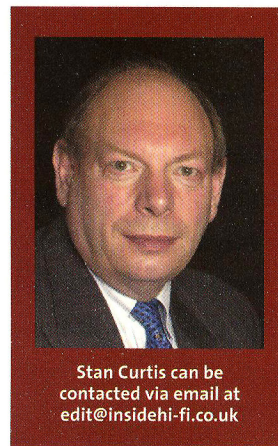


# The state we're in

**How do you assess the state of an industry? Is it by talking to the retailers about their sales? By wandering the corridors of the shows? By listening to the boasts of your neighbour at an industry awards dinner or by studying some of the sales statistics produced by one of the retail monitoring organisations? Truth is each of these methods produces a different story and yet if you try to average out the responses you get an impression which can be completely misleading. Stan Curtis muses on the state we have got ourselves into.**



Stan Curtis can be contacted via email at [edit@insidehi-fi.co.uk](mailto:edit@insidehi-fi.co.uk)

Let's start with the views of retailers some of whom have started to resemble the farmers I grew up with. As they watched the tractors struggling to tow trailers overflowing with grain they'd shake their heads and bemoan another poor harvest. In the hi-fi world we seem to have been hearing complaints along the lines of "I've known it bad, but never this bad" for so long that they have become self fulfilling. Yet as long as I can remember (and that's some 40 years) sales from March through to October have always been pretty dire and that always seems to come as a surprise to salesmen who believe that the business they achieve in December should be considered to be the norm.

But this dependency is far from universal and I've recently spoken to dealers who have made really good money from the two-channel revival and don't know where the problem is. The comment oft heard is that if you give a good service and treat the customer with respect, enough business will flow through the door. At the other extreme my local electrical emporium, selling everything from hair dryers to five thousand quid plasmas, finds itself running ragged with the extra business coming its way following the closure of the nearby Powerhouse store.

What impression do we get from the shows? Well personally my reaction to the recent Heathrow shows would be to pack up my tent and find another line of business. There was no buzz; none of the "have you seen the new amplifier from Acme Audio?" and certainly a deficit of punters. Yes there were some bright faces talking of really healthy order books whilst others were worrying about the weak dollar and the decline of their exports to America; but overlaying it all was the perennial comment of "Is this the best that this industry can do?" Time to move on from this depressing subject.

Moving on indeed to the annual awards dinner courtesy of Haymarket. Putting to one side the ridiculous hyperbole of "One million readers" (yes I hear some cry; but how many in Barnsley?) there was a definite positive vibe in the air not all of which could be

blamed on the beer and wine. At one point I found myself between two Sales Managers bemoaning their lot. Yet one was finding the market tough whilst increasing his monthly sales whilst the other was still managing to hit target but having to work very hard to do so. Make a note of that last comment.

What story do the statistics tell? Well there's no secret here for GfK, for one, has done a number of presentations to retailers and to manufacturers to show how positive the overall trend has been. But; and isn't there always a but; not necessarily for the products many retailers have traditionally sold. The dramatic skew of spending towards portable players; digital devices and vision products is a clear explanation of why

*"My local electrical emporium finds itself running ragged with the extra business coming its way"*

the shelf displays of so many successful outlets have undergone a transformation. It certainly brings to mind a previous shift which saw many camera shops (the biggest being Dixons) gradually shift to selling hi-fidelity products.

Make what you will of the above random extracts but to me some things are quite clear. The good old British public will still spend the money but only on the products they want or are encouraged to want and only on the products they believe to be good. Witness the high sales of expensive MP3 players compared to the cheaper variants. Second, that business can flow your way but only if you work for it; the easy days have gone forever but, to quote my old Mum, "hard work brings its own rewards". Finally we really need, as an industry, to project a positive upbeat assessment of the state of our business. If we don't believe it is a great business with a great future then why should anyone else?