

You Have To Measure Well Before You Can Build Anything

The "Top 100" feature in this issue, which ranks the largest companies in the music industry by sales volume, represents an industry first. In the 100 years that we have been publishing, no one has ever attempted to accurately quantify and rank the industry's major players. The fact that this feature will be carefully scanned by everyone in the industry points to a glaring shortcoming: A near absence of tangible market data for music and sound products.

The piano manufacturers are the only group within the industry that has consistently tracked unit shipments and their dollar value. Electronic keyboard manufacturers have made an attempt to collect data, but the reporting system has yet to produce any information of value. Up until internal politics crippled the National Association of Band Instrument Manufacturers three years ago, band instrument manufacturers compiled industry shipments. At present however, accurate data on band instrument sales does not exist. Similarly, we lack data on guitars, percussion products, sound reinforcement, and every other product category of consequence.

In our Top 100 feature, we attempt to quantify industry sales within all major product categories, and we feel that our data is accurate within 5%. While our efforts to estimate the market should make for interesting reading, and should prove useful, they are no substitute for the 100% accurate data that can only be achieved when manufacturers submit their sales results to a confidential reporting bureau. This type of market data, which would conceivably include breakdowns by price-point and product type, would prove invaluable to manufacturers and retailers.

Simply put, accurate sales data would help all parties concentrate their resources in product areas that would produce the greatest return. A lot of music industry "marketing" consists simply of copying the competition. Ironically however, competitive manufacturers often copy the good products, as well as the turkeys. If nothing else, accurate market data might prevent some

manufacturers from stealing lousy ideas. Dealers would also benefit having to contend with fewer unsalable products and manufacturer blow-outs. The benefits of good market data are too numerous to list here. But, suffice it to say that every industry, from the auto aftermarket business, to ladies ready-to-wear, goes to great lengths to compile good sales figures. Why don't we?

Today, there isn't a music industry association going that is not debating methods to "expand music participation," or "make the pie bigger," etc. Most of these efforts are sincere and praiseworthy, and some, like GAMMA's "International Guitar Month," have even produced tangible results. However, amidst the endless talk of making the market bigger, we're surprised no one ever seems to raise the question, "How big is the market anyway?"

We feel the market for music and sound products last year was just over \$3.4 billion. However, if someone wanted to know how many sampling keyboards or rack mount tone modules were sold last year, they would be forced to take a guess. Similarly, no one really has an accurate grasp of how guitar sales, digital pianos, or amplifiers break down by price point.

We humbly suggest that the myriad of industry associations tackle the problem of gathering accurate sales data. The benefits of such an effort would be far more tangible and immediate than most of the market expansion programs now under consideration. (The cost would probably be less too.) While the task is not a simple one, it is not impossible either. Those looking for some guidance should study the piano industry. For over seventy-five years, piano manufacturers have compiled good market data by submitting sales figures to an independent reporting agency each month. There is no reason why other segments of the industry couldn't do the same.

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