



EDITORIAL

SHOW US THE NUMBERS

DO BIGGER AND BETTER STORES lead to a larger music products industry? There is some indisputable logic to the idea that well stocked, well merchandised retailers engaging in aggressive promotion will sell more products. Real-world experience provides additional support for the notion. Regional sales managers from coast to coast all have stories about how better retailing practices built sales in their territories, but before anyone asserts an absolute link between sales growth and retail square footage, we would advise that they consult some of the data in the Music Industry Census presented elsewhere in this issue.

1997 experienced the largest gain in retail space in over two decades. Guitar Center, Sam Ash, and MARS alone added close to 600,000 square feet of well stocked, well appointed store space during the year. With these new stores came an unprecedented number of lavishly promoted grand-opening events, complete with heavy media buys and lots of traffic-building special offers. The most prominent product in the promotions of all these companies was the guitar. Given this extraordinarily promotional activity, why then have guitar sales slumped to their lowest level in three years?

Admittedly, the 2% drop in guitar units between 1995 and 1997 is modest, and the industry remains close to historic highs; however, if bigger and better stores are truly the ticket to industry growth, the industry should have seen some improvement in unit shipments. Given that the data presented in the Music Industry Census represents shipments to dealers and includes a lot of opening stocking orders, sales to consumers were even worse than the numbers indicate.

In the piano industry, by contrast, two decades of slumping sales have made most retailers wary of adding to or expanding their outlets. Despite the absence of any new space, unit sales experienced the biggest year-to-year increase in over 15 years, advancing 12.2%.

Figuring out what causes changes in the buying patterns of 260 million Americans is certainly beyond our limited forecasting skills; however, the numbers are in, and they show conclusively that bigger, better stores alone won't build our market.

Brian T. Majeski
Editor

MELIA PEAVEY'S LEGACY

THE SUDDEN PASSING of Melia Peavey ended an extraordinarily successful husband-wife partnership and robbed the industry of one of its most talented members. With a gift for organization and manufacturing, Melia laid the foundation for Peavey Electronics's growth from a struggling guitar amp maker to a major player in the world's music and sound industry.

But what made Melia truly exceptional was the way in which she blended her formidable business skills with a heartfelt sense of compassion and consideration for all those around her. For the 2,200 employees at Peavey, she worked tirelessly to create a sense of family, providing advanced education opportunities, quietly coming to the aid of those in need, and treating everyone with dignity and respect. Outside of the company,

she brought her tireless energy to bear on the cause of advancing literacy and aiding abused children. "Treat others as you would like to be treated" was a rule that governed her every action.

Those who met her will remember her as a woman of boundless charm and grace, who could deal with any situation and had an uncanny ability to make all around her feel comfortable and truly welcome. In addition to her husband, Hartley, she leaves behind two sons, Joe and Marc, a brother, Len, and numerous other family members who are struggling to come to grips with an immense personal loss. Human talent is the most precious of all the world's resources, and the loss of a rare individual like Melia Peavey makes us all poorer. We extend our condolences to her entire family.