

# Successful Retailing: The Business of Framing

## Part Five: Keeping an Eye on the Competition

Transcribed by Laura Caiaccia

At the 2001 West Coast Art & Frame Show, the National Conference sponsored a breakfast

panel event titled “Successful Retailing: The Business of Framing.” The panel consisted of respected businessmen in the industry: Marc Bluestone, President of FrameGroup, Inc.; Bruce Dale, President & CEO of Aaron Brothers; Jay Goltz, President of

Artists’ Frame Service; Steve Lowrey, President & CEO of Franchise Concepts, Inc.; Rob Markoff, President of Artrageous!; James Miller, President of ARTFRAME, Inc.; and Steve McKenzie, Senior VP, Marketing at Larson-Juhl.

The question-and-answer format was moderated by Bruce Gherman, publisher of Picture Framing Magazine.

### QUESTION:

**I’ve been told that it’s important to know your competitor’s prices. How do you find out that kind of information?**



Jay Goltz  
President  
Artists’ Frame Service

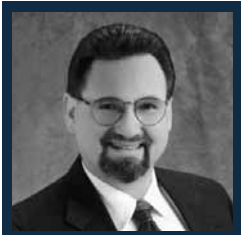
**Jay Goltz:** I think that if people spent less time worrying about what their competitors are charging and think more about what they should be charging, then they’d be making a whole lot more money.

We very seldom check market prices. Because this is the question: If you decide you need to charge \$100 for a particular frame, and you find out that your competitor is charging \$82, what do you do—charge just \$81?

I don’t believe the price that your competitor is charging is a significant thing. I’ve been running my business this way for 23 years and I’ve found that I am setting the prices in Chicago now. Others look at what I charge; I don’t look at what they charge because most people aren’t charging the right price. If you find out what everyone else is charging when they are doing it wrong—what can you do with that kind of information?

I’ve said it many times and I will say it again: we are not in a price-driven business. Do you think that your customers are going from shop to shop checking prices as if we are selling cars or refrigerators? Most customers don’t know what our competitors are charging and they don’t pay attention to price differences. And yes, they all say our prices are too high.

Our problem is that we get that one lady who came in last week and said, “Your prices are high! That place down the block is \$10 cheaper,” and now we can’t get her out of our head. Do you think you are going to get a customer who says, “Wow, that’s a great deal. You’re the best value in town.”? That’s a fantasy that is never going to happen. Stop worrying about the competition so much.



James Miller  
President  
ARTFRAME, Inc.

**Jim Miller:** Jay's right—don't worry about what the competition is charging. Base your prices on your own costs and objectives. Base your prices on profit. And when customers talk about price, talk to them about value.

Don't let the conversation focus on price. Explain to the customer what it is that they are paying for. That's why they came to you. If they want to discuss price, then they can go down the street where there won't be any questions asked.

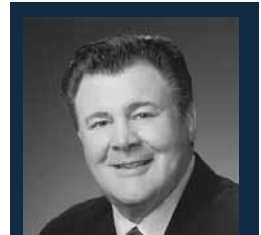
Start a conversation about value, and price won't matter anymore. Who shops for a Rolls Royce on price?

## QUESTION:

**Will the pre-framed art market—which now offers good quality and instant gratification to the consumer—affect the custom framing industry?**

**Steve Lowrey:** Pre-framed art definitely has an effect on custom framing. It even has an effect on print sales. (At our Deck the Walls stores, we typically have 500, 800, sometimes 1,000 open edition prints in stock.) Many years ago the kind of instant gratification pre-framed art gives wasn't available to the customer.

It's just all the more reason why we need to focus on the details it takes to become an excellent retailer. Pre-framed art isn't going to go away. The big box retailers are going to continue to improve because what the customer wants is channeled back to turn through distributors, and therefore the pre-framers are going to keep asking for bigger mats, bigger frames, more intricate designs, and keep moving in that direction. ■



Steve Lowrey  
President & CEO  
Franchise Concepts, Inc.