



EDITORIAL

A GOLDEN AGE

A GOLDEN AGE SELDOM seems like a golden age when you're living through it. The frustrations that accompany day-to-day business challenges coupled with the uncertainty of the human condition often overshadow our good fortune. Put in simpler terms, in going head-to-head with a competitor, meeting a payroll, or beating a deal, it's easy to forget that this is a great time to be in the music industry.

Music and pro audio products, by their very nature, are discretionary items that only a handful actually need for their survival. They are also extremely vulnerable to the whims of fashion. Combine this with a periodic economic upheaval and you have an industry that has seen more than its fair share of hard times. Since the first issue of *Music Trades* in 1890, we have chronicled at least ten major industry slumps, starting with the great bank panic of 1893, culminating most recently with the run-up in interest rates in 1980 that forced 15% to 20% of the industry's retailers to shut their doors.

One of the few things we can be certain of is that the industry will undoubtedly face hard times again. Another sure thing is that when the hard times arrive, a lot of people will be writing in our columns about how the late '90s were truly a "gilded era." Herewith are few things they will probably point out:

For starters, the industry closed out 1997 at a record \$6.1 billion in sales. By any historical measure, this represents the most robust performance of all times. Better still, 1998 is on track to be an even better year. But there's more to the good news than just numbers.

Music and music making have been the beneficiary of an unprecedented flood of favorable publicity. Over the past few years the major news media have repeatedly presented stories explaining how the study of music enhances cognitive skills. Recently First Lady Hilary Rodham Clinton joined the bandwagon when she pointed, in a well publicized speech, to a direct link between making music and

academic performance. Publicity like this can't be bought, but it sure helps the industry sell. By funding research, NAMM deserves much of the credit for this windfall.

Steinway pianos, Martin and Taylor guitars, and a host of other premium products are currently in serious back-order situations. In other words, a record number are stepping up to pay top dollar for superior quality. This strong support for "high-end" products is further indication of a high consumer regard for music and music making.

After two decades of decline, the piano business is on the verge of posting its second year of double-digit unit growth. Growth in acoustic pianos has also been accompanied by a comparable surge in the sale of digital pianos, suggesting a stronger trend line.

Then there is the issue of product quality. Thanks to improving technology and better manufacturing methods, retailers no longer have to cope with guitar amps that routinely explode, keyboards with a 110% failure rate (some of them broke down more than once), guitars with hopelessly warped necks, and countless other disasters that made for irate customers.

These industry-specific factors, combined with the heady mix of low interest rates, non-existent unemployment, and high consumer confidence make for one of the most favorable industry climates in our 108 years of publication. This is not to say that competition isn't brutal, that consumers are not ferocious in their demands, or that running a business is easy. Only that things have been a lot worse in the past, and we might as well try to enjoy these good times while they last.

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