

Our Debt To Alfredo Flores

NAMM has had its share of distinguished leaders over the past 86 years, and trying to rate the accomplishments of different administrations is a pointless task. However, outgoing President Alfredo Flores Jr. is deserving of special recognition for his efforts to reshape NAMM and make it a more responsive industry servant.

The most visible accomplishment of his two-year term was opening NAMM's books to the general membership. Persuading the association to accept this radical departure from precedent was no small feat and required considerable leadership. In and of itself, however, financial disclosure is of little consequence. More significantly, in opening the books Flores set the stage for harnessing NAMM's financial assets to better serve the industry.

The National Association of Music Merchants was founded in 1901 at the urging of several concerned piano makers. As reported in *Music Trades*, the initial goals of the association were to blackball dishonest retail salespeople and prevent the practice of price-cutting. A host of statutes that were written into law during the twenties forced a re-thinking of the association's purpose, and NAMM gradually directed its efforts towards developing retail-oriented sales and management tools.

Until the advent of large industry trade shows in the '70s, NAMM was an association of meager financial resources. However, as the Summer Expo and the Winter Market steadily expanded, NAMM amassed cash assets in excess of \$7 million. Flores deserves high praise for recognizing and accepting the association's responsibility to use these funds in a prudent manner to support diverse industry activities to facilitate growth. The question of where and how to spend the money will be hotly debated indefinitely, presenting future NAMM presidents with some hard-to-resolve issues. In spite of these challenges, over the long term NAMM and its financial resources will undoubtedly help foster positive change within the industry. By opening the NAMM's books and encouraging investment for the betterment of the industry, Flores can take credit for forcing NAMM to address current market challenges and for shouldering the heavy responsibility of properly administering \$7 million in assets. In years to come, Flores administration will undoubtedly be viewed as a major milestone in the betterment of NAMM. The industry at large owes him a considerable debt.

Brian T. Majeski
Editor

New Marketing Challenges

Retailers and their salespeople have grown accustomed to revolutionary new product introductions at every trade show. Exciting new products at the show, and on the retail sales floor, create a contagious enthusiasm that helps generate sales. Consequently, the absence of any earth-shattering new products at the recent NAMM Expo contributed to a subdued atmosphere.

Over the past five years, advancing technologies like digital synthesis, MIDI, and sampling have contributed to market development. However, all indications are that the rate of technological development is slowing and that retailers will not be able to rely on a steady stream of new and improved products to stimulate sales.

With the rate of technological advancement slowing somewhat, retailers will be forced to create innovative marketing programs to sustain future growth.

The current market situation of MIDI products is

analogous to the electronic organ market of the early fifties. At that time, electronic organs opened new musical avenues, yet they were embraced by only a handful of accomplished professionals. Through thousands of outside promotions, home shows, county fairs, and in-store clinics and concerts, organ dealers were able to expose the benefits of their products to a larger segment of the population. Simultaneously, annual organ sales increased from around 30,000 units in the early fifties to well over 200,000 by 1970.

Outside promotions are hard work, but experience proves that they generate sales. Technology has changed, but our sales challenge is much the same: to find effective ways to expose our products to potential purchasers. Technological wizardry has taken musical electronics to new plateaus, but to further the industry's prospects it is time to develop new ways of reaching the buying public.