

LESSONS LEARNED | BY GERSON ROSENBLOOM

# Fads vs. Trends

In my last column, I wrote about the intersection of two technologies: smart devices (iPhones, etc.) and the MIDI gear that many of us carry in our stores. I wrote about the market opportunity created when these consumer devices find additional utility interfaced with the gear we sell. I got lots of positive feedback from people ready to embrace my recommendations to grow their businesses. But, I also heard from a few people who questioned whether this was just another passing fad where they'd get stuck with inventory they couldn't sell. So, in this column, I'd like to break down the differences between fads and trends.



The classic example of a fad is the Pet Rock. They hit quickly, had no particular long-lasting value to mankind and no likely follow-up product.

I learned the difference myself a few times too many when I failed to recognize that there is a difference between the two. Fad items hit quickly, and die the same way. Trends tend to build more organically, last much longer, and fall off naturally. The hard truth is, minus a few strong indicators, you never know for sure if a product (or even a demographic tendency) is a fad or a trend until well after launch.

Sometimes, a product can appear in the marketplace as a fad, all but disappear, and then return as a trend item. One such example is the ukulele. When Arthur

Godfrey introduced it to 1950s television audiences, it took the market by storm, selling millions of units. Then, without warning, it all but disappeared. After decades of being relegated as a secondary product everything changed. At first, people

naturally expected that this was, once again, a fad, grabbing hold because it was a less expensive version of a guitar being sold through troubled economic times. But the economy has improved, and sales have continued to prosper. Nearly a decade later, it's clear that the ukulele is not going anywhere anytime soon.

## FIGURING IT ALL OUT

So, how is a dealer to predict when a spike in business is a fad, and when it's a trend? Here are few lessons that I've learned through

years that might help you better control your buying decisions:

### 1. NEVER BUY INTO A FAD LATE.

There's money to be made in selling fad products. But you have to be willing to commit early, make your money, and get out fast. How do you minimize your risks? Don't be greedy unless you really have a penchant for gambling. Buy conservatively so that the fad doesn't completely pass you buy, but not so heavily that you're looking at that inventory for decades to come. When the fad dies, be willing to get out quickly at any price.

### 2. BE WILLING TO CHANGE YOUR MIND.

If you buy in "safely" and then find that what you thought was a fad is turning into a trend, then realign your thinking and make the product part of your mix for the longer haul. But don't forget this next point ...

### 3. LIVE AND DIE BY THE NUMBERS.

While I don't dismiss the value of a good old-fashioned gut feeling, I will tell you that the numbers don't lie. If you watch them carefully, you'll see a product is trending — either direction — and you'll be able to adjust accordingly. **MI**

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