

Successful Retailing: The Business of Framing

Part Four: The Right Stuff



Marc Bluestone



Robert Carter



Bruce Dale



Jay Goltz



Jeannette King

Question:

How are you using product (i.e. new items),
or changes in your product selection, to grow sales?

This series of articles is a transcription of the National Conference Annual Business Breakfast Panel at the 2003 West Coast Art and Frame Show. Look for another discussion from the event in the next issue of PFM.

MODERATOR:

Bruce Gherman, publisher, *PFM*

PANELISTS:

Marc Bluestone:

president and owner of Frame Group, Inc.

Robert Carter:

owner of Frame Up (with two retail locations)

Bruce Dale:

then president of Aaron Brothers;
now CEO of Frank's Nursery and Crafts

Jay Goltz:

president and founder of Goltz Group, Inc.

Jeannette King:

president of SpecialtySoft

Jay Goltz: The products available in the picture framing industry have changed dramatically. If you haven't opened up your eyes and bought some nicer, better mouldings, some fabric mats, and better glass, then you are cheating your customers out of the opportunity to get better merchandise.

If you're still saying, "Oh, my customers won't buy that," then you are behind the curve. Your competitor down the block from you is selling it. The sales reps in your area are now going to that shop to show the newer mouldings.

I don't believe there are any frame shops out there that only have poor customers. If you think your customers won't buy the



Bruce Gherman, *PFM* publisher, (far left) moderated the panel discussion with five industry veterans who discussed various aspects of the retail side of framing.

better products, then you are doing damage to yourself. It has nothing to do with the economy, it has nothing to do with Michaels or Aaron Brothers [stores], and it has nothing to do with the guy down the block. You are your own problem.

There are some great new, hot products out there at the [trade] shows. Open your eyes to it all. Do something crazy—take some free samples.

Bob Carter: I don't disagree with Jay, but I would suggest that there is price resistance in the marketplace. Certainly there is in our market!

We haven't abandoned all those issues that Jay just talked about, but we've also looked for items we can use to create a "sale saver." This is something to use after we have shown the \$400 design that is absolutely spectacular but encounter price resistance. It's our fall-back position.

What we've elected to do is buy selected items—extremely well—that allow us to offer some true promotional value while still maintaining our margins. Let me assure you that the gross profit on a \$200 frame job sale—if the materials were bought very well—will be more than a \$400 frame job "no-sale."

We don't want to have a single customer walk out the door because they couldn't spend the money we think they "ought" to spend. Of course, we still want our first shot at the design to be the very best we can create. But we need that fall-back position. I'd suggest you go look at buying some boxed quanti-

ties. There are great opportunities to find a select type of product that would allow you to do what we've done.

Jeannette King: My suggestion would be to look at what your best customers are buying. Measure and track that so you can understand it. Identify what those items are; then find more items like them. Studies show that it is more effective to sell to existing customers than it is to find new ones. So I'd find complementary items to your best sellers.

Marc Bluestone: I think the economy has changed, but yes—good business is still good business. I think the change has forced those who were running "just okay" businesses to become better. And that can have a big effect.

Let's face it—in the second half of the last decade people practically threw money at us. It just happened; we didn't have to be very good at what we did. Then the economy started to slow down and we found out we weren't as good as we thought we were.

Maybe it was our product selection, maybe we didn't have enough different items to offer. Maybe it was because we didn't have "sale savers." But I don't want to talk about the low end, I want to talk about the higher end, because that's the best part of my business right now. Some customers are buying great things—the people with money, the people who are confident, are still coming in.

I think we need to focus on knowing how to sell the better products and on having other product to sell. There's been a lot of

discussion about other lines of product you can add to your store. One of the things that separates a really successful retailer from someone who just hangs in there is having more to sell. Photo frames might be one of them; some stores are successful selling a limited selection of gift items.

A customer might have something framed just once a year, but they might buy other framing-related items several times a year. This changing economy might point out to us that we need to look hard at every single thing we do and figure out what we can do better, and also what makes sense and will continue to help us when the economy regains its strength.

Bruce Dale: Let me add to that. There is some good news about tough times. Not much, but some.

I'm convinced that in your business and even in your personal life, you don't grow in good times. You might say that you work as hard in good times as in difficult ones. You might think that you'll think as much and be as creative, but you don't.

Now's a good time to get your business in a position to grow when we come out of this. Remember: You don't grow when things are good; you just don't. ■