

NAMM's Praiseworthy Rule Change

NAMM's move to revise its exhibit rules for the Winter tradeshow (as reported on page 21 of this issue) is deserving of praise from all quarters of the industry. By responding quickly to exhibitor complaints, the association has successfully defused a potentially volatile industry conflict.

In the past, to maintain seniority in the space allocation process for the Winter Market, an exhibitor had to participate at both the Winter and Summer NAMM shows. Given the sagging popularity of the Summer show, this rule came to be viewed as a heavy-handed tactic to coerce unwilling exhibitors to attend the June show. At the recent Chicago show, resentment of the rule reached new highs, and NAMM received a petition of protest, signed by over 200 exhibitors.

Wisely, NAMM responded quickly to the complaints and moved to treat the two shows independently. Space allocation for the Winter Market now depends only on participation in past Winter Markets and general compliance with NAMM rules. An exhibitor's participation, or lack thereof, at the June show is now irrelevant.

Imbedded in the controversy over trade show rules is a strong lesson for all parties, that pertains to the insurmountable force of markets, and the need to treat customers fairly. Most NAMM retailer members have encountered manufacturers who have threatened to withhold hot selling, high demand, products unless the retailer agrees to stock significant quantities of hard-to-

sell, marginal items.

Manufacturers like to justify these practices with bromides like "We need to have our entire line represented." However, retailers view the tactic as something just a few shades more reputable than blackmail. When confronted with coercive suppliers, dealers generally keep their anger to themselves, bide their time, and search out an alternative product line. Exhibitor sentiment towards NAMM's former trade show rules was very similar.

Over the years, the size and scope of the two NAMM shows has prompted various professional show organizers to consider launching a competitive event. Had NAMM failed to revise its rule structure, exhibitors would have undoubtedly been much more receptive to the overtures of a potential NAMM rival.

But, all's well that ends well. By reacting to a changing market, NAMM has enhanced its goodwill with exhibitors and effectively closed the door on a competitive trade show. Manufacturers who like to coerce their retailers would do well to follow the association's example. Responding promptly and gracefully to the needs of the customer always produces better results than attempting to fight the market.

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Technology Power!

After eight years of incredible growth, electronic musical instruments have experienced a marked sales slow down, prompting widespread "techno-bashing." Retailers who have experienced declines in their electronic sales and profits are prone to complain about the evils of technology and lament the passing of the good old days when things were simpler. We think this is a shortsighted and misdirected attitude. Businesses have their ups and downs, and high tech products are undoubtedly suffering a bit at the moment, but the fact remains, advancing technology is the music industry's most powerful engine for growth. It always has been, and most likely, it always will be.

Anyone who doubts the power of technology to expand sales should consult the report on digital pianos in this issue. Thanks to improved digital technology, this

market has practically tripled in just four years, and according to retailers, the future continues to look bright. Even more encouraging are reports from the field indicating that digital pianos are reaching an entirely new customer group.

The electronic organ, the electric guitar, portable keyboards, and high efficiency loudspeakers are just a few of the examples of technology that has expanded the market. The retail climate may not be easy at the moment, but advanced technology is probably not the problem.

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