

# The Good Old Days Weren't So Great

It's human nature to selectively remember the past. While unpleasant experiences quickly fade from memory, pleasurable ones linger on. All of which explains the common tendency to indulge in reminscences about the "good old days."

Most active practitioners in the music industry today place the "good old days" somewhere in the early seventies. You are likely to hear them explain that in those bygone days, "Dealers just hung a sign out the door, and people rushed in and bought. They didn't have to work and plan and sweat to make money like today," and "You could still find lots of handcrafted products made by skilled artisans," etc., etc.

## U.S. Keyboard Market

Year	Pianos	Organs	Elec. Pianos Synths	Portable Keyboards	Total
1978	282,000	199,000	49,000	N/A	530,000
1980	233,000	139,000	76,000	N/A	448,000
1982	203,000	101,000	83,000	N/A	387,000
1984	180,000	58,000	185,000	534,000	957,000
1985	151,000	49,000	280,000	1,300,000	1,780,000
1986	166,000	40,000	435,000	2,500,000	3,141,000
1987	175,000	35,200	481,600	4,816,000	5,507,800

We don't mean to spoil anyone's memories, but all objective data would indicate that the music industry overall is enjoying an unprecedented renaissance that makes the good old days look not so great. The public's burgeoning interest in music making is most graphically illustrated by the chart on this page outlining the changes in the U.S. keyboard market. Between 1978 and 1987, total keyboard unit sales increased by over 1000% from 530,000 units to a staggering 5,507,800. Outside of personal computers, there are few businesses that can point to such staggering growth.

Those retailers who don't like to acknowledge the industry's present good fortune counter that while there were 5.5 million keyboards sold, 4.8 million were inexpensive portables, the majority of which were sold by department stores. Mass merchants

have moved an enormous number of keyboards. However, if you assume that mass merchants moved 85% of all portables, that leaves 1.4 million keyboards that were sold by music dealers . . . or nearly three times as many instruments as were sold in 1978.

Fondly looking back, there are those who disparage the tremendous keyboard unit volume, saying, "You may sell a lot of pieces, but the margins are nowhere near as big as the margins you used to get with home organs." Margins with home organs were, and are, larger than margins with contemporary electronic keyboards. However, it is easy to forget that selling organs used to require taking in hard-to-sell products on trade, maintaining a large service department to handle the frequent product malfunctions, and paying lots in freight charges to ship heavy products. On balance, we'd say real profit margins, after freight, service, and trade-ins, have not changed as much as some would think.

If keyboard sales are any indication, there is an unprecedented interest in making music today. This trend bodes well for all segments of the business because numerous market studies have shown, once individuals have developed a basic music literacy, they branch out with different instruments.

In spite of all this good news, and the burgeoning consumer demand, it is still damn hard to run a profitable music retail operation. But then, it always has been. Since we began publishing in 1890, only one thing has remained constant in the industry, and that is the amount of effort, energy, and attention to detail necessary to succeed at retail. Those who like to talk about how "It's not easy to make a profit any more" need to jog their memories. It's never been easy, and chances are it never will be. If making money in music retail was truly easy, there would be a lot more people doing it. Ten years from now, people will no doubt recall the latter half of the eighties as a great era in the music industry when demand was brisk and it was "easy" to be successful.

*Brian T. Majeski*  
Editor