



## EDITORIAL

# EXPLANATIONS ARE ON THE WAY

IF EVER THERE WAS A BUSINESS IN NEED OF some good news, it's the piano industry. After enjoying nearly 30 years of unbroken growth, acoustic piano sales went into a tailspin in the late '70s, plummeting from an annual rate of roughly 275,000 units to the current level of just under 100,000 units. The picture isn't quite so bad as the numbers indicate. For starters, the decline in acoustic pianos has been offset somewhat by the 58,000 digital pianos sold each year. Secondly, the industry's dollar volume has held up better than unit volume due to the increase in grand piano sales. Consider that in 1978, when the American piano industry sold a record 282,000 pianos, grand piano sales were only 19,500. By contrast, over the last five years, with the total market averaging 100,000 units, grand piano sales amounted to 28,500 units. On balance, though, the recent past hasn't been particularly kind to the piano business.

After nearly 20 years of disheartening sales reports, it would appear that things might finally be turning. Industry shipments to retailers advanced 4.5% for the first six months of 1997, and quarterly retail sales reports, published in last month's issue, have a national cross-section of retailers reporting a 5.8% gain in acoustic piano sales. Six months clearly don't make a trend, and it's far too early to declare that growth has returned to the piano industry; however, there is cause for a some guarded optimism.

No one likes a mystery. That's why we send space ships to Mars, why no Hollywood producer would ever think of ending a thriller without revealing the identity of the killer, and why businesses like the piano industry are awash with well reasoned, factually supported explanations of recent sales trends. From 1978 onward, industry explanations for the decline in new piano sales, as chronicled in the pages of *Music Trades*, included "a market flooded with too many used pianos," "a dramatic expansion in the number of extracurricular activities for children that has pulled them away from the piano," "faster paced lifestyles that have pushed the piano to the sidelines in many households," and the "passive listener" phenomenon (why learn to play when you can easily hear great music at the touch of a button?). Everyone of the causes above can be supported with both statistical and anecdotal evidence. What's more, they all have the ring of truth for those retailers who face the buying public every day.

The piano industry in the United States dates back to the 1830s, when Jonas Chickering first set up shop in Boston. Given the major economic and social upheavals that have taken place in the last 170 years, (the Civil War, the collapse of the U.S. currency in 1893, the panic of 1913, World War I, the Great Depression, and World War II, to name just a few) it should hardly come as a surprise that the piano industry has had its ups and downs. What is surprising is that the explanations for the bad times have hardly changed at all.

1930 was one of the worst years on record for the American piano business. The beginning of the Great Depression, coupled with the advent of cheap radios, hammered piano sales down to a paltry 25,000 units, compared with nearly 300,000 in 1926. Struggling to pinpoint the causes of this catastrophe, a few manufacturers hired Robert Updegraff, a noted consultant, to do a study (excerpts of which appear on page 80 of this issue). After lengthy interviews, demographic studies, and analysis of social trends, Updegraff attributed industry woes to too many used pianos on the market; radio music, which had spawned a generation of passive listeners; a frenetic daily life, thanks to the automobile, that made many view the piano as irrelevant; and too many extracurricular activities that pulled children away from the pursuit of the piano. Sound familiar?

For nearly 20 years, as the piano industry struggled for survival, Updegraff's conclusions seemed irrefutable. But then around 1949, for reasons beyond anyone's understanding, industry sales growth resumed and continued unabated until 1978. Life didn't slow down; radios, televisions, and phonographs didn't go away, either; and there was no perceptible decline in the number of extracurricular activities. So, what happened? The best I can do is cite the response of J.P. Morgan, when asked why the stock market advanced on a given day: "More buyers materialized."

The piano is a uniquely expressive musical instrument that has tremendous appeal to people around the world. If the industry can rebound from a great economic crisis, it's not totally implausible to believe that growth can resume in a period of unprecedented national prosperity. Either way, explanations of the trends will be forthcoming. In the meantime, let's hope more buyers keep materializing.

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