



# Goltz by Jay Goltz On Business

## *Marketing 101 or Maybe Marketing 10.1?*

**W**e are in a very small industry. The entire custom framing market in the United States has been estimated at two to three billion dollars. That makes it similar in size to the tobacco industry. Makes you want to spit, doesn't it? The fact is, most people have never been into a frame shop.

You might be thinking, "That's impossible. Everyone I know goes into a frame shop." That reminds me of a story about the 1972 Presidential elections between George McGovern and Richard Nixon. After the landslide defeat, (Nixon won if you're too young to remember or blanked it out), a *New Yorker* was quoted as saying, "I can't believe it! Everyone I know voted for McGovern!"

We all travel in certain circles whether it's socially, economically, or in the workplace. If you're in this business, you can't help but know a lot of people who frame pictures.

The reality is, probably about 10% of the households in America get something framed every year. Let's check out the math to see if this makes any sense. The recent census says there are 280 million people living in the United States. That translates to about 100 million households.

If 10% of the households frame two pictures this year, that will mean 20 million framing orders. At \$150 each, that's three billion dollars. Now this is hardly scientific, but even if the numbers are off 50% it still points to the fact

that most people will not be custom framing this year. (If you want to send me \$500,000, I'll have my research team do a more formal study.)

This is not bad news. As a matter of fact, this is not news at all; it's information. It means that you had better make business decisions based upon the fact that we are in a business that caters to a small group of people. That is very different than stores that sell shoes, beds, food, clothes, and refrigerators.

If you want your business to grow, there are two things you need to do in order to compensate for our market.

The first is targeted marketing. This means that you need to figure out who your best potential customer is and advertise to them, avoiding the "shotgun approach." You have probably already done this by selecting the location that you have for your store.

You need to target people who live in your area. The phrase "your area" will vary widely depending on whether you are in Manhattan or Big Fork, Montana. Looking at your customer list should give you a good idea as to how far people will travel to come to your store.

The second thing to target is lifestyle or income; they are related. The demographic profile of the audience of newspaper, radio, television, and direct mail varies widely. The ideal place to advertise would be somewhere that covers your market area and appeals to an upscale crowd.

In big markets this can be difficult because the advertisement is very expensive; if you only have one store you are geographically wasting a lot of coverage. On the other hand, in a smaller market it might be more difficult to find a more targeted publication or broadcast because the market is too small.

Whatever you do, take what the ad salesperson tells you with caution! Their job is to sell you. Your job is to be skeptical, but not cynical. Being skeptical will prevent you from being taken advantage of, whereas being cynical will prevent you from taking advantage of opportunities.

I have found that most frame shops spend about 5% of sales on advertising, with a large part going to the Yellow Pages. The Yellow Pages does have “qualified” customers in that if they’re looking in the book, they’re ready to buy.

But how much wasted coverage is there? Are you in the geographical center of the area the book covers? Or do you have to buy ads in various books because you are on the edge of the geographic boundary? Is the book’s coverage area so large that many of the people who get it are too far away? Could you put a smaller ad in and get the same response?

Sometimes bigger is not better; it’s just more expensive. This is where you need to toughen up.

Some of the Yellow Pages reps have been through the Dracula School of Sales; suck out the last drop of blood. It is easy to get intimidated by the sight of all your competitors and the mind numbing statistics presented by the rep. The fact is, most potential customers are going to go the store that is closest to them. Period. If it is a decent looking ad that is big enough to be noticed, it will do its job.

Putting a bigger ad in because you want to show up the competition is a very expensive way to show off. I would suggest it is better to buy a new car. It’s better that *you* get the new car than the Yellow Pages sales rep. It’s a dog-eat-dog world.

Lastly, recognize that things change. Demographics change, people’s habits change, and neighborhoods change. For instance, did you know that 83% of households with incomes over \$75,000 are using the Internet? The major reason for use is to find information. You should seriously consider having your own website. It does not have to be expensive.

Many people use the Internet as their Yellow Pages. Even the Yellow Pages recognizes this and has an advertisement for their website on the front cover of their book (at least in Chicago they do). I’ve shifted 20% of my Yellow Pages budget to the Web. My new venture, FramerSelect, combines tar-

geted marketing with the use of the Web.

There is another issue you should take into consideration in your strategy to make the most out of this small market. The popular business term used for the last 15 to 20 years is “niche market.” It means servicing a small market well and avoiding “commodity” type markets with many large competitors.

Here’s the revelation. Custom picture framing is a niche market. Sometimes it might seem like big guys are into it, but compared to other industries they have a small share of the market. The independently owned small shop still reigns and if I have anything to do with it, they will grow and thrive into the new century.

If you want to grow, or even maintain, your business, you need to avoid making a niche business inside a niche industry. It is one thing to specialize in something; preservation framing, shadow boxes, etc. It is another thing to eliminate a large part of the custom frame market by only doing your specialty.

Decorative framing can be very profitable as well, even though for some people it is not emotionally or artistically rewarding. Remember, it is a very small market and a small piece of a small piece can leave you with crumbs.

So go after as large a part of our small niche as you can. Grow for it!

