
Your Bottom Line

By Dr. Henry J. Oles, Cr.Photog.

Competition can be healthy

Recently, a professional photographer asked me how he should deal with another photography studio opening a business just a block away from his established location. He was worried that this nearby competitor might pose a serious threat to his photography business.

Often, the intimidation of competition creates fear in studio owners. Such fear is justifiable; however, competitive situations can also create healthy business environments that vigorously stimulate studio profitability. The key factor for photographers is to approach competition as a positive influence.

Many years ago, when we first opened a studio in San Marcos, Texas, there was a major problem. Street-front locations were not available in the downtown area, and shopping centers on the perimeter of town didn't exist. This lack of space smashed our dream of owning a first-floor, "Main Street" studio. Instead, the photography business was initially housed in a dingy, second-floor room of a side-street building.

Still wanting to land a prime location, where we could prominently display studio photography in order to attract potential clients, we continued searching. During this fruitless hunt, we noticed two large, virtually empty, display windows fronting an ideally located downtown beauty parlor. We offered to rent one of these windows, to exhibit images and advertise photography services, and the beauty parlor jumped at the proposal.

Fortunately—or unfortunately, depending on one's viewpoint—this display window was located next door to a long-established portrait studio. Although this enterprise—a branch operation of a 12-studio chain—created lackluster photography, it maintained a profitable business. Admittedly, I felt queasy about the display being so close to a competing studio, but it was the best opportunity in town for promoting our business.

The display window's attractiveness immediately became a threat to the neighboring studio. At that point, this studio had two options: Improve its photog-

raphy and displays to become more profitable, or continue to lose business. Within one year, the studio packed up and left town. Even though it was established for a number of years, attracted a solid customer base, and enjoyed the strength of a 12-studio chain, this business still chose to fold. We then took over its abandoned lease and opened a new portrait operation. Eventually, the adjacent beauty parlor went out of business, offering us an opportunity to incorporate that building into our operations as a camera store.

While these events ended positively for us, the other studio could have reaped benefits if it was ready for a competitive challenge. The display window could have increased this studio's business by creating portrait interest among consumers. Passers-by might have thought our display window belonged to the next-door studio.

Established studios who are prepared for all challenges can discourage potential competitors from entering their market areas. I still question the ethics of placing the competitive display so close to another studio. But if the owners of this operation produced quality photography and did their homework, we probably would not have considered renting the display window. Our major reason for opening a studio in San Marcos, was because the general photography standard was poor in the area.

A lack of competition is actually one of the bigger problems studio owners must face because photographers can become lackadaisical. It is also important to realize that competition does not originate just from other studios. Photographers must remember they are constantly competing with a variety of non-photography businesses for consumers' discretionary income.

Competition is a healthy influence if it:

- Motivates photographers to think of new ideas, approaches, and marketing schemes.
- Encourages image-makers to create new styles of photography that might attract more clients.

- Presents studio owners with a daily challenge.

- Provides photographers with a specific threat that demands a response.

When there is minimal competition in their areas, photographers generally lack the motivation to create a better product. Competition usually forces studio owners to generate outstanding photography and improve marketing strategies, which result in attracting more business and warding off potential competitors.

Competition drives studio owners from a psychological standpoint. It is exciting to run a competitive race and have a "disliked" competitor in the area. Overt competition can greatly spur a studio's development.

Another competitive advantage occurs when several businesses rival one another and create enough consumer interest collectively for all to prosper. For example, if a town has six portrait studios that aggressively market their services, the studio owners might do better together than if any one of them existed as a stand-alone operation.

Instead of fearing competition, studio owners must view it as a challenge, feed on it, and turn it into an opportunity to earn new profits. That's how healthy competition makes a bottom line grow. 