

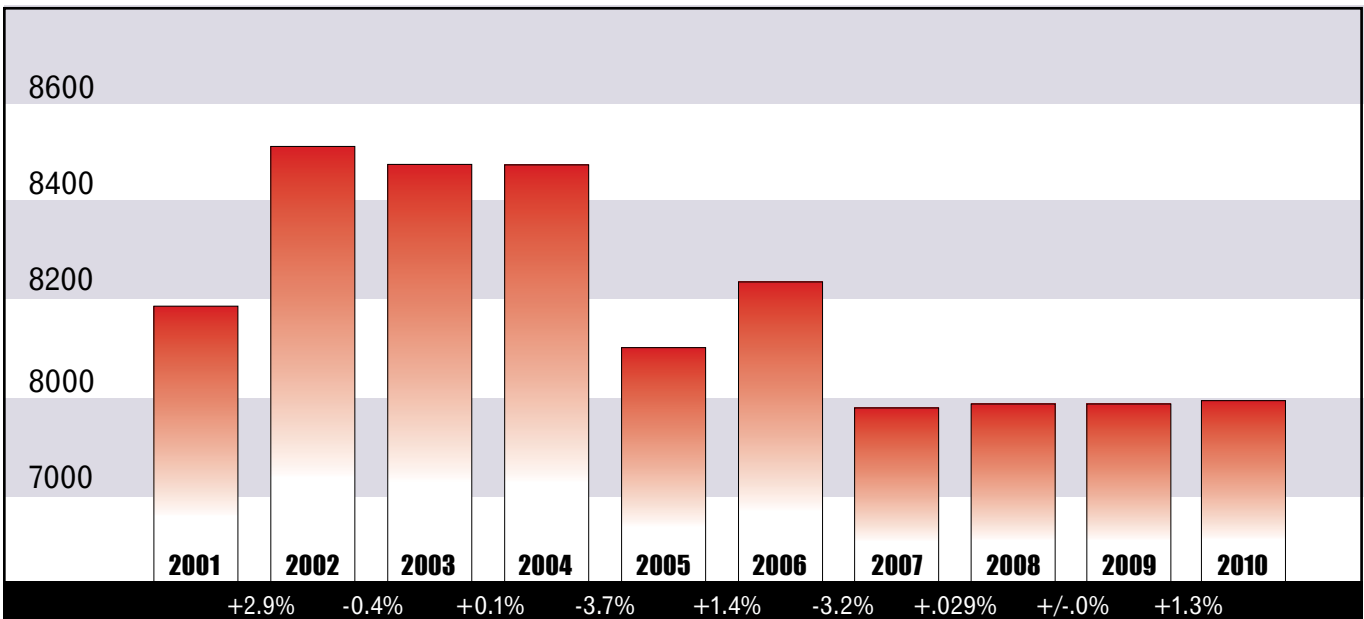
# 20th Annual Profile of the American Music Dealer

## Store Fronts Holding Steady at 7,993

### *Quoting Yogi Berra, "its Déjà vu all over again"*

as for the third consecutive year, MMR's dealer tally reveals little overall movement in the number of music dealer store fronts, showing a marginal net increase from 7,981 store fronts in 2009 to a present day count of 7,993. On a state-by-state count, 21 states registered a gain and 27 states recorded a loss of units, with three remaining the same as last year. The largest gains were in Texas, Utah, Louisiana, Michigan, Georgia, Florida, and Colorado. States experiencing the greatest unit loss were Alabama, Missouri, Minnesota, Ohio, Washington, and Rhode Island.

Our chain report (December 2009) showed a loss of 17 units; 69 chains with a total of 774 branches. This is compared to 70 chains (three or more units) with a total of 791 for the previous year. As in past years, a handful of veteran retailers closed their doors: Wisconsin's Henri's Music (three units); White's Music Center (four stores in California); Indiana's Smith Holden; Chuck Day's Music Center (Michigan); and Omaha's Renier Pianos (50 years). In more recent days (see pg. 6) we reported the closing of Portland's Sheet Music Service, a 93 year old print music firm that was acquired by Texas based Penders Music in 2005. On a more positive note, the McFayden Music name re-appeared in Hope Mills, North Carolina as two former employees of the longtime chain, Joe Chambers and Al Woodruff, revived the brand. The duo also operate a Musiccenter store in the state. McFayden had previously been in business for nearly 100 years and had multiple locations when it was acquired by Brook Mays Music in 2000. The stores were closed in 2006 when Brook Mays filed for bankruptcy. While specialty piano dealers had an 88 unit drop (432 units in 2009 to 344 in 2010) there was a few bright spots as the Steinway Gallery of St. Louis opened a second unit in Virginia and Hollywood Piano, a fixture in the Los Angeles



market (1928) opened a second unit, a 7,000 square foot facility in Pasadena. In what may be a prototype for future growth, Daddy’s Junky Music opened a seasonal store in a shopping mall outside the Boston area. “It was pretty much a holiday store and if somebody wanted something more we directed them to a nearby full line store. As a result our traffic numbers were up so clearly some good things came of it.”

