EDITORIAL

ARE BABY BOOMERS LOSING IT?

VIRTUALLY EVERY MAJOR M.I. RETAILER doing business today got its start in the '60s and '70s for a simple reason: The full-line music stores that had dominated the market for the preceding 50 years selling pianos, band instruments, and Magnavox hi-fi systems were incapable of properly demonstrating a Fender guitar, a Marshall amp, or a set of drums. Despite considerable financial resources, high local profiles, and a history of success, these retailers (like Lyon & Healy of Chicago, Whittle's of Dallas, and Grinnell Bros. of Detroit, to name just a few) just "didn't get it." So, a new generation of rock-and-roll musicians and enthusiasts began patronizing upstart retailers like Guitar Center, West L.A. Music, and scores of others that understood the nuances of contemporary music and the fine points of different guitars and amplifiers. Thirty years later these upstarts are now the industry's retail establishment, and they face the same challenge of keeping in touch with the needs of an evolving customer base.

This was painfully obvious at the recently concluded NAMM show. One of the industry's fastest growing product segments is the broad family of d.j. gear. The category encompasses a wide range of different musical styles: techno, dance, rap, remixing. The one thing all these styles have in common is that the vast majority of baby boomers who run m.i. companies today can't begin to understand them. For a generation weaned on the Beatles, the Rolling Stones, and The Who, it's just hard to find the appeal of scratching LPs, rapping over a rhythm track, or looping different rhythm tracks and samples. In a word, they just don't get it.

Twenty and thirty years ago the baby boomers who were launching retail businesses proudly viewed themselves as the cutting edge and openly disdained the big band era and all its participants as quaint, hopelessly out of touch, and totally irrelevant. At this year's NAMM show, however, those who once wore participation in Woodstock like a badge of honor stared with complete bafflement, trying to understand the d.j.s and "remixing" artists who were doing product demos. They looked for all the world like the Benny Goodman fan at a 1969 NAMM show, struggling to grasp what Jimi Hendrix and overdrive distortion were all about.

Music is an incredibly diverse universe, and you don't have to love every facet to be a successful merchant; however, the industry relies disproportionately on the spending habits of 13-to-24-year-olds, and understanding the tastes and desires of these customers is crucial for future survival. Prosperous baby boomers who finally decide to buy the high-end guitar they've always dreamed about are great, but they're not the ones who drive the total market.

In the last two years much has been written and said about competition from national chains. There is no question that big-box stores, with their buying power and promotional muscle, represent formidable adversaries for local merchants. We would suggest, however, that losing touch with that 13-to-24-year-old demographic represents an equally dangerous threat.

Twenty-five years ago I visited the flagship Lyon and Healy store in downtown Chicago, a beautiful eight-story granite building, complete with a concert hall. When I asked about the absence of electric guitars, a salesman replied, "we only deal in real music." A few years later, the company finally folded after over a century of operation. Founded in 1863, Lyon & Healy had survived and prospered through the Civil War, the Great Depression, and two World Wars but couldn't meet the challenge of a changing market. The same fate could easily befall any other m.i. retailer doing business today, especially if management allows personal taste, rather than customer taste, to dictate the business.

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