



by Marc Bluestone

Bluestone's Retail Strategies

Are Independents in Trouble?

They're here, and they're growing like crazy! Big box stores that offer custom framing services are opening everywhere, shouting big discounts. Their growth hasn't happened overnight. For a number of years we independent framing retailers have discussed their discount strategies and how we should respond. It's only in the last few months, however, that industry members have transitioned to the question, "How will big box stores affect my ability to survive?"

Typically, the consensus among magazines and Internet discussion groups is that independent frame shops will maintain their livelihood through superior service and craftsmanship. The argument is frequently proposed that big box stores are not capable of providing the level of quality, design, and service that independent stores can, and that independent stores will always prevail for "better" framing.

I'd love to agree, but I don't. The reality is that a well-run big box can successfully complete the majority of the orders that most independent shops handle. Think about it: what portion of your business consists of very complex designs, closed corner frames, or extremely craftsmanship-intensive jobs? Now, what portion of your business consists of great looking frames with mouldings in the \$15 to \$50 range, a couple of mats, a fillet, and UV-filtering glass?

If you are in the business of selling great looking frames with nicer mouldings, multiple mats, fillets, and UV glass, then you are serving what I would characterize as the broad middle

market.

As much as we like to talk about jobs requiring unique craftsmanship or special materials—and while those jobs may bring us joy and satisfaction—they are not the biggest part of most framers' business. For most of us, the majority of our framing consists of housing artwork, documents, and photographs in frames of fairly typical construction.

Of the 15,000 or more independent frame shops in the United States, most fall into that category. Unfortunately for us, that is the exact target of big box stores. Big boxes build their business by targeting the broad middle market because that is where the majority of the dollars are. Big boxes know how to select great locations, they know how to advertise, and, believe it or not, they know how to complete most orders.

In my opinion, it would be extremely naïve of any framer to assume that:

- a big box framer can't successfully provide a suitable frame design to a typical framing customer.
- your own customers won't be seduced by a discount to "give them a try."
- the big box framer will always give a sub-par experience.
- your designs will always be better.
- you will win the day on service and craftsmanship.

We, as an industry, are receiving a wake-up call from one of the biggest challengers we have ever faced. In the last three years, big box

framers have:

- opened more stores in more affluent areas.
- increased their marketing budgets.
- learned how to frame better and faster.
- designed better looking stores with more upscale merchandise.
- learned how to market themselves better as *custom* framers.

Now what will we do? Should we arrogantly dismiss big boxes as unworthy challengers, or can we see them as the threat that they are? Will we criticize their framing because it doesn't meet our high standards for design and craftsmanship, or will we evaluate it against the more realistic standards of the customers they hope to attract?

Will we ignore them because they don't offer the highest level services that we excel at, or will we recognize that if they take the bottom 20 or 30% of our business then they have the capacity to steal most of our profit? As independent frame shop owners, we cannot afford to ignore the increasingly credible challenge of the big box.

Here is what survivors to the challenge will realize:

- 1) We must provide a high level of service, craftsmanship and design without crossing into a world of arrogance or self-defeating elitism. Sometimes people just want a frame—not a fancy frame or an expensive frame. Sometimes the same customer wants high-end framing for one purpose and more typical framing for another. We must be willing to sell the customer what they want to buy. Most of all, we must make it easy and comfortable for them to do so.
- 2) We must recognize that while the lowest price may not win the day, value always does. You can only justify a higher price for an identical product if you offer services or benefits that are of additional value to the customer. Things that you believe should be worth more to the customer are only worth more if the *customer* assigns value to them. We must make sure that we can deliver value to customers with every transaction. Ask yourself what you can do to be the best value.
- 3) We must market our businesses. We must communicate with our current customers and find new ones. A business that is stagnant in its marketing efforts will lose a disproportionately high share of its customers to

big boxes.

- 4) We must have good real estate. Big boxes trade on being convenient. We should too. Having good retail neighbors and being within your customers' normal shopping pattern leads to a higher likelihood of success.
- 5) We must be quick and reliable. Customers want their finished frame in two weeks or less.
- 6) We must be open at convenient times. Big boxes are open when customers want to shop. Too many frame shops set their hours by what is convenient for the owner. Evenings and weekends are times we need to be open.
- 7) We must not be quirky. Take credit cards—all of them. Don't close for lunch. Stand behind your work. Big boxes are increasingly reliable, have customer satisfaction policies, and are easy to deal with. You should be too.
- 8) We must look the part. More and more, we are competing against professional merchants. If one of our advantages over big boxes is that we are more mature and professional, then we must be sure to look that part.
- 9) Don't get too personal. One of my theories is that the impersonality of big boxes is partially responsible for their growth. As strange as that sounds, I think that sometimes customers are intimidated by their experience at frame shops. Framing design is a one-on-one encounter, and sometimes we think our opinion matters more than the customer's. We must always put the customer first.

Moreover, if one of our advantages is that our design and craftsmanship abilities are superior, then we must maintain and merchandise our stores in a manner that makes that apparent.

Also, not everyone wants a "relationship" with their framer. Big boxes provide a level of anonymity that is comfortable to some. Remember, sometimes they just want a frame, not an "experience."

Can we beat big boxes?

No way. Can we thrive in the same world with them? Some of us can.

For those frame shops offering the very highest level of framing to the most elite of framing customers, the challenge will not be great. They have a unique and defensible niche.

However, for the rest of us, it is going to take some thought and effort to maintain our livelihood. The first and biggest mistake to avoid is harboring the belief that

they can't do what you do. Get used to the idea that in many cases, they can do exactly what you do. Sometimes they can even do it better and for less money.

The key question to ask is... can you market, sell, and fulfill well enough to grow your piece of the pie? ■

Marc Bluestone is president of FrameGroup Inc. Located in St. Louis, MO, his 60 staff members operate 11 retail galleries, a mobile gallery, and a commercial division. Before starting his own business, Marc graduated from The George Washington University and was vice-president of a publicly-held retail company. He has taught at the National Conference. Have a question you'd like Marc to address in his column? E-mail him at bluestone@framegroup.net.