Internet sales continue to grow as dealers broaden their inventories to appeal to a cyber consumer and invest in more user friendly web-sites. Woodwind and Brasswind founder Dennis Bamber has also re-entered the Internet scene with a new online operation, Musicfactorydirect.com

For the first time in several years every dealer product category showed an increase. While dealers continue to play it close to the vest with streamlined inventories there is some evidence that stores are stocking more accessory items with a broader appeal in an effort to increase traffic both in store and on their internet sites.

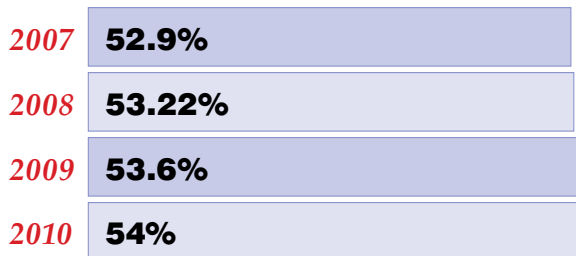
## 7993 Stores: What Do They Sell?

	2009	2010	Change	% Change	% of Stores Selling Category
<b>Keyboard/Piano/Organ</b>	4277	4312	+35	+0.81%	54%
<b>Band &amp; Orchestra</b>	3362	3446	+84	+2.5%	43%
<b>Drums/Percussion</b>	3685	3772	+87	+2.4%	47%
<b>Sound Reinf./Rec'g.</b>	3403	3676	+273	+8%	46%
<b>Fretted Inst.</b>	4680	4785	+105	+2.2%	60%
<b>Print Music</b>	3651	3742	+91	+2.5%	47%

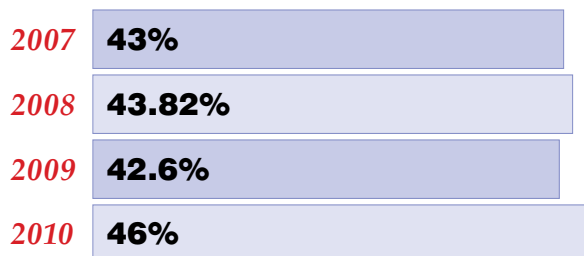
Fretted instrument dealers continue to be the largest segment of the dealer market place, however the largest gain in product categories were dealers adding sound reinforcement /pro audio equipment to their mix. While maintaining slimmer inventories, dealers are expanding their product mix in other categories, especially those dealerships increasing their Internet sales. This was the first year since 2004 when all product categories recorded an increase in number of store fronts.

## Percentage Shares by Product Type

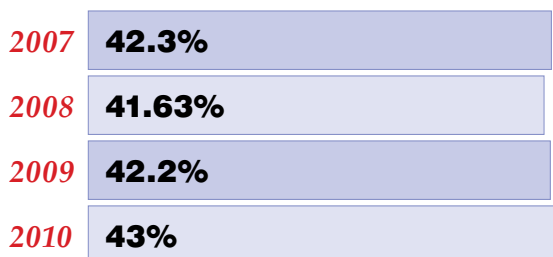
### Sell Keyboard/Piano/Organ



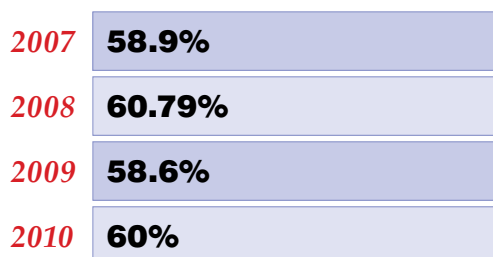
### Sell Sound Reinf./Recording Equipment



