

Why You Should Attend The Winter Market

If you are going to attend a single industry function in 1989, make it the Anaheim Winter Market. The timing, location, and dynamics of the show make it undeniably the industry's single most important function. And if you need any other reason to attend, southern California in January is not a bad place to spend a few days.

The past decade has seen the music industry become increasingly global, and maddeningly mercurial. Imports and improved communication have resulted in shorter product lifecycles, faster turnover in trends, and intensified competition at every level. Demand for music remains strong, however, and profitable opportunities abound. The challenge is to properly position your enterprise to make the most out of your marketplace.

Attending the Winter Market represents the fastest, least expensive, and ultimately most effective method for divining industry trends and gathering the information necessary to make strategic decisions. Anyone with aspirations for

doing better in 1989 has no choice but to attend the show.

Think about it: At the show, you will have the opportunity to carefully review the products you carry, as well as those carried by your competition. You can talk to dealers from around the country and get the "straight story" on various products and manufacturer programs, instead of relying on company personnel for an "objective report." You will be able to acquire new product lines and strengthen relationships with existing suppliers. And last, but not least, you can have a good time doing all of the above, not to mention enjoying all the attractions of Orange County and Los Angeles.

Airfares to the coast remain low, accommodations in Anaheim are plentiful and run the gamut from dirt cheap to pretty luxurious, and there promises to be a lot of interesting surprises in the Convention Center.

Plan to be there!

Paul A. Majeski
Publisher

Don't Be A Casualty

What would happen to your business if say tomorrow, you could no longer get floorplanning from your suppliers or finance companies? How about if your local banking institutions stopped financing your retail sales? For most dealers, the above scenario would spell disaster.

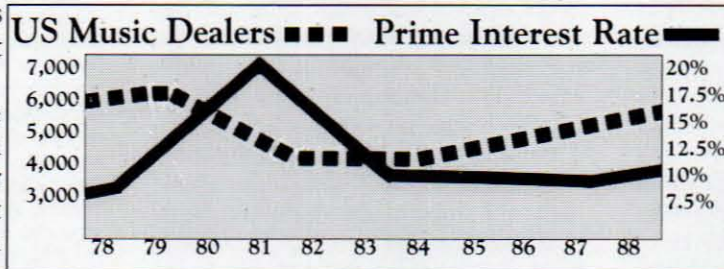
Anyone who doubts this should consult the chart on the right.

When the prime rate crossed the 20% mark in 1979, and financing for music dealers all but evaporated, over a thousand dealers were forced to close their doors. We are not predicting a return to the fiscal calamities of the early eighties, but there are some strong warning signals that should encourage retailers to set up some contingency plans.

The prime rate has advanced to 10-1/2% as of this writing, and experts predict that it will go a bit higher in 1989. Persistent problems with third-world debt and insolvency among the nation's

Savings and Loan institutions are additional forces that could increase borrowing costs or limit the availability of funds.

You can't do anything about these macro-financial problems, but you can take steps to protect your business. Start by scouting out alternative lending



sources. Credit has often been compared to life insurance: If you are sick, it's hard to get either. The time to line up sources of credit is when your business is healthy, your prospects look promising, and you are not in desperate

need for money to keep the doors open.

Make some contingency plans today so that your business will be well financed regardless of the larger economic picture. If you don't, chances are you could end up a casualty like the thousands of other dealers in the early eighties.

Brian T. Majeski
Editor