

Can Technology Save Us?

Every so often a technological revolution comes along that has a seismic impact on society, forever changing the way we conduct our lives. The automobile, the telephone, air transportation, and, more recently, the personal computer, are a few of the more significant advances that have left an indelible mark on societies around the world. On a smaller scale, the music and sound industry has had its own seismic shifts that have added an entirely new dimension to the market. If you are looking for ready examples, just talk to anyone who has watched the dramatic evolution of digital technology and its far-reaching impact.

Over the past decade digital tone generation, digital signal processing, and digital recording have reshaped the way music is made. Electronic instruments now mimic acoustic instruments with startling accuracy; digital effects allow sound engineers to make a school auditorium sound like Carnegie Hall; and digital recording holds the promise of rendering demos produced in a bedroom and those produced in a top-flight studio, virtually indistinguishable. Along the way, this technology has also created considerable commercial opportunity. Retailers and manufacturers alike prospered as the buying public rushed in to buy revolutionary new products.

Now, however, as the novelty of much of this digital technology has worn off and sales growth has skidded to a halt, retailers are casting about asking, "What's going to be the next great technological advance that will send customers flocking to my store?" The bad news is that it doesn't appear that any such advances will be forthcoming in the near future. Sure, there is General MIDI, which makes the interface that much more user-friendly for the novice; sound quality continues to improve, and prices, in relative terms, continue to go down, but these developments are refinements, not market-making revolutions. One frustrated product manager described the situation: "Ten years ago we could bring out a new product that was 75% more powerful than its predecessor. Today the quality

of existing products is so high that we're dealing in improvements on the magnitude of 5% to 10%, maximum. A 5% gain is not the kind of thing that whips the buying public into a frenzy of excitement."

If history is any guide, phenomena like the digital revolution are not regular occurrences; they are rare events that take place once, maybe twice in a career. Just as radical technical advances don't upend society at large on an annual basis, it's misguided for the music industry to look for a regular stream of earth-shaking technological advances to expand the market. The fact is, musical technology is currently on something of a plateau, and the industry needs to look elsewhere for growth opportunities.

That leads to the next question. If technology won't be around to fuel growth, what will? Unfortunately, there is no single factor that will do the job, and space precludes a list of everything manufacturers and retailers could do to get more people involved in making music. It would be nice if NAMM or some other group of industry associations could mount a cohesive promotion that would transform the market. But then, expecting an association-led salvation effort is a little like believing that the Federal Government is on the verge of rolling out a new program that will simultaneously end poverty and world hunger, rebuild our inner cities, raise SAT scores, and cure the common cold. It calls to mind Alexander Pope's observation, "He who lives on hope dies fasting."

So, market growth really boils down to the cumulative effect of thousands of actions taken by independent retailers and manufacturers across the country to bring more customers into the fold. Teaching programs, school outreach efforts, and contests are just a few of the activities that immediately come to mind. A requisite for active retail promotion activity is a position of financial strength, and retailers interested in shoring up their business would do well to get a copy of NAMM's Retail Operations Manual. A compilation of profit and loss statements and balance sheets from all types of retail operations, the Operations Manual is a wonderful guide for evaluating your financial performance and pinpointing areas in need of improvement. At a mere \$35 for NAMM members and \$50 for non-members, the book should easily pay for itself many times over. Call 1-800-767-NAMM to order your copy today to ensure that you have the financial wherewithal to fund market expanding promotions. If you don't do it, no one else will.

Brian T. Majeski
Editor