developments.

Paul A. Majeski
Publisher