

Successful Retailing: The Business of Framing

Part Two: Location, Location, Location



Marc
Bluestone



Bob
Carter



Bruce
Dale



Jay
Goltz



William
Parker

The transcript of this event, an annual breakfast panel discussion held at the **2002 West Coast Art and Frame Show** and sponsored by **The National Conference**, will appear in the next several issues of *PFM*.

Panelists:

Marc Bluestone, president and owner of Frame Group, Inc.; St. Louis, MO

Bob Carter, owner of Frame Up; Phoenix, AZ

Bruce Dale, president of Aaron Brothers; a retail chain with 150 U.S. locations

Jay Goltz, president and founder of Goltz Group, Inc.; Chicago, IL

William Parker, owner of Ambiance by Parker; Nashville, TN

Moderated by **Bruce Gherman**, publisher, *PFM*

Question:

How does your location determine your marketing strategy?

Bruce Dale: Most people don't wake up in the morning thinking about picture framing—(except for the people in this room).

We [Aaron Brothers] are very concerned about location. I want to be out there where people can see me on the way to work or when they are out doing their normal shopping. We want to be close to a Starbucks, for example. We want to be on a main road. Because that way, at least, can remind them

every day that we are there. They don't wake up in the morning thinking about us, folks. That's what I've learned over the last several years. It's important to be visible.

Location is mission-critical in our business. I really think that too many framers try to save money on rent. If there is one area that can absolutely destroy your business, it's not getting the best location possible at whatever price it is available. And I think that's true about the best help that's available, and the best equipment, and every thing else; but location is at the top of that list.

Saving money on rent is like using tobacco—it will stunt your growth. Spend the most you can to get the best



Bruce Gherman (far left) moderated the panel discussion with five retailers who discussed various aspects of the business of framing.

location you can afford. It pays tremendous dividends.

William Parker: I want to add somewhat of a contrarian view to this. My current location is across from a junkyard.

But we did a significant volume [of sales] last year. There is no single model of success in this industry. It depends on what you want to be and where you want to do it. You can have as great a mismatch in trying to do the “wrong” concept in a very expensive retail center as the “right” concept in another location.

There are many alternatives.

Jay Goltz: I want to make a point here. William Parker has a 7,000-square-foot store. Bob Carter’s largest store is 2,100 square feet. So the point is: If you have a large format business where you are going after contract business, or wholesale, or museum, or gallery business, then you need a lot of square footage. You certainly wouldn’t go into a mall like where Bob is.

And vice-versa: If you have a small store, you’d be crazy to go to a cheap location because the rent difference just isn’t going to be that significant.

There is clearly a relationship between how big a store you need and where you should put it. You can’t put a gigantic store in a mall because there is no way the sales volume will pay for it. By the same token, it wouldn’t be cost effective to take a 1,000-square-foot store

to a cheap neighborhood because, for not that much more money, you could be on a good corner somewhere.

William Parker: It all depends on what you want to be and what your concept is. That’s the single most important thing to understand in marketing. You have to define yourself before you can go out and try to come up with ways to build a customer base. You have to know who you are before you can go where you want to go.

Marc Bluestone: I’d like to add that I’ve had the experience of moving locations. I am a retailer who depends on walk-in traffic and on advertisements that bring people to my door. I’ve seen, firsthand, what moving to a better retail center can do.

I agree that if your business is wholesale based, then paying a lot of rent to be in a high-traffic, high-visibility area is not important to you. You don’t need a big sign; you don’t need a lot of cars driving past.

But if, as a retailer, you depend on people walking in the door, people seeing you, being easily accessible, and having neighbors who draw traffic, then having a strong location is one of the most important decisions you can make. Where you place your store and who your neighbors are will help create the impression of who you are and the company you keep.

One more thing: I’d look out for brand new centers—ones that are just opening. If you are thinking

about moving into one, then I would project that the first year probably won’t bring you the riches that you think it should. New shopping centers, very often, take a little while to catch on. It takes a while to change people’s shopping patterns.

Jay Goltz: And the leasing agent probably won’t tell you that. They won’t say, “This center is struggling.” They will never tell you about problems they are having with a certain location.

Let me say one more thing related to location: Check the signage ordinances. Do not sign a lease until you find out how big a sign you can have, and what, if any, restrictions there are.

William Parker: Bob [Carter] and Bruce [Dale] brought up something yesterday that I had never thought of but is very significant. If you go their route, then it’s not cost per square foot that is important. That’s what has always been my orientation: What’s the base rent? How much is this going to cost me?

Bob and Bruce don’t look at those numbers. What they consider is the projected sales per square foot. And that makes all the difference in the world. ■