

# *The Good Old Days... They Were Lousy*

It doesn't take a psychiatrist to know that the human memory is selective at best, and downright delusionary at its worst. Anyone who seriously doubts this need only visit a NAMM show and listen in on some of the commentary. The prevailing wisdom among a depressingly large number of showgoers is that "the golden era" of the music and sound industry is behind us, current conditions are "unrelentingly tough," and the future is "ominous" unless some unspecified industry action is taken to stave off the pending catastrophe.

We don't argue that keeping a business solvent today is a tough job and that competition is a source of constant pressure. Our problem is with those who discount the future and glorify the past. After 102 years of chronicling the progress of the music industry, we have come to what we feel is an irrefutable conclusion: By current standards, "the good old days" were truly lousy and the overall industry is currently bigger and more prosperous than at any time in the recorded past. Specifically, when we say bigger, we refer to overall sales volume, adjusted for inflation, and size of customer base.

The recent NAMM show amply supports this conclusion. One way of measuring the magnitude of individual businesses, or industries for that matter, is determining the level of employment. During the industry's "golden era" (pick your time frame: '50s, '60s, '70s) NAMM shows attracted around 250 exhibitors and 6,000 visitors. Contrast that with this year's show: 800 exhibitors and 45,000 visitors. Granted, there was a lot of consumer traffic at the show; nevertheless, there can be no denying that more people are earning their living in the industry than at anytime before. Employing more people means we must be selling more.

What is the industry, anyway? At one point, back in one of those golden eras, that question was pretty easy to define: It consisted of pianos and organs, school music products, and "combo," which entailed guitars, amps, and drums. As evidenced in Anaheim last month, these core elements have been augmented by a broad variety of new product categories, including lighting, pro audio, MIDI products,

computers and software, and recording gear. Who can deny that a growing product base that appeals to an ever-broader constituency is a sign of vitality?

Or how about a few less tangible measures of industry prosperity? During the "golden" eras, when industry associations held meetings, they headed for well traveled vacation sites like, Elkhart, Philadelphia, and sometimes even Buffalo. Today, Palm Springs, Hawaii, and Acapulco are commonplace. If this any indication of straitened circumstances, then bring on the privation.

The reason for the industry's current good fortune can largely be found on the retail level. Over the past decade music and sound retailers have proven to be extremely adept at learning to merchandise and market completely new product categories. Band instrument salespeople are selling sound systems; guitar repairmen are handling computers and software. This flexibility and willingness to reach for new markets bodes well for the future of the industry. Ten years ago no one anticipated that computer companies or lighting manufacturers would view music and sound retailers as important components in their distribution strategy. Who knows what these same dealers will be selling ten years from now? But if the past is any precedent, it will include an even more diverse array of products.

Does the fact that we are participating in a vibrant and expanding industry mean that individual prosperity is assured? Unfortunately, the answer is no. Business history is filled with tales of fortunes made in times of hardship and fortunes lost in times great prosperity. We acknowledge that increasingly demanding consumers have helped intensify competition among retailers and manufacturers and that complacency is a sure ticket to an early demise. But if you can look beyond the immediate rigors of the market, it should be reassuring to know that we are trading in goods and services that seem to be increasingly in demand.

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