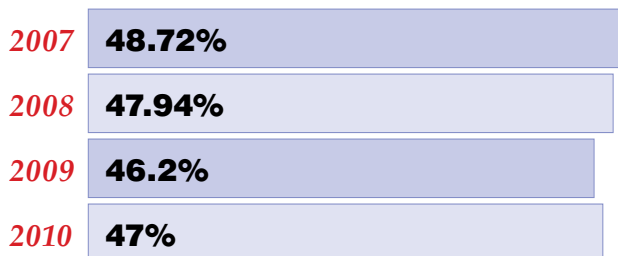
### Sell Band & Orchestra Instruments



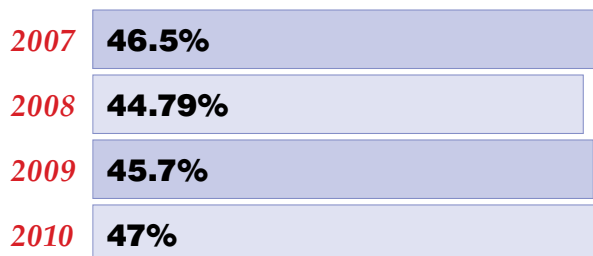
### Sell Fretted Instruments



### Sell Drums/Percussion



### Sell Print Music



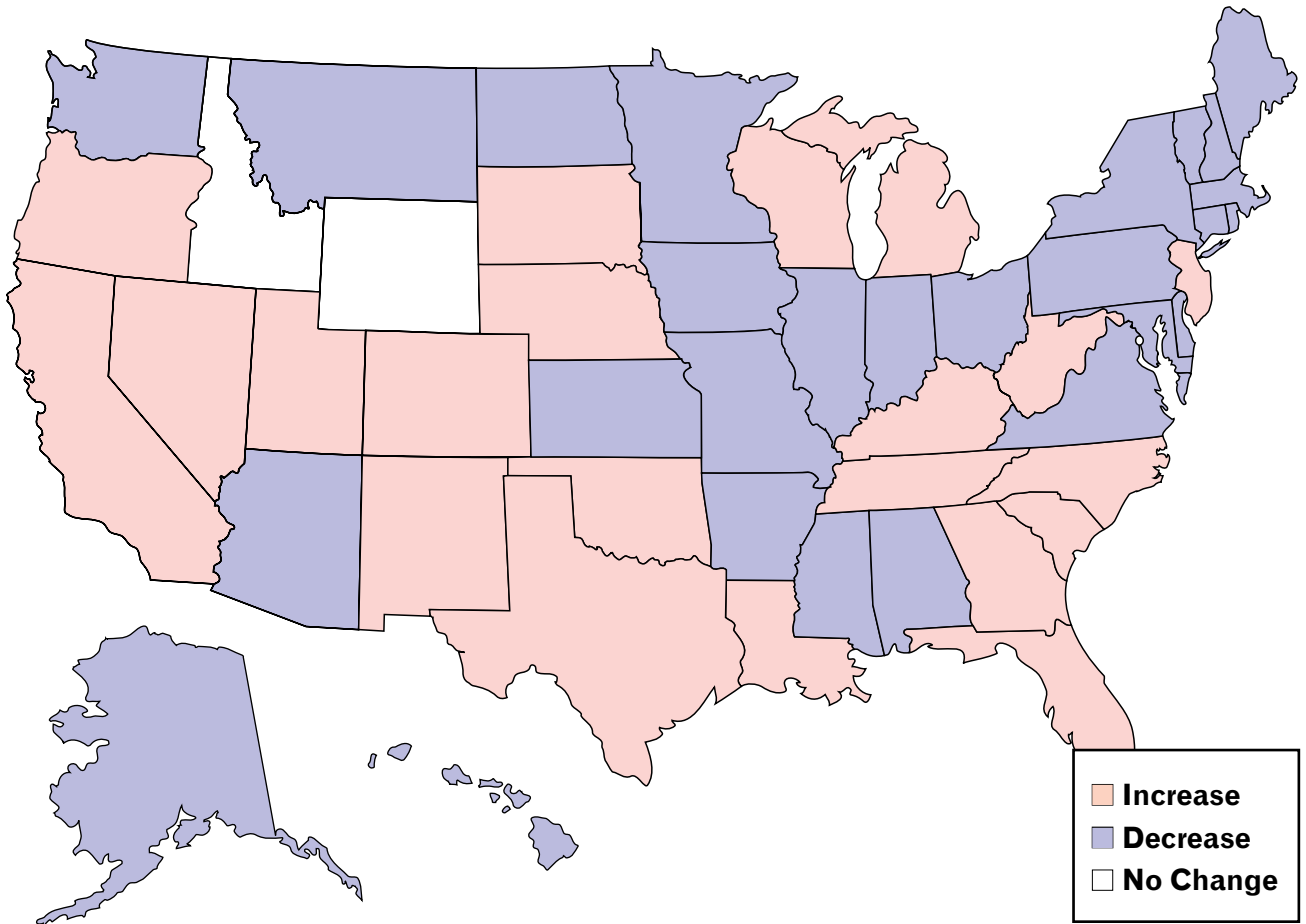
## Specialty Stores 2010

Within the total store count of 7,993 units, 2,152 are classified as specialty operations (as near as we can determine a store that has approximately 90 percent of their volume within in a single category: for example, an acoustic piano dealer who may also carry print music. While this is a decrease from 2,440 specialty units the previous year, a closer inspection of these stores indicate a broadening of their inventories moving them into multi product selling, again, as cited in previous examples, paced by accessory products and an increase in internet sales.

	2009	2010
<b>Keyboard/Piano /Organ</b>	432	344
<b>Band &amp; Orchestra</b>	360	350
<b>Drums/Percussion</b>	193	175
<b>Sound Reinforcement/Rec'g.</b>	431	367
<b>String/Fretted Inst.</b>	909	816
<b>Print Music</b>	115	100

## State-By-State Breakdown

State	total Stores 2009	total Stores 2010	Unit Change	State	total Stores 2009	total Stores 2010	Unit Change
ALABAMA	136	127	-9	MONTANA	34	33	-1
ALASKA	27	23	-4	NEBRASKA	50	53	+3
ARIZONA	135	131	-4	NEVADA	44	48	+4
ARKANSAS	91	89	-2	NEW HAMPSHIRE	58	54	-4
CALIFORNIA	1020	1022	+2	NEW JERSEY	211	215	+4
COLORADO	129	134	+5	NEW MEXICO	49	53	+4
CONNECTICUT	126	125	-1	NEW YORK	501	497	-4
DELAWARE	17	16	-1	NORTH CAROLINA	220	224	+4
DIST OF COLUMBIA	3	3	0	NORTH DAKOTA	28	26	-2
