
Your Bottom Line

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The demise of the mom-and-pop studio

Though many portrait photographers refuse to acknowledge it, mom-and-pop studios are doomed to extinction—perhaps before the year 2,000!

During photography's infancy, nearly every portrait studio was a small, independent business with few employees, most of whom were often family members. In the past 25 years, these mom-and-pop operations have experienced an inevitable erosion of their business as larger companies attract more and more customers from small studios.

Today, more than 50 percent of the portrait business in the United States is handled by medium to large corporations, including Lifetouch, Olan Mills, and hundreds of other companies.

Small studio owners are guilty of ignoring the reality of this industry trend, perhaps subconsciously hoping that if they fail to acknowledge the change, it will disappear. Or, they may mistakenly assume that corporation-owned photography studios don't exist because small business owners may not rub shoulders with these executives at professional conventions. However, these entrepreneurs simply may not attend conventions.

Mom-and-pop may feel relieved when they read about a corporation-owned operation experiencing financial problems. However, one company's often temporary financial difficulties do not represent the entire new segment of the portrait market. Volume operations are generally very strong and highly profitable.

Mass marketing of portrait photography is inevitable. The only surprise is that the revolution has taken so long to occur. In fact, professional portrait photography is one of the last bastions of the mom-and-pop enterprise.

Hometown businesses have been under attack across America for more than 30 years, in many fields. You need only to glance about your own community to see the change. For example, very few independent, locally-owned drug or retail stores exist anymore. Many restaurants, especially fast-food outlets, are either cor-

porately owned or franchised. Large corporations are buying local hospitals. It is becoming increasingly difficult for the "independent" to compete in many fields.

Identical factors are at work in professional portrait photography. Large companies often can negotiate discounts on supplies and equipment not available to low-volume, independent studios. Big corporations employ advertising and promotional experts, business managers, and consultants. They advertise on radio, television, and in print to familiarize Americans with their name. The odds are stacked against mom and pop. Several thousand new one-hour portrait studios operating as part of one-hour labs will further dilute the market share afforded the typical mom-and-pop business.

Is there hope? Definitely! But only for studio owners who target a particular market segment that will be actively purchasing photography in the year 2000.

One approach is to strive for recognition as the top quality, truly creative photographer in the community who handles the carriage trade, along with carriage trade pricing. This wealthy market segment will remain in certain communities. However, as more photographers court this clientele, the market will become fiercely competitive. There simply will not be enough carriage trade customers to support the studios.

Another option is to leave total independence behind and become associated with a large portrait corporation. The resulting guaranteed salary and bonuses can be very gratifying. Many large companies are quietly hiring well-known photographers as advisers and trainers. Local photographers also can band together to form cooperative buying groups for purchasing advertising, promotional material, supplies, and business management services, etc.

Another alternative is franchising. Portrait photography franchising has been undertaken in the past, but the attempts were poorly conceived and offered few rewards to independent photographers.

That situation has changed today.

The franchise route has been phenomenally successful in nearly every retail field. No one would think of entering the fast-food hamburger business without considering the purchase of a McDonalds or Burger King franchise. There are innumerable advantages to this type of operation, ranging from instant name recognition to cooperative promotions and assistance in general business management. Franchising is the middle point between the independent mom-and-pop operation and the big corporation.

Perhaps independent photographers will balk at paying franchise fees and a percentage of the gross income to the parent company, but a successful franchise arrangement can pave the way for a very profitable business located in prime retail space. I know of no franchise package available for retail store portrait photography, but it is only a matter of time until one is implemented.

The ultimate goal for each of us is to earn a strong bottom line profit. To keep the bottom line healthy, change is necessary and inevitable. Though change may be frightening, view it not as a threat, but an exciting opportunity to forge ahead. ■