



Goltz by Jay Goltz On Business

Countdown to Two Thousand Three Five Things to Consider at the Start of the New Year

It's a new year—one that brings significant change. Studies show that more and more people are focusing on their homes and paying more attention to decorating. The Baby Boomer generation, which has led many trends over the past 50 years, is doing so again. Their children are setting up households, raising children, and buying bigger houses. This, in turn, affects the picture framing business.

This younger generation is more educated than their parents (they also have parents that were educated). The children of Baby Boomers are well-travelled and have grown up with computers. As a result, these consumers have brought some subtle changes in the marketplace that I believe are worth noting. I can think of five things that are worth looking at in preparation for the new year. Take a look and see where you stand.

1) Computers. They've become so commonplace—even in frame shops—that the absence of one will make you look old-fashioned (and not in the good way) to this new generation of consumers. Computers are not just a fad like CB radios. They are invaluable in keeping your pricing consistent and giving you good information. Get with the program! (No pun intended!) The cost of computerization is very

inexpensive, and will more than pay for itself.

While I'm on the subject of computers, let me add that the computerized mat cutter is no longer an oddity in the frame shop either. They save time and money, and they give you the ability to cut fancy mats that would have previously been impossible or unprofitable. If you want to serve this new, sophisticated, demanding group of consumers, you need the advantage of a CMC. Not having one puts you at a disadvantage to your competitors that do have one.

2) Education. Today's custom picture framing customer is far more educated about framing than in the past. Many of them are familiar with the terms conservation quality, preservation quality, or museum quality. The less confident that you and your staff are in talking with customers on this subject, the more likely they are to go someplace else. More educated consumers might not be anything new, but the awareness in the marketplace had risen dramatically over the past few years.

3) Marketing. The population has gotten bigger and bigger, and the options for advertising to that population have increased dramatically. Compared to 10 years ago, we now have more cable TV stations, there are more publications

than ever, and there are even duplications in the Yellow Pages venue. The Internet is also playing a growing role in the way people shop. What's a frame business person to do?

I'll tell you: *rethink* things. Look at all of the options and recognize that you don't spend enough money to do it all. You probably only have enough money to take advantage of two or three of these options. The answer of which two or three to select is different for every frame shop. Who you cater to, your location, and the cost of local media are all important factors to consider. The only thing I can tell you for sure is that if you have been doing the same thing for 10 years, there's a good chance it's time to change. Marketing is a moving target because the population constantly changes.

4. Retailing. The bar continues to be raised because retailers have learned that the look of a store is as important as the merchandise they sell. Now the beautiful stores are even more beautiful, and the ugly stores are less ugly. I doubt you can think of a store that hasn't updated the look of their interiors; the ones who haven't have gone out of business. It's survival of the fittest.

There's a good reason why the store fixture business is much bigger than the custom picture frame industry. If you go into the typical grocery store in a sophisticated market, it doesn't look anything like the typical grocery store of 10 or 20 years ago. They are, however, basically selling the same food.

Customers have gotten used to more sophisticated television, better special effects in movies and commercials, and they have also become more accustomed to sophisticated retailing. They *expect* it.

Pegboard is not a new display material. Go shopping in the local mall and see what their displays and lighting look like. Look at the floor coverings. Do we think that picture framing shops and galleries are exempt from the same rules as other retailers? Do we think that while customers have been conditioned to walk into beautiful, bright stores that they will be happy walking in a frame shop that looks like it was created 20 or 30 years ago?

5) Evolution. Think about the answers to these questions: How many frame shops are in your trading area? How many were there three years ago? Ten years ago? How many do you think there will be in five years? As you think about the answers, consider this as well—the marketplace, even an industry, does not necessarily continue to grow at the same pace. In fact, it can even shrink.

When we talk about the survival of the fittest in the frame industry, we don't mean whoever can put pictures together the fastest. I wouldn't be surprised to find that the number of frame shops in America had gone down in the past year. It's not that I think that the industry is shrinking; I believe there is a very quiet culling going on. The successful keep growing and becoming more successful, and the non-business people are becoming non-business owners.

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So there are your five items—all food for thought. Chew on it—but not for long. Your hesitancy could prove advantageous—to your competitors. ■

Jay Goltz, Business Editor, started Artists' Frame Service in 1978 fresh out of college. AFS now employs 120 people at its main location in Chicago, IL. Goltz is also the founder of FramerSelect. He has received numerous business honors and is best known for his straight talk on how to succeed in business. He has taught at the National Conference