FLORIDA	396	402	+6	OHIO	334	327	-7
GEORGIA	224	237	+7	OKLAHOMA	94	96	+2
HAWAII	44	40	-4	OREGON	130	132	+2
IDAHO	49	49	0	PENNSYLVANIA	376	372	-4
ILLINOIS	355	353	-2	RHODE ISLAND	32	27	-5
INDIANA	192	191	-1	SOUTH CAROLINA	108	110	+2
IOWA	90	86	-4	SOUTH DAKOTA	18	19	+1
KANSAS	96	94	-2	TENNESSEE	187	191	+4
KENTUCKY	130	135	+5	TEXAS	430	440	+10
LOUISIANA	93	100	+7	UTAH	68	78	+10
MAINE	43	42	-1	VERMONT	30	29	-1
MARYLAND	115	112	-3	VIRGINIA	197	196	-1
MASSACHUSETTS	202	201	-1	WASHINGTON	204	199	-5
MICHIGAN	228	235	+7	WEST VIRGINIA	48	50	+2
MINNESOTA	164	157	-7	WISCONSIN	162	166	+4
MISSISSIPPI	71	70	-1	WYOMING	21	21	0
MISSOURI	171	163	-8	<b>TOTAL:</b>	<b>7981</b>	<b>7993</b>	



**State Gains 2010**

Biggest gains by number of units were Texas, Utah, Michigan, Louisiana, Georgia, Florida, Colorado and Kentucky.

**State Losses 2010**

Biggest losses by number of units were Alabama, Missouri, Minnesota, Ohio, Washington and Rhode Island.

**Even**

District of Columbia, Idaho, Wyoming

**Gainers (21)**

California	Michigan	Oklahoma	Utah
Colorado	Nebraska	Oregon	West Virginia
Florida	Nevada	South Carolina	Wisconsin
Georgia	New Jersey	South Dakota	
Kentucky	New Mexico	Tennessee	
Louisiana	North Carolina	Texas	

**Even (3)**

District of Columbia
Idaho
Wyoming

**Decliners (27)**

Alabama	Illinois	Missouri	Vermont
Alaska	Iowa	Montana	Virginia
Arizona	Kansas	New Hampshire	Washington
Arkansas	Maine	New York	
Connecticut	Maryland	North Dakota	
Delaware	Massachusetts	Ohio	
Hawaii	Minnesota	Pennsylvania	
Indiana	Mississippi	Rhode Island	