EDITORIAL

The Human Factor

Some 200,000 computer industry folk descended on New York City last month for the annual PC Expo, a mammoth trade show that dwarfs the California NAMM show in size and scope. The press release from the show organizer states, "PC Expo attracts the most important decision makers in the global computer industry...the people who shape the trends." PR puffery aside, from the vantage point of an outsider walking through the exhibit halls, it certainly seemed like a technically proficient crowd. Virtually every showgoer stalked the aisles with a high-powered laptop computer tucked under their arm, and the restaurants and open areas were filled with people working furiously on their PCs, many of which are equipped with a wireless modem.

It goes without saying that the average attendee at PC Expo is proficient on the computer, intimately acquainted with the Internet, and a regular visitor to the Worldwide Web. What's more, over 100 exhibitors at the show were hawking software programs to conduct commerce on the web and declaring "The age of virtual shopping is upon us."

Herein lies the irony of it all. Amidst the intense hype surrounding the Internet, cyberspace, and virtual reality, it is worth noting that the world's most technologically advanced industry still depends heavily on an ancient, some might even say archaic, communication vehicle: the trade show.

Large trade shows first came to prominence in the late 1400s as a means to sell books, which had just become commercially available. In the ensuing 500 years there has been little fundamental change to the format. Organizers select easily accessible locations, try and make the sites attractive, and sellers and buyers haggle amidst product displays. Five hundred years ago, shows where held in the Spring in cities like Leipzig and Prague; today, thanks to heating, air conditioning, and air transport, shows are held year-round in every corner of the globe. Other than that, nothing else has really changed.

The durability of the trade show reflects our deep seated need for human contact. We can get information from the web and we can communicate via e-mail, but when it comes to making an important decision, there's no substitute for face-to-face contact. We want to know who we are dealing with and whether or not they inspire our confidence. The same principle holds true for retailing as well; the vast majority of customers want to know who they're dealing with before making a major purchase.

Between the potential threat of huge national chains and a "virtual shopping mall" on everyone's computer screen, a lot of independent m.i. retailers have lately been asking whether or not they have a future. We think the answer is a resounding yes, for the very same reason that the computer industry continues to invest heavily in trade shows. Technology has its place, but there still is no substitute for the human factor in business.

On a separate note, this issue includes our 6th annual Top 200 ranking of the industry's largest retailers. With each passing year, we have refined the rankings and expanded the information in the report. We are gratified with the widespread support this undertaking has received throughout the industry, and we want to take this opportunity to thank everyone for their cooperation.

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Editor